

Arafura Resources Gavin Lockyer on the U.S. growing interest in magnet metals

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"We are developing a project in Central Australia so in terms of political risk we represent a very low-risk jurisdiction. Our process is to mine, develop and process rare earth materials in Central Australia and then export neodymium-praseodymium oxides to the metal and magnet manufacturing industry, which typically sits offshore in places like Japan to a lesser extent Korea, predominantly China. The U.S. is definitely getting a growing interest in this as it is a strategic metal that feeds into high-performance magnets as you have rightly alluded to, which drive electric motors and also a range of defense applications." States Gavin Lockyer, Managing Director of [Arafura Resources Ltd.](#) (ASX: ARU), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

Tracy Weslosky: I will be honest with you; I am very excited about this interview. I mean, we have a lot going on in the news right now between China and the United States, and now Canada and China. That is making the world look to you for neodymium and praseodymium in Australia. Is that correct or am I jumping to the wrong conclusions?

Gavin Lockyer: It is starting. We are starting to see some movement in that space. Geopolitical issues typically reflect into an increase in the neodymium-praseodymium prices. We hope to see that in the near future. What we are seeing is that there is a slight increase from North American investors and manufacturers in particular, starting to look up their procurement supply chains to see where are the critical metals

being sourced from and what can they do to minimize their risk of supply disruption.

Tracy Weslosky: For those of you out there who may not be familiar with how exciting the magnetic material market actually is, the critical material market is, I am going to ask you Gavin, if you do not mind, just to give us a quick overview and re-review of who Arafura is in this market.

Gavin Lockyer: Sure. We are developing a project in Central Australia so in terms of political risk we represent a very low-risk jurisdiction. Our process is to mine, develop and process rare earth materials in Central Australia and then export neodymium-praseodymium oxides to the metal and magnet manufacturing industry, which typically sits offshore in places like Japan to a lesser extent Korea, predominantly China. The U.S. is definitely getting a growing interest in this as it is a strategic metal that feeds into high-performance magnets as you have rightly alluded to, which drive electric motors and also a range of defense applications.

Tracy Weslosky: Gavin what you have just alluded to, we did a piece about how the U.S. Defense law has market eyeing raw materials sources in Australia. Have you seen any additional phone calls from any military sources, of course, here in the last month? What can you talk about?

Gavin Lockyer: There is not a lot I can talk about. What I can say is that there is certainly interest coming from both sides of the Pacific to be honest. The Australian government obviously has made a range of public announcements in which it endorses Australian resource and critical metals and materials for its allies and, of course, the U.S. is an important ally, as is Canada. We would expect, while we have had some discussions at Canberra and at Washington level, what I would really like to

see is some of those industries that are reliant on the NdPr for their businesses actually start to come and talk to us a little bit more in a little bit more meaningful capacity because as you are well aware Tracy, the NdPr market is not a commodity market. There is not a LME on which it is traded and so for us to get our projects up and running we need offtake contracts which are defensible or are bankable basically...to access the complete interview, [click here](#)

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