



THE SFP CADMIUM PRESS REVIEW

29th May 2006

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Cadmium Metal Quotes

Reuters 26th May 2006

\$/lb in warehouse	Low	High
Min. 99.99%	1.60	1.80
Min. 99.95%	1.40	1.60

Metal Pages 25th May 2006

\$/lb in warehouse	Low	High
Min. 99.99%	1.90	2.00
Min. 99.95%	1.70	1.80

Dow Jones 26th May 2006

\$/lb in warehouse	Low	High
Min. 99.95%	1.85	2.10

WBMS World Refined Cadmium Production and Consumption: 2002 – 2006 Est.

(all in MT)	Full Year	2002	2003	2004	2005	2006 Est.
Production		16,845.3	17,711.8	17,257.3	17,010.9	17,890.1
Consumption		19,215.3	19,642.5	16,955.4	15,900.2	15,835.7
MARKET BALANCE		-2,370.0	-1,930.7	+301.9	+1,110.6	+2,054.3

Source: <http://www.world-bureau.com/>

Currencies and Commodities

Financial Times Currency Market Data: 26 th March 2006	
Euro (€) per US Dollar (\$)	0.78
Pound Sterling (£) per US Dollar (\$)	0.54
Japanese Yen (¥) per US Dollar (\$)	112.67
Chinese RMB per US Dollar (\$)	8.03

Source: <http://www.ft.com/>

London Metal Exchange Official Prices

Zinc: 26 th May 2006	
Cash buyer (US\$/tonne)	3,615.00
Cash seller & settlement (US\$/tonne)	3,620.00

Lead: 26 th May 2005	
Cash buyer (US\$/tonne)	1,076.00
Cash seller & settlement (US\$/tonne)	1,076.50

Source: <http://www.lme.co.uk/>



Cadmium Market Executive Summary

MARKET ROUND UP

1) Niche metals are still progressing, in spite of recent falls elsewhere in the market, with huge gains seen since early 2004. Cadmium has more than tripled and metals such as ruthenium, molybdenum and rhodium seeing fivefold, eightfold and tenfold rises respectively. Barclays Capital cited the roaring bull market for niche metals as proof that real demand, fuelled by Asia's industrial revolutions, is the real driver of the global commodities boom.

[Resourceinvestor.com 23/05/06. Read source article? – See page 6]

2) Cadmium has continued its current strong run up with reports of sales to Japanese suppliers at \$2/lb and over as availability of material continues to be tight. Some off-grade material was reported sold at \$1.40/lb.

[Metal-pages.com 19/05/06. Read source article? – See page 6]

3) After experiencing a rapid price rise over the past month, cadmium prices are still on an upwards track in the international and domestic Chinese markets. A major western trader reported sales – the last of which was to Japan – at over \$2.00/lb. “Demand is excellent, we have sold 20mt lots into Japan at over \$2.00/lb. There’s similar demand in China. There really isn’t much material out there.”

[Metal-pages.com 15/05/06. Read source article? – See page 7]

4) Cadmium continues to remain strong and tight as China and India come back into the market. Demand from Asia for batteries is strong though the European pigment and plating consumers are reported to be quiet. Most business has been for 4N grade with business reported at \$1.75/lb and rising towards \$2/lb. Supplies are difficult to obtain and one trader said that he had been spending the past week scouring the planet for material.

[Metal-pages.com 12/05/06. Read source article? – See page 7]



SUPPLY

Inco & Teck Cominco

5) Canadian mining company Teck Cominco said it would offer \$17.8bn Canadian dollars (\$16.08bn) in cash and stock to acquire Inco, a leading nickel producer based in Canada, provided that Inco ends its proposed acquisition of Falconbridge. The newly combined company will create the world's biggest zinc miner and No. 2 nickel miner, Teck Cominco said, with market-leading positions in metallurgical coal and a major presence in copper, gold and other commodities. It will also add to Teck Cominco's earnings and cash flow per share, the company said.

[Metalsplace.com 08/05/06. Read source article? – See page 8]

Russia

6) Development licences for a dozen mineral deposits in the Chita region of eastern Siberia will be auctioned this summer, the Mineral Resources Agency has revealed. Amongst these are two cadmium containing deposits the Blagodatskoye gold-silver-lead-zinc-cadmium deposit and the Kadainskoye gold-silver-lead-zinc-cadmium property. Both are due to be auctioned on 16th June.

[Metal-pages.com 04/04/06. Read source article? – See page 9]

Nova-Zinc

7) The ChTPZ pipe and metals group's Chelyabinsk Zinc Plant has closed the purchase of 51% of Nova-Zinc, which develops the Akzhal lead-zinc field in Kazakhstan's Karaganda region. The mine produced an average 38,000mt of zinc in concentrate per year in 2001-2004. The field also contains cadmium, lead and silver. Proven zinc reserves are 1.0224m mt. The field is being mined by the open cast method and consists of two open pits – Central and Eastern.

