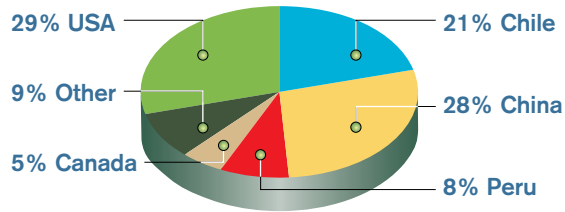


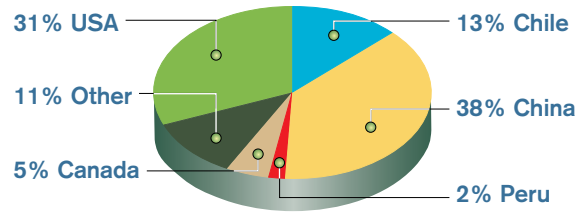
Mo Supply Constrained

World Molybdenum Production



Source: U.S. Geological Survey

World Reserves



Source: U.S. Geological Survey

The world's geological reserves of molybdenum are concentrated in China and North and South America. China's reserves could potentially lead to higher production to fill the world's growing needs.

However, while China was a major exporter of molybdenum in the past, the Chinese government beginning in 2004 deliberately reduced molybdenum supply to the rest of the world through production curtailments, export taxes and export quotas. As local high-cost mines closed down near the end of 2008, China started importing large quantities of molybdenum from North and South American producers.

Net Exports from China

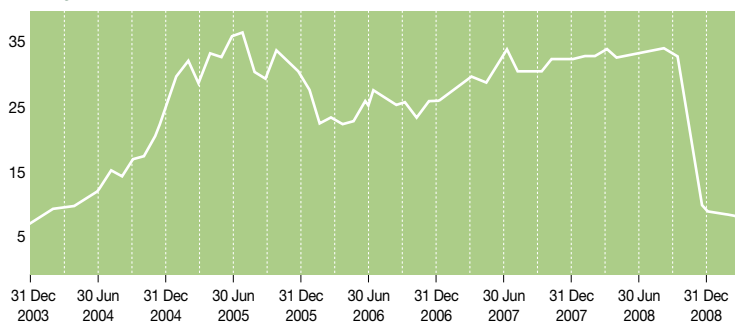


Production barely kept pace with growing demand in the past five years and did so only because the molybdenum price rose dramatically in 2005 and encouraged higher production from many sources, including by-product copper mines which account for about half of the world's molybdenum supply.

Molybdenum supply will likely remain relatively constrained for an extended period of time. Molybdenum production at by-product copper mines is not expected to grow significantly. The development of major new primary molybdenum mines will be delayed by difficulty in obtaining financing. China is likely to continue with its strategic policies aimed at keeping its molybdenum mainly for use in its own industries.

Production barely kept pace with growing demand in the past five years.

Molybdenum Oxide Price Chart (US\$/lb)



The price of molybdenum oxide fell precipitously in late 2008 as steel mills retrenched in the midst of economic recession. However, the molybdenum price is expected to move higher in the medium term, as economic growth resumes, molybdenum demand increases and supply remains relatively constrained.