New Production of Rare Earths Outside of China to Put Downward Pressure on Rare Earth Prices

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The Paragon Report Provides Stock Research on Lynas and Great Western Minerals

NEW YORK, 10/01/12 - Rare Earth stocks have struggled recently as a flood of new production into the market is likely to cause a further slide in prices according to a reported from Reuters. The Market Vectors Rare Earth/Strategic Metals ETF (REMX) has fallen over 20 percent in the last 6 months. The Paragon Report examines investing opportunities in the Rare Earth Industry and provides equity research on Lynas Corp. Ltd. (PINKSHEETS: LYSCF) and Great Western Minerals Group Ltd. (PINKSHEETS: GWMGF)(TSX VENTURE: GWG).

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New production announced from Molycorp and Lynas in recent weeks is likely to put downward pressure on prices. The economic slowdown in China, who produces 90 percent of global rare earths, has also seen an increase in supply as the country has raised export quotas for rare earth elements by 2.7 percent, the increase in nearly 5 years.

"We remain very concerned about what will happen to rare earth prices as ramping supplies from Molycorp and Lynas hit up against a rest of world demand profile that has shown little growth over the past five years," said JP Morgan analyst Michael Gambardella.

Paragon Report releases regular market updates on the Rare Earth Industry so investors can stay ahead of the crowd and make the best investment decisions to maximize their returns. Take a few minutes to register with us free at www.ParagonReport.com and get exclusive access to our numerous stock reports and industry newsletters.

Lynas last week reported that Malaysian high court has suspended their temporary operating license until Oct. 4. "We believe the risk to the license being overturned is low, given the review process undertaken in approving the license and results of court proceedings finding in favor of Lynas to date," Macquarie said in a recent note.

Great Western Minerals Group Ltd. is an integrated rare earth processor. Its specialty alloys are used in the battery, magnet and aerospace industries. In addition to an exploration program at their Steenkampskraal mine, the company also holds interests in four active rare earth exploration and development properties in North America.

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