[Metalsplace.com 17/04/06. Read source article? – See page 9]



DEMAND

China

8) China imported a total of 1,297.751mt of cadmium in the first quarter of 2006, up 19.4% from 1,086.216mt imported in the same period last year, the latest official statistical figures have revealed. Imports in March alone, however, fell to 472.099mt from 588.208mt year-on-year, the figures said. The increase in the first quarter is due largely to higher supplies from South Korea, with the tonnage of 535.544mt more than double the 220.186mt seen one year ago. Shipments from Kazakhstan also increased sharply to 234.482mt from 119.917mt. But the country hasn't shipped any of the metal to China since February. Other main suppliers were the United States, with 122.062mt, Mexico, with 89.859mt and Belgium, with 65.27mt.

[[Metal-pages.com 11/05/06](#). Read source article? – See page 10]

Advanced Thermal Batteries

9) EADS and Saft America have combined their expertise in the field of thermal batteries via ASB to form the new subsidiary Advanced Thermal Batteries. Located in Cockeysville, Maryland. With more than 50 years of experience supplying thermal batteries for missiles, launchers, aircraft, torpedoes and submarines, ASB, Saft America and EADS are merging their know-how and assets to offer both development and production capacities in the United States.

[[home.businesswire.com 09/05/06](#). Read source article? – See page 10]

Electro Energy

10) Electro Energy has announced it's Q1 2006 consolidated net revenue for the quarter was \$1,096,560 compared with \$1,050,314 for the same quarter in 2005, an increase of \$46,246, or 4.4%. Net loss for the quarter was \$760,208, compared to net loss of \$1,004,298 or for the same quarter in 2005. The CEO added, "EEEI is now positioned to become a major domestic manufacturer of batteries for defence, industrial and commercial applications, including hybrid electric vehicles, plug-in hybrid electric vehicles, power tools, electric scooters, other mobile products and electric utility energy storage."

[[biz.yahoo.com 16/05/06](#). Read source article? – See page 10]

11) Electro Energy, a developer and manufacturer of advanced batteries, announced today that it has signed an agreement with Sanyo Energy (USA) Corporation as the exclusive distributor of Sanyo rechargeable Nickel Metal Hydride (NiMH) and Nickel Cadmium (NiCd) batteries to the U.S. aerospace industry.

[[biz.yahoo.com 1/05/06](#). Read source article? – See page 11]

Thermal Imaging

12) The third generation of military thermal imaging equipment will be built around sensors made from an alloy containing cadmium. Cadmium mercury telluride (CMT), an extremely fragile material which is particularly sensitive to infrared light. The MoD has awarded a team, including Qinetiq, Thales and Selex, an £8.45m, two-year contract to develop three different thermal imagers to be used on future military platforms. The first working prototype is due to be completed by 2008.

[[e4engineering.com 23/05/06](#). Read source article? – See page 11]



In Other News...

Electric Cars

13) The Twike may sound like a three-wheeled contraption for an eccentric but this two-seater battery car is a serious, if expensive, proposition. Unlike the infamous Sinclair C5, which pretty much discredited the idea of electric transport for two decades, this one is properly engineered and even has a roof. For most potential buyers, the initial outlay of £15 000 will stretch the bounds of eco-friendship to the very limit. Low ownership costs do defray at least some of the high price; you don't pay road tax, congestion charges in London, or for parking in some places. Throw fuel into the equation and the commuter averaging 80km a day will save around £5000 a year in a Twike. It costs about 20p to "fill up" a Twike, by plugging it into the mains. The largest-capacity NiMH batteries, which allow up to 140km of travel, charge to capacity in three hours whereas the quick-charge NiCd versions, allowing up to 65km/h, take only an hour and a half.

[motoring.co.za 02/05/06. Read source article? – See page 12]

EU Regulation

14) Brussels has decreed that at least 45 per cent of batteries should be saved from incineration or landfill sites by 2016. But battery manufacturers will have to cover the costs of the initiative and are likely to pass the burden on to their customers. From 2008, the firms will have to ensure batteries are easy to remove from appliances and carry labels stating which products are the most energy efficient. There is a recycling target of 75% for Cadmium batteries.

[tmcnet.com 04/05/06. Read source article? – See page 13]

Gunners firing blanks

15) Arsenal supporters hoping to buy seats from Highbury stadium have been disappointed after the club discovered they contain small amounts of cadmium. The seats were being sold at around 20 pounds each after Arsenal played their final game at Highbury on Sunday before moving to the nearby 60,000-seater Emirates Stadium. "The seats are completely safe and are not a risk to health when located within a stadium, but it is understood that if the seats are stored inside and used regularly over a long period of time, there is a slight risk that very small amounts of cadmium could be released," Arsenal said in a statement on Wednesday.

[Reuters 10/05/06. Read source article? – See page 13]



Source Press Articles

1) Niche metals still roaring despite broad market pull-back

Resourceinvestor.com 23/05/06

Rhodium has surged to \$6,275 an ounce, and has risen more than tenfold since early 2004, driven by demand for catalysts, plasma LCD screens and missile technology. Tungsten, used in drills and light bulbs, is up 330%; while iridium has soared 328% on its use in compasses and pen tips. Molybdenum is up eightfold; ruthenium fivefold; both cadmium and antimony have more than tripled. Barclays Capital cited the roaring bull market for niche metals as proof that real demand, fuelled by Asia's industrial revolutions, is the real driver of the global commodities boom.

