# Flood of New Production Likely to Pressure Rare Earth Prices

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**The Paragon Report Provides Stock Research on Molycorp and Rare Element Resources**

NEW YORK, NY -- (Marketwire) -- 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 report 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 Molycorp, Inc. (NYSE: MCP) and Rare Element Resources Ltd. (NYSE: REE).

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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.

Bloomberg recently reported that China has slashed their rare earths mining permits by 41 percent. According to a statement released by the Ministry of Land and Resources, China has issued 67 mining licenses for rare earths and 10 exploration permits.

"The goal appears to be to gain greater control over the production of rare earths by putting that production largely into the hands of companies that are large enough to not have any real incentive to cheat on their production or export quotas," Jonathan Hykawy, an analyst at Byron Capital Markets Ltd., said in an e-mail.

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