



UPDATE Weekly

March 9, 2012

Edition: 10

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Below are articles and summaries of **magnesium** related stories. Members are asked to distribute the update to their employees – if their employees wish to receive the IMA Weekly Update, please send their email addresses to the IMA Head Office. We appreciate your company press releases and announcements for inclusion in the Weekly Update.

INDUSTRY CALENDAR

April 3-5, 2012

U.S. EPA Hardrock Mining Conference 2012:
Advancing Solutions for a New Legacy
Denver, Colorado, USA
<http://www.epa.gov/nrmrl/events/event04032012.html>

April 24-25, 2012

[IMA 4th Annual European Magnesium Applications Seminar](#)
Holiday Inn Düsseldorf – City Centre,
Königsallee; Düsseldorf, Germany

April 25-26, 2012

Global Automotive Lightweight Materials Initiative
London, United Kingdom
www.global-automotive-lightweight-materials.com

May 2-3, 2012

Automotive Metals Conference
Dearborn, MI USA
www.amm.com/EventDetail/4259/5th-Automotive-Metals-Conference.html

May 20-22, 2012

IMA 69th Annual World Conference
San Francisco, California, USA
www.imaworldconference.org

July 8-12, 2012

9th International Conference on Magnesium Alloys
and their Applications
Vancouver, Canada
www.magnesium2012vancouver.com/welcome.html

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ASSOCIATION NEWS

IMA 69th Annual World Conference: *The Early Bird Registration deadline is March 15, 2012.*

IMA 69th Annual World Conference: *Magnesium – The Dream Metal*

Articles follow below

INDUSTRY NEWS

CD International Enterprises Completes Acquisition of Golden Trust and Lingshi Magnesium

www.metal-pages.com (06-Mar-2012)

Announcing Global Automotive Lightweight Materials 2012, Business Design Centre, London, UK

<http://www.global-automotive-lightweight-materials.com> (09-Mar-12)

Articles follow below

CHINA'S LATEST

China Magnesium Industry and Market Bulletin

www.chinamagnesium.net (02-Mar-2012)

Articles follow below

EDITOR'S NOTE: IMA makes every possible effort to substantiate the articles which appear in the Weekly Update. However, as this is not always possible IMA does not warrant the details nor accuracy of any given article. Please keep in mind that materials are attained through press releases, outside articles from numerous sources and publications. Such materials often contain opinions which are not that of the association nor should they be construed as such. We realize that in the case of some materials, the translations might often lead to less than perfect grammar, etc. It is our position however to print as submitted rather than take upon ourselves the editing of such materials which would entail potential changes unwanted by any given author.

ASSOCIATION NEWS

IMA 69th Annual World Conference: *The Early Bird Registration deadline is March 15, 2012.*

- Please register by March 15 to take advantage of the Early Bird Registration pricing. If mailed, registration must be post marked no later than March 15, 2012. Pre-Registration must be received in the IMA office by Friday, March 23, 2012 and accompanied by your payment to receive the lower pre-conference rate.

IMA 69th Annual World Conference: *Magnesium – The Dream Metal*

The 69th Annual World Magnesium Conference will be held in San Francisco, California, USA from May 20 – 22, 2012. Visit www.imaworldconference.org to:

- Process your online [Registration](#). It's easy, safe and secure.
- Download the [Attendee Brochure](#) for a comprehensive outline of the Conference.
 - Check out the **Technical Program**. Review the list of Speakers and their scheduled topics of presentation.
 - Plan for your upcoming **Networking Opportunities**. Connect with Industry peers and friends.
 - Learn about the San Francisco area and read about the **Optional Tours**.
PLEASE NOTE: A minimum of 25 people must register for each tour by Monday, March 19th or the tours will be cancelled. Please sign up now!
 - **Wine Tour and Lunch** in Yountville of Napa Valley (Monday, May 21)
 - San Francisco's **Conservatory of Flowers Tour and Lunch** (Tuesday, May 22)
 - Print and Process your **Registration** form.
 - Get important **Travel** and **Lodging** information
- Download the [Exhibitor/Sponsor Opportunity Brochure](#) to find out how you can get more involved. Space is filling up quickly so please submit your [Commitment Form](#) today!
- Reserve your accommodations at **The Fairmont San Francisco** (Discounted prices available through April 29, 2012 so please make your reservation soon to take advantage of the special IMA rate).