"When market commentators use the simplistic argument that industrial metals are being driven by investment bubbles, they would do well to look at price performance in some of the non-exchange traded minor metals markets," said the bank's commodity analyst, Kevin Norrish. "These metals cannot be invested in, but prices are being driven higher by the same structural changes in fundamental demand as copper, increasingly classed as a speculative bubble."

2) Minors calm against base metals' turbulence

Metal-pages.com 12/05/06

Unlike the roller coaster that the base metals markets have been riding the past week, the minor metals and noble alloys have been quiet in the main. Molybdenum has been steady whilst ferro titanium took the lead in firming prices in probably the most buoyant weeks it has seen this year and cadmium continued its strong run up.

Demand for molybdenum is reported a little slower than last week but prices nevertheless remained firm and steady and marginally higher. Prompt business for western ferro molybdenum was reported in a narrow range of \$62-62.50/kg whilst business for June and July straddling a wider range of \$61.50-63.00/kg. Chinese ferro is in the range \$60-61/kg with Chinese traders said to be optimistic and some even holding out for \$62/kg.

Molybdenum oxide firm a little at the lower end with JDC offering at \$26.20/lb and reported to be sold out for May shipment.

The ferro titanium market took off this week and was probably the most active it has been this year. Offers for Russian material moved up to \$18/kg though there were no takers at this level yet and duty unpaid material was generally concluded in the range \$17-17.50/kg in Rotterdam whilst prices for consumer business were still lagging the unpaid market at around \$17.50/kg in Europe. A sale in the States was reported at \$8.25/lb (\$18.20/kg duty paid, equivalent to \$17.50/kg duty unpaid). One trader however reported that they were still able to obtain material at around \$16.50/kg in Europe.

Scrap supplies for UK producers have been tightening over the past few weeks forcing them to raise prices. One reported that any offers he had made in the low \$17 had been snapped up in the past days and future offers would be scaled up. A cordwire producer in the market for some material was said to have found it difficult to obtain more than a couple of offers.

Vanadium is firm and steady in thin market conditions with prices a tad softer in a range \$40.50-42/kg. Vanadium pentoxide was reported as being traded between \$8.30-8.50/lb.

Ferro tungsten has declined further this week with offers from China at \$27.50/kg and western business reported at either side of \$28/kg with sales to two German plants. Having done the rounds of the Chinese producers, one western trader said that only one had accepted his bid of \$27.50/kg and he now had the feeling that the market may have bottomed out. Another was less optimistic feeling that dull trading conditions in the impending summer may drag the market down further.

APT prices from China drift lower, due to declining concentrate prices, with offers at \$250/mtu and bids at \$240/mtu and it is felt that it is only a matter of time before Chinese suppliers will accept this level. The domestic market is also weaker in a quiet market and business now being concluded at just above \$210/mtu ex works.

The cobalt market has temporarily lost its sparkle as it continues to be range bound between \$12/lb and \$17/lb and even gathering of the participants in the cobalt market in Marrakech this week failed



to inject any life into it. There is positive news throughout this market nevertheless, as demand for super alloys remains very robust and strong demand for cobalt for batteries for the mobile phone industry was forecast by China's Antaika at the Cobalt Development Institute meeting to grow at 10% per annum over the next four years pushing up Chinese cobalt consumption to 18,492 tonnes by 2010. Cobalt exports from the Congo are also reported by Russell Grant of CAMEC to be falling by some 25% this year compared with 2005. In the meantime though the metal needs to find the energy to push through the \$17/lb resistance level which it has reached on three occasions this year, but failed to break through.

Antimony prices are taking somewhat of a beating in a very quiet market. Offers from China for low bismuth material are reported to be at \$5,400/tonne CIF for shipment but with no interest. Consumers continue to stand back from the market as prices decline further. However, it is generally thought that the metal will find support at \$5,000/tonne if not before.

Cadmium has continued its current strong run up with reports of sales to Japanese suppliers at \$2/lb and over as availability of material continues to be tight. Some off-grade material was reported sold at \$1/40/lb.

Selenium remains weak though prices have stopped tumbling are nominally in the range \$14-16/lb. However, there are more promising reports from China with signs of prices beginning to rise in the domestic market and some small quantities being concluded at higher levels this week. Stocks at electrolytic manganese smelters are thought to have been run down and new demand has started returning to the market.

Electrolytic manganese metal flake prices have improved in China to \$1,130-1,150/tonne as demand improves and supplies tighten due to many smelters in major production regions closing down in the past few months either due to the ailing market conditions or government's environmental crackdowns.

3) Cadmium carries on climbing

Metal-pages.com 12/05/06

After experiencing a rapid price rise over the past month, cadmium prices are still on an upwards track in the international and domestic Chinese markets. The latter has seen an increase of Rmb2,000-3,000/tonne since late last month.

