

## Chinese Set to Weaponize Rare Earths/Devaluing the Yuan against the US in Their Trade Dispute

As the title of this letter indicates, as the US-China trade dispute intensifies, the Chinese are looking at their rare earth dominance as a trade weapon against the US. They have also threatened to seek out alternative trading partners for their exports. These developments will be very positive for rare earth developers (including scandium). Attached are recent news articles (August 5<sup>th</sup> and 9<sup>th</sup>) on this matter for your review:

- <https://www.scmp.com/business/commodities/article/3021947/chinas-rare-earth-producers-say-they-are-ready-weaponise-their>
- <https://www.nytimes.com/2019/08/08/business/china-currency-trade-rare-earths.html>

Crater Lake is uniquely enriched in scandium and rare earths compared to other geologically similar bedrock deposits, with grades of up to 1,600 ppm Sc and up to 9.0% total rare earths and potential for large tonnages.

Scandium is contained in two minerals that can be readily pre-concentrated using magnetic separation techniques then shipped elsewhere for hydrometallurgical extraction of the scandium. Preliminary work indicates that Imperial will have advantages in terms of overall costs of recovery allowing Imperial to offer its scandium product at a lower price point than its competitors, but further process test work is required to confirm this potential. Further, the resource is located to the north of the Saguenay region of Quebec, the center for aluminum production in Canada providing ready them with a potential local source of scandium for production of Sc-Alloys.