IMA 69th Annual World Conference Exhibitors:



RESOURCES LIMITED

The IMA thanks 2012 Annual World Conference Sponsors:



Spouse Welcome Reception

Chicago
White Metal
Casting, Inc.



Closing Banquet

The World Magnesium Conference is the premier international **magnesium** conference that highlights the industry's latest technological advances, innovative applications, and emerging developments in the global marketplace. The conference combines informative technical sessions, exhibits, networking opportunities, as well as social activities and tours for a well-rounded industry experience. In addition, winners of the 2012 Awards of Excellence—IMA's competition recognizing outstanding **magnesium** products and innovative manufacturing technologies—will be announced during the World Magnesium Conference. Additionally IMA will recognize environmentally progressive and responsible companies in the 2012 International Environmental Responsibility Award competition.

As information about the 2012 World Conference becomes available, it will be reflected on the website www.imaworldconference.org and proactively sent out via targeted emails and the IMA Weekly Update.

We look forward to seeing you in May!

Standard Cancellation Policy

Conference Cancellations received by the IMA in writing by March 25 will qualify for a refund of 80%. Cancellations received by the IMA in writing by April 22 will qualify for a refund of 40%. No refunds will be given after April 22 due to Conference contractual service arrangements.

Any cancellations due to declined Visa applications will be refunded in full if the Visa application was submitted prior to March 15, 2012. Appropriate documentation is required. Cancellations due to declined Visa applications after March 15 will follow the standard cancellation policy noted above.

INDUSTRY NEWS

CD International Enterprises Completes Acquisition of Golden Trust and Lingshi Magnesium

www.metal-pages.com (06-Mar-2012)

CD International Enterprises said it had completed the acquisition of China's Golden Trust Magnesium Industry Co. and Lingshi Xinghai Magnesium Industry Co.

The Deerfield Beach, Florida-based company, which operates **magnesium** plants in China, said that completion of the deal followed approval by a special meeting of shareholders to issue common stock.

Under the deal, CD International has snapped up 100% of Golden Trust and 80% of Lingshi Magnesium for about \$26.7 million.

The acquisition of the companies will add about 20,000 tons of annual production capacity from Golden Trust and 12,000 tons of annual production from Lingshi Magnesium.

This will bring the company's total **magnesium** production capacity to about 90,000 tons.

CD International also said that it had entered into a management agreement with Yuwei Huang and Kong Tung, who are members of its board of directors, to consolidate and manage the business operations for all of its **magnesium** production facilities.

"With the addition of Golden Trust and Lingshi Magnesium, we expect to benefit from a more streamlined organization, improving our overall cost structure and positioning our company to become the industry leader in pure **magnesium** production and distribution," said Dr. James Wang, Chairman and CEO of CD International.

"We expect to see a strong improvement in performance out of this segment in the coming quarters as we generate significantly larger sales opportunities, ramp revenue and improve cash flow and profitability for fiscal 2012 and beyond."

CD International swung to a profit of \$9.2 million in fiscal year 2011 compared with a net loss of \$3.3 million in 2010.

Announcing Global Automotive Lightweight Materials 2012, Business Design Centre, London, UK

<http://www.global-automotive-lightweight-materials.com> (24-Feb-12)

IMA has been invited to partner with the Global Automotive Lightweight Materials Initiative that takes place April 25-26, 2012 in Central London, United Kingdom.

Designing and manufacturing a commercially viable lightweight vehicle, whilst maintaining structural performance, remains a top priority for the automotive industry, as they battle to meet stringent carbon emissions targets and fulfill consumer demands for highly fuel efficient vehicles.