Present Chinese values for 4N ingot are around Rmb36,000-38,000/tonne (\$US1.81-1.92/kg), in comparison with Rmb34,000/tonne (\$1.71/kg) in late April. At the same time, rising price levels on the overseas market, said to be pushed up by the return of Chinese and Indian buying, have also moved up to the current \$1.75-1.90/lb for 99.99% cadmium metal. Some western suppliers claim the price is even higher – above \$2.00/lb – although this is disputed by other western traders, who claim 4N is around \$1.75-1.80/lb. "The market is looking brighter," said one more measured trader, but said it hadn't reached \$2.00 yet. "It's heading in that direction, though," he admitted.

He said that, generally, the Chinese and Indians, are "scratching around" for lower grade material – 3N5 or off-grade. He reported a sale of 3N5 at \$1.65 and said that, generally, off-grade was around \$1.40.

Another major western trader reported sales – the last of which was to Japan – at over \$2.00/lb. "Demand is excellent," he told Metal-Pages. "We have sold 20 tonne lots into Japan at over \$2.00/lb. There's similar demand in China. There really isn't much material out there. And a lot of these guys are short and want material for May and June..." [...]

4) Moly and cadmium firmer whilst others drift

Metal-pages.com 12/05/06

The molybdenum market has seen good demand this week, though nothing spectacular, whilst cadmium has become more and more difficult to source as demand rolls in from China and India. However many other markets have remained quiet and lack lustre such as cobalt, tungsten, antimony and indium among others whilst base metals prices continue to put on stratospheric gains as supplies became ever tighter.

Molybdenum remains firm in good but not outstanding demand. Prices for western ferro molybdenum are predominantly in the range 61-62/kg and the differential between that and Chinese material has opened up with Chinese now around \$59/kg in Rotterdam. Higher



molybdenum concentrates prices have moved up prices in the Chinese domestic market to over \$60/kg whilst export prices have also risen to \$59-60/kg FOB.

Molybdenum oxide was considered to be in the range \$25.75-26.50/lb and a sale of briquettes was reported at \$26.70/lb.

Having firmed since the beginning of April, ferro vanadium prices retrenched slightly with prices generally perceived to be down about 50 cents at either side of \$42/kg V in thin trading.

Ferro titanium prices have maintained their rising trend of late with Russian material reported to be increasingly difficult to secure at \$15.50/kg, although one trader was thought to scoop up a parcel for a few cents under this level, and business within the trade concluded up to \$16/kg in Rotterdam. Prices for consumer business continue to lag those for Russian material with consumers paying \$16.50/kg ddp.

Titanium sponge TG100 is reported to be still very tight for spot with prices about \$27-28/kg. The market for TGTV has been quiet of late though Posco and Thyssen are now in the market.

The tungsten market is one that died a few weeks ago and has remained moribund but in spite of that prices have not dropped significantly. Apt and tungsten oxides are unchanged this week from about \$250/mtu whilst ferro tungsten has eased a further 50 cents to \$28-29/kg in Rotterdam and \$28028.50/kg FOB China.

It seems the cobalt market is waiting for some inspiration to come from the CDI conference which kicks off next week in Marrakech as prices remain much unchanged from last week with high grade hovering at \$15.20-15.90/lb and Russian, closing the gap, at \$14.80-15.60/lb. Some participants claim there is more interest from the Chinese for metal whilst others do not see it. There are nevertheless indications that China is not importing sufficient cobalt units for its requirements as, in spite of the current higher numbers, there are no offers of cobalt from China which frequently happens when prices rise. In addition one source commented that it was becoming more difficult to obtain feed for cobalt plants in China.

A virtually lifeless antimony market is taking its toll on prices as they consolidate by some \$150/tonne. Consumers are holding back now as prices ease and having bought well on the way up. Although many Chinese suppliers are not under pressure to sell, some HK merchants have been offering material at the lower levels in order to realise cash.

Standard grade II material prices are reported at \$5,500/tonne and under and low bismuth material prices around \$5,600/tonne. Supplies of low bismuth material are nevertheless reported to be still relatively difficult to source in China.

Cadmium continues to remain strong and tight as China and India come back into the market. Demand from Asia for batteries is strong though the European pigment and plating consumers are reported to be quiet. Most business has been for 4N grade with business reported at \$1.75/lb and rising towards \$2/lb. Supplies are difficult to obtain and one trader said that he had been spending the past week scouring the planet for material.

Activity in bismuth has been minimal resulting in offers from China drifting down by some 5-10 cents to \$4.30/lb but still not attracting any business as western consumers hold stocks. One source believed that the market would continue to drift a little lower but was unlikely to go below \$4/lb. The indium market is dead with only a little business taking place for small quantities of material mainly from small and unknown Chinese plants.

Chinese magnesium prices have retrenched further to around \$1,700/tonne FOB 23304 back to levels seen in early April having eased to around \$1,750-1,780/tonne FOB from a high of \$1,880/tonne at the end of the month. Offers in Rotterdam are in a range \$1,800-1,850/tonne in dull market conditions - another metal awaiting an imminent conference in just over a week.

