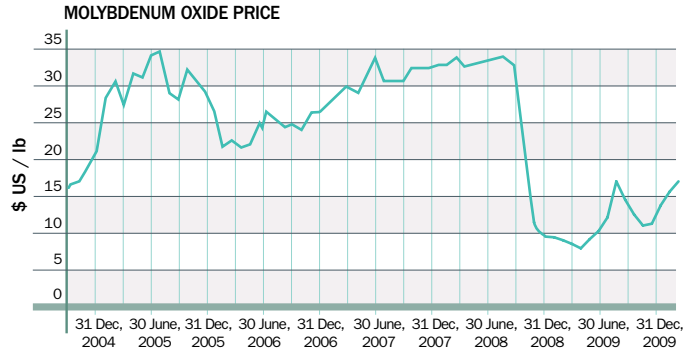


MOLYBDENUM MARKET DEVELOPMENTS

MOLYBDENUM PRICES WERE VOLATILE

Molybdenum oxide prices were volatile during 2009, mainly reflecting abrupt shifts in the global supply-demand balance. Prices were generally weak and remained under \$10 per pound in the first half of the year due to economic recession and industrial cutbacks in many parts of the world, but rose above \$10 per pound in the second half of 2009 as worldwide industrial demand for metals began to recover.



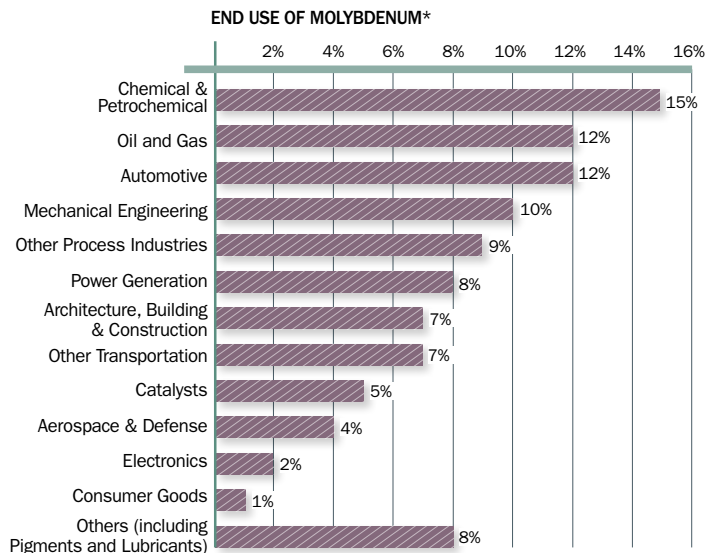
CHINA SHIFTED TO A MAJOR NET IMPORTER



A surprising development in 2009 was China's very high level of molybdenum imports, which far exceeded its molybdenum exports and caused the country to become a major net importer of molybdenum for the first time in modern history. China's shift from net exporter to net importer of molybdenum last year allowed North and South American producers to sell molybdenum at prices above their unit cash costs and to continue operating their mines with only minor reductions overall in production levels and little accumulation of inventories.

INDUSTRIALIZATION WILL DRIVE WORLD DEMAND

As emerging economies around the world continue on the path to industrialization, they will need increasing amounts of molybdenum and this is expected to contribute to global demand growth in the coming years. According to new information (see accompanying chart) on the end use of molybdenum published by the International Molybdenum Association (IMO), molybdenum is used in a wide variety of industrial goods and processes and is an essential metal for any country wishing to raise or maintain living standards.



*Percent of total global consumption of molybdenum, by industry; estimates for 2008, including Mo in scrap. Source: International Molybdenum Association (IMO)