However, significant cost barriers remain across the advanced lightweight materials cycle from procurement and manufacturing processes to end of life recycling. Clearly tackling these costs will be key to mass-market applications, in tandem with resolving the remaining technical challenges to ensure optimal part performance.

At the Global Automotive Lightweight Materials Initiative 2012 you will be able to join the lightweighting community to benchmark your gram strategy, examine best practices and discover innovative, commercially viable solutions for sourcing, integrating and manufacturing advanced lightweight materials.

This is your opportunity to find out actual results being delivered in weight savings, amongst a backdrop of candid debate on collaborative opportunities to enable widespread adoption of advanced lightweight materials and finding the most feasible routes to achieving scale.

Please note that Mr. Alex Markin, Managing Director of IMG (International Magnesium Group, a wholly owned subsidiary of IMA Member CD International Enterprises, Inc.) will be among the panel speakers at the event.

As an IMA Member, you can claim a 15% discount on the advertised rates. To claim this offer, please email info@london-business-conferences.co.uk or call ++ 44 (0)20 7033 4970.

CHINA'S LATEST

China Magnesium Industry and Market Bulletin

www.chinamagnesium.net (02-Mar-2012)

Market Focus

Magnesium Market Seen Stable

From February 27th to March 2nd, ex-works quotations for 99.9 minimum ingots from leading production bases were stable as indicated in Shanxi from 16,300 – 16,500 yuan, Shaanxi from 15,900 to 16,100 yuan and Ningxia from 16,300 – 16,500 yuan. Export prices remained unchanged 2,950 - 3,000 US dollars.

In Fugu, one producer source noted that there were not many changes for ingot prices, with regular ingot offering mostly at 15,900 to 16,100 in cash. His plant is not busy with previous contracts and has no

stocks. For this week, Fugu's offers were reported by sources for 50 yuan increase which is might be supported by the climbing fesi market.

In Yuncheng, Shanxi, one source said that Wenxi's ingots (with acid treatment and packaged) were offering at 16,600 yuan. Traders in Wenxi were asking for 16,450 to 16,500 yuan, Taiyun 16,400 yuan (with acid treatment and packaged).

Industry News

DunAn Group Signed Light Alloy Projects with Shanghai Jiaotong University

February 28th, the ground-breaking ceremony for joint research centre and industrialization base, a cooperative effort between DunAn Group and Shanghai Jiaotong University, was held in Hangzhou city.

Both parties will work together in several technical and exclusive areas from cutting-edge research, industrialization technical services, new products and talents nurturing. The light alloy projects, taking advantages of each party's technology, product portfolio and channels, will locate at Zhujidiankou, with a planning investment of 160 million Rmb. Firstly, the work will be focusing on automobile light alloy die casting parts for transmission system, **magnesium** alloy low pressure casting automobile rim and **magnesium** key alternative parts for air conditioning system, as well as speeding up the related industrialization. In the future, the project will focus on die casting, precision processing and parts integration, and, by inside re-organization and merger, enhance the commercial scale with competitive light alloy facility.

Shanghai Jiaotong University has a sole national engineering research centre engaging in light alloy, related process, industrialization and technology transformation and promotion. The center is influential in China for its magnesium alloy development and equipment, new products innovation, precision forming technology, and surface treatment.

New material is one of the important fields on which DunAn Group has been focusing and nurturing for years. The group's phase one project of 300 kt **magnesium** alloy cyclic economy industrial park, namely Ningxi Sun Magnesium, has finished construction with built capacity of 35 kt. Another high quality **magnesium** cyclic economy industrial park, namely Golden Stone Magnesium, located in Inner Mongolia started construction in May 2011.

For future, both parties will gradually develop engine frame, automatic gear box of **magnesium** alloy casting, large section of bullet train, of degradable **magnesium**-based implant materials for orthopedic and cardiovascular segments, and Mg-ion rechargeable battery.