Ferro silicon prices have become firmer and are reported at \$640-660/tonne FOB now due to the continuing tight supply as many smelters are not running at full capacity. This rise in turn is expected to help support magnesium prices.

5) Teck Cominco Ltd. proposes to acquire Inco, offer conditioned on end of Falconbridge deal

Metalsplace.com 08/05/06

Canadian mining company Teck Cominco Ltd. said Monday it would offer \$17.8 billion Canadian dollars (\$16.08 billion) in cash and stock to acquire Inco Ltd., a leading nickel producer based in Canada, provided that Inco ends its proposed acquisition of Falconbridge Ltd.

The newly combined company will create the world's biggest zinc miner and No. 2 nickel miner, Teck Cominco said, with market-leading positions in metallurgical coal and a major presence in



copper, gold and other commodities. It will also add to Teck Cominco's earnings and cash flow per share, the company said.

Under the terms of the offer, Inco shareholders will have the right to receive C\$78.50 (\$70.91) in cash or 0.9776 of a Teck Cominco Class B subordinate voting share plus 5 Canadian cents for each Inco share, subject to pro ration. Teck Cominco said the offer represents a premium of 27.8 percent and 20.1 percent over the 30-day volume weighted average price and closing price, respectively, of Inco common stock on the Toronto Stock Exchange as of May 5. Inco's shares closed at \$65.38 on the Toronto Stock Exchange on Friday. Its U.S.-listed shares climbed \$11.87, or 20.1 percent, to \$70.95 in premarket activity.

Teck Cominco said its offer was conditioned upon Inco withdrawing or ending its acquisition of Falconbridge, which Inco proposed buying in a friendly takeover in October 2005.

The company argued that Inco shareholders would receive a significant premium for their shares under its proposed offer, instead of paying a premium to acquire Falconbridge.

Under terms of the proposed Falconbridge offer, Inco said it would offer \$34 Canadian dollars, or 0.6713 of Inco common share plus 5 Canadian cents for each Falconbridge common share. The proposed acquisition received approval from Canadian antitrust regulators in January, and was being reviewed by U.S. and European antitrust regulators as of February.

Teck Cominco said it plans to mail Inco shareholders the proposed takeover documents as soon as possible, adding the offer will be open for acceptance for at least 60 days after the date of the mailing.

6) Mineral auctions set for Chita

Metal-pages.com 04/04/06

Development licences for a dozen mineral deposits in the Chita region of eastern Siberia, Russia, will be auctioned this summer, the Mineral Resources Agency has revealed.

Three auction dates have been set. On June 16th, the license for the development of the Pokrovskoye gold-cadmium-gallium-lead-zinc deposit will be up for grabs, as will the Yekaterino-Blagodatskoye gold-silver-lead-zinc-cadmium deposit and the Kadainskoye gold-silver-lead-zinc-cadmium property. Two other gold and silver deposits will also be subject to auction at that time.

On June 26th three gold properties will see development rights auctioned off, with another three to follow on July 14th, as well as the Tyrgetuiskoye antimony deposit, the agency added.

7) Chelyabinsk Plant buys Kazakh zinc mine

Metalsplace.com 17/04/06

The ChTPZ pipe and metals group's Chelyabinsk Zinc Plant has closed the purchase of 51% of Nova-Zinc, which develops the Akzhal lead-zinc field in Kazakhstan's Karaganda region, the PR department of the Moscow-based Arkley Capital, which controls the ChTPZ Group, said in a press release. The Chelyabinsk plant received a syndicated \$70-million loan arranged by Germany's HVB Group to finance the deal, the actual cost of which was not disclosed.

The Akzhal mine is capable of providing enough raw material to produce 20% of the Chelyabinsk plant's zinc, assuming that the plant runs at full capacity for 200,000 tonnes of zinc per year, or 35% of the 116,400 tonnes that the plant produced in 2004. The concentrate has a high 55% Zn content and is 1,300 kilometres from Chelyabinsk. The mine produced an average 38,000 tonnes of zinc in concentrate per year in 2001-2004. The field also contains lead, cadmium and silver. Proven zinc reserves are 1.0224 million tonnes. The field is being mined by the open cast method and consists of two open pits – Central and Eastern.

Sergei Moiseyev, the managing director of Arkley Capital and a member of the Chelyabinsk plant's board of directors, said Akzhal would not be able to meet the plant's entire raw material needs. He said the plant would therefore be looking to continue to buy concentrate under long-term contracts with Russia's Urals Mining and Metallurgical Company (UMMC), Russian Copper Company and Dalpolimetall, and foreign suppliers. It will also process more scrap metal. The press release said that the Chelyabinsk plant intends to produce 150,000 tonnes of zinc in 2006.

"ChTPZ Group has long-term business relations with Kazakhstan, which is one of the key markets of the Chelyabinsk Tube-Rolling Plant (ChTPZ)," the release said. The Chelyabinsk Zinc Plant produces 60% of Russia's zinc.



