

Alkane's Nic Earner on the 'Critical Link' between lithium and rare earths

May 18, 2018 – “This conference is going to focus a fair bit on the battery, but I am going to talk about what this battery drives, which in general is a rare earth permanent magnet. I think we can all agree on the scale of the trend. There is a trend occurring and it is one of the most fundamental and rapid shifts we have seen in consumer behavior in a generation. Rare earths, particularly the permanent magnets, are going into all these places, but the big change that is coming is the drivetrain...” states Nic Earner, Managing Director of Alkane Resources Ltd. (ASX: ALK | OTCQX: ANLKY), in a recent presentation at the 7th Annual InvestorIntel Summit – Buds, Batteries & Blockchain 2018.

Nic Earner: I am going to focus on industry dynamics as distinct from talking about our project. If that disappoints you, you can grab my colleague John or I and we can make it so that you regret ever asking us at lunchtime and also we can tell you the joke I was going to tell you until I realized I was being recorded. I also have an update to our business case for our Dubbo Project coming out in May as well. That will have a lot more data. I do not need to convince this audience because we just heard there from Paul that there is a significant transformation in the specialty metal sector underway at the moment. Here is a Tesla. I love the fact that it has got no grill. I think that is the most subtle piece of marking I have ever seen in a car. I think it is fantastic. This conference is going to focus a fair bit on the battery, but I am going to talk about what this battery drives, which in general is a rare earth permanent magnet. I think we can all agree on the scale of the trend. There is a trend occurring and it is one of the most fundamental and rapid

shifts we have seen in consumer behavior in a generation. Rare earths, particularly the permanent magnets, are going into all these places, but the big change that is coming is the drivetrain because actually rare earth magnets are being used in the devices inside doors and windows and wipers for quite a few years. Most major manufacturers have been debating, do or do they not incorporate rare earth permanent magnets inside their drivetrains and they are starting to do that now. The Tesla long-range vehicle has a rare earth permanent magnet. These magnets consume about 0.7 to 1 kilogram per vehicle of neodymium and praseodymium in the vehicle. Depending on how many bells and whistles you buy in this one or the Mercedes S Class you will be up at 1½ kilos in the other drive (inaudible) within the vehicle, but there is a minimum of 0.8. You are talking somewhere around 1½ kilos of rare earths in each electric vehicle. Numerous projections on this; I will not spend too long. We can see that from ground zero we are talking 6½ times the amount of rare earths. People can argue about the ups and downs to that, but broadly we can agree that there is a fundamental shift occurring in the market. It is really interesting. We as a company go looking for offtake contracts to launch the project. The most common thing that I have heard across this last year has been, rare earths have got a problem there mate. Well, they actually do not say mate. That is me. They say, I know we have got a problem there, but we are going to get to that soon. We are so busy dealing with the lithium and cobalt supply chain issue at the moment that we will deal with rare earths later...to access the complete presentation, [click here](#)

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