Top 10 primary magnesium producers in China for 2011

No	Company	Capacity(t)	Output(t)	% Y-on-Y
1	Shanxi Yinguang Huasheng Magnesium	80000	58376	↓7.49
2	Ningxia Huiye Magnesium	70000	49866	↓18.39
3	Taiyuan Tongxiang Magnesium	60000	40000	↓45.50
4	Taiyuan Yiwei Magnesium	60000	34000	↓15.00
5	Shanxi Wenxi Regal Magnesium,	50000	32000	↑113
6	Shanxi Wenxi Bada Magnesium	50000	28000	↑7.69
7	Shanxi Wutai Welbow Magnesium	30000	21000	↑10.53
8	Shanxi Meijin Magnesium Alloy	25000	18300	↓2.80
9	Shaanxi Shenmu Dongfeng Magensium	20000	18000	↑50.00
10	Shanxi Wenxi Hongfu Magnesium	25000	15600	↓21.93
Total		477000	303276	↓15.08

Data sourced from CMA

12 Magnesium Products Listed into the 12th Five Plans for New Material Industry

No	Product	Performance Index	Key technical equipment	Applications
1	Heat-resistant casting magnesium alloy	200°C tensile strength $\sigma_b \geq 230\text{MPa}$ 、yield strength $\sigma_{0.2} \geq 170\text{MPa}$	alloying and high-purity smelting technology and equipment	Auto engines
2	Low-cost extrusion profile	tensile strength $\sigma_b \geq 220\text{MPa}$ 、yield strength $\sigma_{0.2} \geq 150\text{MPa}$ 、 elongation rate $\delta \geq 8\%$	smelting casting, high-speed extrusion, and straightening mill	Vehicles, sports equipment
3	High performance magnesium alloy extrusion profile	high strength and elongation rate	high-purity refining, mould design, extrusion process high-purity refining equipment, extrusion mill	Aerospace
4	Large section magnesium alloy hollow profile	Wide, thin-walled and hollow, wall thickness 2~5mm, circumscribed circle diameter $\geq 400\text{mm}$, tensile strength $\sigma_b \geq 250\text{MPa}$, yield strength $\sigma_{0.2} \geq 150\text{MPa}$, elongation rate $\delta \geq 10\%$, bending $< 2\text{mm/m}$	Mould design, extrusion and straightening large extruder, large scaled mould, straightening equipment	General machinery, rail transport, Aerospace
5	Wide-width magnesium sheet	Width $\geq 1500\text{mm}$ 、thickness 1~3mm、tensile strength $\geq 250\text{MPa}$ ； elongation rate $\geq 18\%$	High-pressure rolling and Straightening rolling mills	Railway facilities and inner sheet of auto doors
6	Magnesium alloy casting sheet	Width 1200~1500mm, thickness 1~2mm	Uniform flow and flow nozzle material and design, high-speed refining rolling mill, wide casting rolling mill	Rail transport, auto, architecture, electronics
7	Magnesium alloy hot rolling sheet & plate	Thickness 2~30mm、width 1500mm、tensile strength $\geq 250\text{MPa}$ ， extension rate $\delta \geq 15\%$	Low temperature cogging technology, Mg alloy hot rolling mill	Textile machinery, medical machinery, communications and aerospace
8	Magnesium alloy sheet	Thickness 0.3~2.0mm、width 300~1500mm、tensile strength $\geq 280\text{MPa}$ ， extensibility $\delta \geq 25\%$	Magnesium alloy forging technology, high-precision hot-rolling mill for special Mg alloy	3C product shell, auto parts, airplane parts
9	Magnesium alloy precision rollong sheet	thickness 0.3~0.8mm、tensile strength $\geq 270\text{MPa}$ ， extensibility $\delta \geq 18\%$	Structure controlling technology and stamping roller, shaping controlling machine	3C product shell
10	Magnesium alloy forging auto rims	$\sigma_b \geq 280\text{MPa}$ ， wheel rim elongation rate $\delta_t \geq 8\%$ ， wheel spoke elongation rate $\delta \geq 4\%$ ，	Die forging process, super voltage moulding technology, surface treatment technology,	Auto hub, racing car hub