8) EADS and Saft America Subsidiary ASB Announce the Creation of US Thermal Battery Company Dedicated to the Military Market

home.businesswire.com 09/05/06

EADS and Saft America have combined their expertise in the field of thermal batteries via ASB to form the new subsidiary Advanced Thermal Batteries Inc. Located in Cockeysville, Maryland.

With more than 50 years of experience supplying thermal batteries for missiles, launchers, aircraft, torpedoes and submarines, ASB, Saft America and EADS Inc. are merging their know-how and assets to offer both development and production capacities in the United States.

Advanced Thermal Batteries Inc. supplies customized thermal batteries for missiles and smart weaponry. Thermal batteries are inert batteries designed for absolute reliability and shelf storage of at least 15 years. Advanced Thermal Batteries Inc. the new subsidiary will provide to its American customers all the technologies that have been proven by its parent companies. Following the same objectives of performance and quality which are the building blocks of ASB's reputation, the new subsidiary, which already has sales in the American market, is planning to become a reference and a leader in the thermal battery field in United States.

9) China ups cadmium imports

Metal-pages.com 11/05/06

China imported a total of 1,297.751 tonnes of cadmium in the first quarter of 2006, up 19.4% from 1,086.216 tonnes imported in the same period last year, the latest official statistical figures have revealed. Imports in March alone, however, fell to 472.099 tonnes from 588.208 tonnes year-on-year, the figures said. The increase in the first quarter is due largely to higher supplies from South Korea, with the tonnage of 535.544 tonnes more than double the 220.186 tonnes seen one year ago. Shipments from Kazakhstan also increased sharply to 234.482 tonnes from 119.917 tonnes. But the country hasn't shipped any of the metal to China since February.

Other main suppliers were the United States, with 122.062 tonnes, Mexico, with 89.859 tonnes and Belgium, with 65.27 tonnes.

10) Sanyo Energy Selects Electro Energy Inc. as Exclusive Distributor of Sanyo Batteries to U.S. Aerospace Industry

biz.yahoo.com 1/05/06

Electro Energy Inc., a developer and manufacturer of advanced batteries, announced today that it has signed an agreement with Sanyo Energy (USA) Corporation as the exclusive distributor of Sanyo rechargeable Nickel Metal Hydride (NiMH) and Nickel Cadmium (NiCd) batteries to the U.S. aerospace industry.

Sanyo is the world's largest manufacturer of rechargeable batteries. The contract adds Sanyo's aerospace product line to EEEI's established program of manufacturing and distributing its own innovative aerospace-grade nickel-cadmium batteries and components for use in U.S. satellites, military aircraft and other specialty applications for the U.S. government.

Under the contract, EEEI is authorized to purchase, distribute, sell, market and promote Sanyo products to customers in the aerospace industry in the United States, Puerto Rico and Guam. EEEI will be responsible for ensuring product compliance with its customers' requirements and shall conduct all product performance and non-standard quality tests as required by its customers.

Martin G. Klein, CEO of Electro Energy, said, "We are extremely pleased that Sanyo Energy has selected Electro Energy as its distributor to the U.S. aerospace industry. We have a unique record of credibility in providing high-performance, low-cost rechargeable batteries for use in the U.S. government's military aircraft and space programs. We are one of only two suppliers of Aircraft Ni-Cd products to the U.S. government. Our Super Ni-Cd battery is the workhorse of the space industry, powering more than 35 successful space missions without a battery or battery-cell failure. We are eager to introduce Sanyo's world-renowned line of rechargeable batteries to our customers and to expand awareness of Electro Energy's leadership to major aerospace customers outside of the U.S. government."

Masami Murata, President of Sanyo Energy (USA) Corporation, said, "Electro Energy has an unparalleled reputation for providing high-quality, high-performance rechargeable batteries for aerospace applications in the United States. We believe EEEI's technical and scientific reputation in



this field will support the smooth and swift entry of Sanyo products to the U.S. aerospace markets. We are very pleased to partner with them in this endeavor."

11) Electro Energy Inc. Reports First Quarter 2006 Results

biz.yahoo.com 16/05/06

Electro Energy, a leading provider of advanced battery technologies and associated systems, filed its Form 10-QSB setting forth its financial results for the three months ended March 31, 2006. Consolidated net revenue for the quarter was \$1,096,560 compared with \$1,050,314 for the same quarter in 2005, an increase of \$46,246, or 4.4%. Net loss for the quarter was \$760,208 or \$0.05 per share (basic and diluted), compared to net loss of \$1,004,298 or \$0.08 per share (basic and diluted) for the same quarter in 2005.

Audra J. Mace, CFO of Electro Energy, said, "We saw improvement in net revenue and gross margin primarily resulting from a rebound under our supply agreement with EaglePicher Technologies, LLC, whose parent company filed its plan of reorganization earlier this year. This is a development we've predicted and which we expect will continue into the first half of 2006. Despite a \$.02 per share charge for non-cash share based compensation resulting from the adoption of FAS123®, we reduced general and administrative expenses improving the bottom line."

Martin G. Klein, Chairman & CEO of Electro Energy, added, "In April 2006, the Company took a major step toward fulfilling our commercialization plans for high-volume manufacturing when we closed on the purchase of significant manufacturing assets near Gainesville, Florida. Concurrently, we finalized a private placement of \$11 million with a small group of institutional investors, with Jefferies & Company Inc. acting as the sole placement agent. EEEI is now positioned to become a major domestic manufacturer of batteries for defense, industrial and commercial applications, including hybrid electric vehicles, plug-in hybrid electric vehicles, power tools, electric scooters, other mobile products and electric utility energy storage."

Other highlights for Q1 and the first half of fiscal year 2006 included the following:

- Most recently, in May 2006, Sanyo Energy selected Electro Energy Inc. as exclusive distributor of Sanyo batteries to the U.S. aerospace industry.
- In March 2006, Altair Nanotechnologies partnered with Electro Energy to develop and manufacture new generation, high-power lithium ion batteries, targeting portable devices and hand-held power tool markets.
- Also in March, Electro Energy's COO Michael Reed presented EEEI's business development and financial information to an audience of 1,500 investment bankers, fund managers, brokers, research analysts, and high net worth investors at the ValueRich Small-Cap Financial Expo in Miami, Florida.
- In February, Electro Energy was among the first 12 companies selected for listing in the Distributed Energy Stock Index (DESI), a new stock index of companies focused on alternative fuels and fuel cells.
- Also in February, EEEI co-sponsored and Mr. Reed chaired a two-day conference on Military Energy Alternatives, held in Arlington, Virginia. Mr. Reed also presented highlights of EEEI's energy solutions in a seminar titled "Advanced Power Alternatives for Tactical and Auxiliary DoD Applications. Other sponsors were California Motors, Valence Technology, Inc., ECD Ovonic, Defense Daily and Aerospace & Defense Network.
- In February, EEEI was named one of the top 50 small businesses in Connecticut with a multi-cultural workforce.
- In January, Congress funded \$1.0 million from the 2006 U.S. Army budget to support development and demonstration of EEEI's bipolar lithium ion battery for communication applications at the Company's Colorado Springs facility.

12) Looking to the future

e4engineering.com 23/05/06

A new generation of thermal imaging technology offering much higher resolution and sensitivity is to be developed by a UK research team comprising engineers from Qinetiq, Thales UK, Selex Sensors and Airborne Systems. The MoD has awarded the team an £8.45m, two-year contract to develop three different thermal imagers to be used on future military platforms, such as Future Rapid Effect System (FRES) — the Army's next-generation suite of vehicles.



Heralded as the third generation of thermal imaging cameras, the technology uses a matrix of more than a quarter of a million tiny infrared detectors. This array will allow the camera to provide an image that is more than twice as sensitive as any existing thermal imaging camera, according to Peter Dennis, Qinetiq's project leader.

'Third generation thermal imaging will revolutionise the industry in much the same way as digital cameras changed conventional photography,' he said. 'It works in much the same way. The matrix of detectors cover the whole field of view and detect it all in one go, each tiny sensor picking out a separate point in the field of view.' Today's second-generation infrared cameras use a linear array of 768 detectors with a mirror that scans from left to right across the field of view. When this technology was first developed in the 1990s it provided around 700 more individual 'picture points' than the first generation, developed in the 1980s.

The new system will bring down the cost of a thermal imaging camera considerably, according to Dennis, as the digital technology uses no mechanical moving parts. The MoD wants a suite of cameras that can work in a wide range of conditions and so the team is developing three different imagers, each one sensing in a different part of the infrared spectrum. The sensors are made from an alloy known as cadmium mercury telluride (CMT), an extremely fragile material which is particularly sensitive to infrared light. It is grown in vacuum conditions in the laboratory, and its chemical composition can be altered to provide the sensors with different thermal imaging properties. According to Dennis some of the biggest challenges are in producing this unique material. 'CMT is so soft it can be scratched with a paper tissue — so the challenge is to be able to produce it with uniformity and keep it clean. Just a 1mm speck of dust would wipe out a large portion of the image,' he said.

Innovative integrated circuits are connected to the CMT in vacuum conditions, and the team had to develop a sophisticated read-out circuit to retrieve the data from the sensors. According to Dennis, the potential applications for the technology are huge. As well as developing advanced night vision sensors for armoured military vehicles, the system could also be used in future infrared search-and-track systems as well as in missile seekers for precision attacks.

The first working prototype is due to be completed by 2008.

13) Meet the Twike: An electric car with a difference

motoring.co.za/02/05/06

The Twike may sound like a three-wheeled contraption for an eccentric but this two-seater battery car is a serious, if expensive, proposition. Unlike the infamous Sinclair C5, which pretty much discredited the idea of electric transport for two decades, this one is properly engineered and even has a roof. There is only one snag: the price. For most potential buyers, the initial outlay of £15 000 (about R165 000) will stretch the bounds of eco-friendship to the very limit. Yes, you can indeed buy a Mazda MX-5, say, or a Mini Cooper convertible for that sort of money, or two of its nearest competitor the Indian-built Reva G-Wiz electric car, but the Twike is a different eco-proposition. A commuter averaging 80km a day will save around £5000 (R55 000) a year in a Twike. Low ownership costs do defray at least some of the high price; you don't pay road tax, congestion charges in London, or for parking in some places.