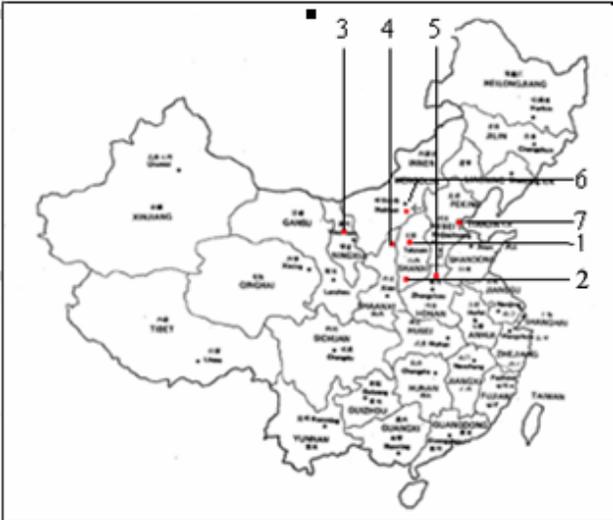
			isothermal forging mill, super-pressure flow moulding equipment	
11	Magnesium alloy forging	Alloy tensile strength $\sigma_b \geq 280\text{MPa}$, extensibility $\delta \geq 10\%$	Pressure forging and isothermal die forging process; isothermal die forging machine	Auto, Aerospace, sports equipment
12	high strength and damp magnesium alloy	Horizontal and vertical mechanical property of Mg alloy plate at room temperature: $\sigma_b \geq 300\text{MPa}$, $\alpha_{0.2} \geq 200\text{MPa}$, $\delta_5 \geq 15\%$, $E \geq 60\text{GPa}$, HB $S \geq 110$, ambient damping property Q-1: 在10~1000Hz minimum value under strain amplitude ≥ 0.1	High-strength high-damped magnesium alloy processing and heat treatment technology optimization; damping performance and mechanical property balancing optimization	Aerospace

Price Indicators

Sunlight's Price, Pure Magnesium (>99.8%) and Aluminum

Item	Magnesium Price	Unit
Shanxi Province	Taiyuan City, ex-works ¹	16300-16500
	Yuncheng City, ex-works ²	16500-16600
Ningxia Autonomous Region, ex-works ³	16300-16500	RMB yuan/ton
Shaanxi Province, ex-works ⁴	15900-16100	RMB yuan/ton
Henan Province, ex-works ⁵	None	RMB yuan/ton
Inner Mongolia Autonomous Region, ex-works ⁶	None	RMB yuan/ton
FOB Xingang, Tianjin ⁷	2950-3000	USD/ton
CIF, Rotterdam Port	3030-3080	USD/ton
CIF, Toronto Port	3070-3120	USD/ton
Date	SHFE Spot Aluminum	Unit
27-Feb-2012	16060/	RMB yuan/ton
2-Mar-2012	16035/	RMB yuan/ton

SHFE: Shanghai Future exchange (Exchange Rate of USD versus RMB is 6.2956 on March 2nd based on <http://www.boc.cn/>. We place a Chinese map here to mark the major production bases and Xingang Port of Tianjin for your reference.)



Note:

1. All the ex-works prices are VAT-paid.
2. The FOB price is based on ex-works basis, plus inland freight and miscellaneous expenses at Xingang Port of Tianjin. Because the distance from these six production bases to Xingang Port is different, their land freights also vary. FOB price includes 10-percent exports tariff from Jan. 1, 2008.
3. CIF prices are based on FOB price plus ocean freight and insurance, which will also vary time by time.
4. When getting ex-works price and FOB price, we give some weight numbers to each respondent and then get the weighted average prices.



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