This is quite a factor when you consider that parking can cost £40 (R440) a day in central London, says Andreas Schroeer, the man responsible for importing these quirky little German vehicles into the UK. Throw fuel into the equation and the commuter averaging 80km a day will save around £5000 (R55 000) a year in a Twike. It costs about 20p (R2.20) to "fill up" a Twike, by plugging it into the mains. It bears up surprisingly well in practical terms. Clambering in and out of the oyster-shell-like pod is perhaps not the most dignified of exercises, but once you're in you feel perfectly secure. Finding electricity isn't a problem with their standard three-pin plugs.

The glass roof (hinged at the rear) affords full weather protection and gives an unhampered view of the road. Dr Schroeer explained: "Driving along in the sunshine in a Twike with the roof down and the music playing is one of the best feelings in the world." A rainy day would be a little different but our brief test showed that you do get used to electric power - and a joystick instead of a steering wheel and accelerator. Reassuringly, there's an additional brake pedal exactly where you'd expect it to be - on the floor. And that's about as complicated as it gets. A huge misconception is that these cars aren't up to much in terms of range. Their top speed of 85km/h - discounting motorway trips - but they can go a distance. The largest-capacity NiMH batteries, which allow up to 140km of travel, charge to capacity in three hours whereas the quick-charge NiCd versions, allowing up to 65km/h, take only an hour and a half.



You can always part-charge them, the on-board computer making it easy to do this by displaying energy levels, allowing you to make a quick getaway when they're high enough. Finding electricity isn't a problem with their standard three-pin plugs - and there is always the Twike Active version with bicycle wheels for both driver and passenger, allowing you to go without the wait (and get some exercise). Twikes are certainly getting out in force on the continent, where 700 have been let loose since they started production in Switzerland in 1996, moving in 1998 to Germany. Dr Schroerer is confident that they have a future in the UK too.

He might have to do something about that name, though...

Basic Twike: (without pedal gear) £11 990 (R132 000)

Twike Active: £12 390 (R136 000)

Batteries extra: £3180 - 6980 (R35 - 77 000)

14) EU will force families to recycle batteries

tmcnet.com 04/05/06

Brussels yesterday decreed that at least 45 per cent of batteries should be saved from incineration or landfill sites by 2016. Local authorities will be obliged to set up collection schemes within two years and could even impose fines on homes that fail to separate batteries from other waste. But battery manufacturers will have to cover the costs of the initiative and are likely to pass the burden on to their customers. From 2008, the firms will have to ensure batteries are easy to remove from appliances and carry labels stating which products are the most energy efficient. Retailers will also have provide recycling boxes in their stores.

Alkaline batteries contain zinc, carbon and manganese, much of which ends up in landfill sites. Other types of batteries contain cadmium and mercury which can damage the environment and are a threat to fish. Some batteries contain toxic heavy metals such as lead.

The crackdown was agreed by MEPs and EU ministers yesterday in an attempt to reduce mercury and lead pollution. Less than one per cent of UK batteries are recycled compared with 59 per cent in Belgium. That amounts to 30,000 tons of extra waste. The Government's record on the recycling of batteries has been described by the Liberal Democrats as 'shameful'. The party warns that the burying and burning of batteries poses a major health risk.

Some 90 per cent of car batteries are recycled, however, because of the market value of the lead they contain. Until last year the UK had no recycling facilities for household batteries and the cost of sending them abroad was a deterrent. MEPs had pushed for tougher recovery and recycling targets and a total ban on nickel-cadmium batteries. But they settled for a 50 per cent recycling target for all batteries not containing cadmium or lead and 75 per cent and 65 percent targets for cadmium and lead batteries. European Parliament spokesman said the success of the scheme would depend on consumers as well as on businesses and councils. Things will be much easier for consumers,' he said. 'Labels will have to indicate the real capacity of the batteries and accumulators they buy.'

15) Arsenal won't sell Highbury's toxic seats

Reuters 10/05/06

Arsenal supporters hoping to buy seats from Highbury stadium have been disappointed after the club discovered they contain small amounts of a toxic metal. The seats were being sold at around 20 pounds each after Arsenal played their final game at Highbury on Sunday before moving to the nearby 60,000-seater Emirates Stadium. "The seats are completely safe and are not a risk to health when located within a stadium, but it is understood that if the seats are stored inside and used regularly over a long period of time, there is a slight risk that very small amounts of cadmium could be released," Arsenal said in a statement on Wednesday. "Although being a very small risk we cannot sell any Highbury seats for individual domestic use." Other items from the art deco-style stadium, where Arsenal had played for 93 years, being auctioned off include boardroom furniture, scoreboards, ceramic tiles and even hot dog cookers.



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