



IMnI

ANNUAL REVIEW 2007

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manganese 25



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manganese 25

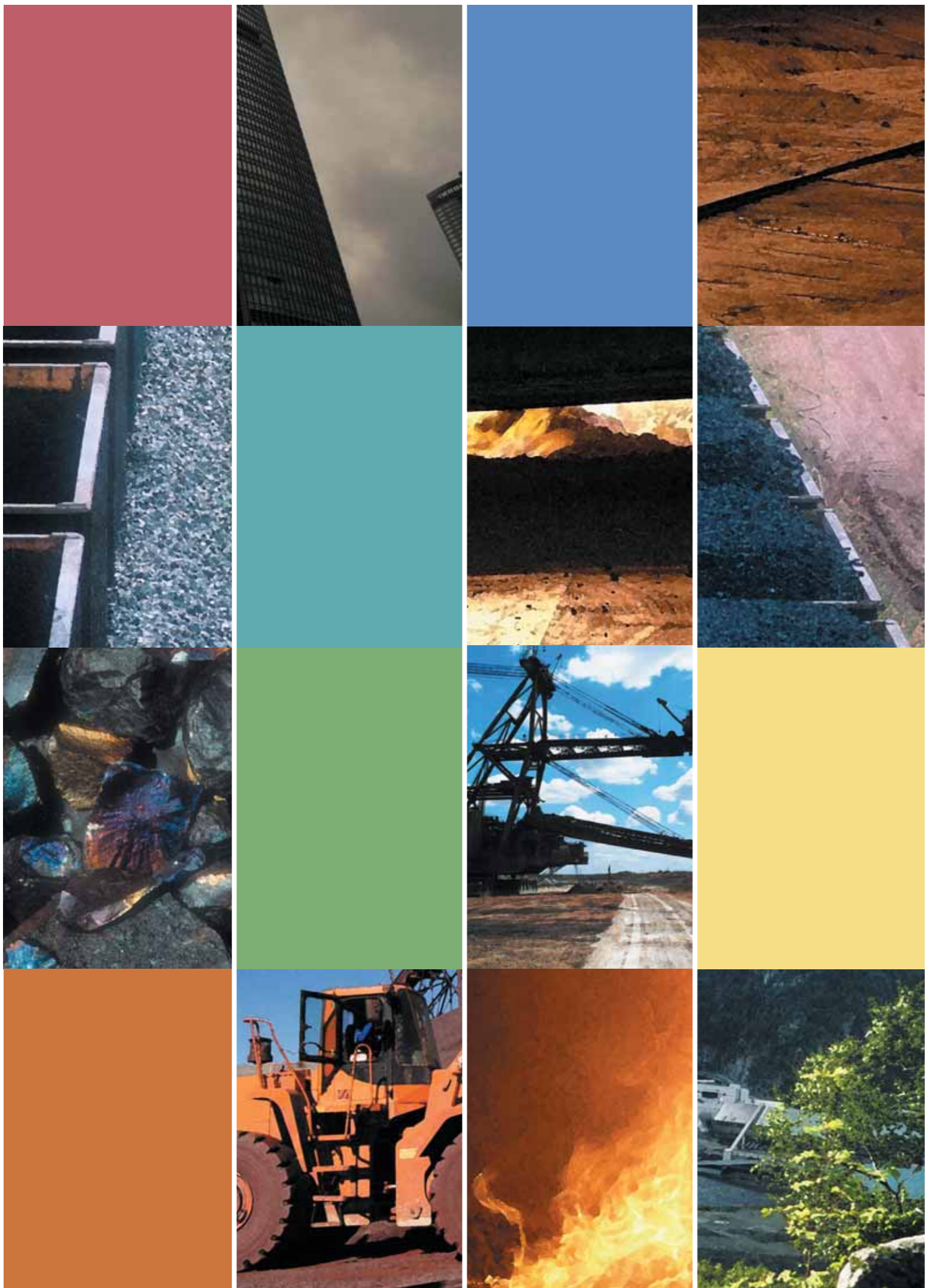


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"2007 was an extraordinary year for manganese...There were numerous factors that contributed towards what in surfing parlance could be termed the "perfect wave."

Message from the Chairman

THE MARKETS

2007 was an extraordinary year for manganese. At our Annual Conference, one of the keynote speakers went as far as to call manganese "sexy", a term I had never considered previously. By the end of the year, prices for both Mn ore and Mn alloys were at or close to record levels.

There were numerous factors that contributed towards what in surfing parlance could be termed the "perfect wave". Global steel production increased by over 7% to another new record, with China accounting for over 70% of the growth. However, there were notable happenings within the Mn industry that led to the tightness of both ore and alloy in the market. Consolidation continued in Mn ore. Privat Bank purchased the controlling interest in Ghana Manganese Ltd and cut back on external sales, particularly to China. Towards the end of the year, Palmary Enterprises a Ukrainian controlled associate company succeeded after a prolonged battle in gaining control of Australian Mn ore miner, Consolidated Minerals Ltd. Vale (CVRD) cut back on Mn ore production and external sales in favour of other priorities. This reduction in supply to the market and the increased uncertainty came at a time when there was accelerating demand, particularly from China and India, with the result that the Mn ore price skyrocketed encouraging countries such as Namibia and Mexico to resume exports. Other major producing countries like Australia, Gabon and South Africa increased production and exports but were limited by logistical constraints.

On the Mn alloy front, China exported a record quantity of Mn alloys despite the imposition of a 10% export

tax in 2006. (This tax was subsequently doubled to 20% on 1 January 2008). However with the rising prices for imported and domestic Mn ore together with increased costs for power, coke and logistics, pricing for Chinese Mn alloys increased through the year. The consolidation of much of the Ukrainian, Georgian and E. European capacity under Ukrainian ownership resulted in more disciplined marketing, particularly in Europe. One interesting development was the backward integration of the world's largest steel company, Arcelor Mittal, into manganese when they purchased the OFZ smelter in Slovakia and also became partners in the Kalagadi mine and smelter project in South Africa.

THE IMNI

Your Institute also had a very busy year. Besides the challenge of setting up a REACH Mn consortium, the Board adopted a Five-Year Strategic Plan as follow-up to the revised Mission statement.

On a more personal note, it is a great honour for me to have been elected Chairman by the General Assembly in June 2007. My top priority is to ensure that the Institute focuses on the objectives set out in the Five-Year Plan in order to be as relevant as possible to the needs of all its members.

Alastair Stalker
Chairman of the IMnI
Divisional Sales Manager
Ore & Metal Company Ltd.



"For the International Manganese Institute, 2007 marked the busiest year in its history."

Message from the Secretary General

EVENTS THAT MARKED THE YEAR

Many manganese industry records were broken in 2007: with shortages of both ore and alloys, prices surpassed all-time highs, while acquisitions and joint ventures made headlines as companies competed to ensure future ore supply.

For the International Manganese Institute, 2007 marked the busiest year in its history.

Major IMnI milestones in 2007 included:

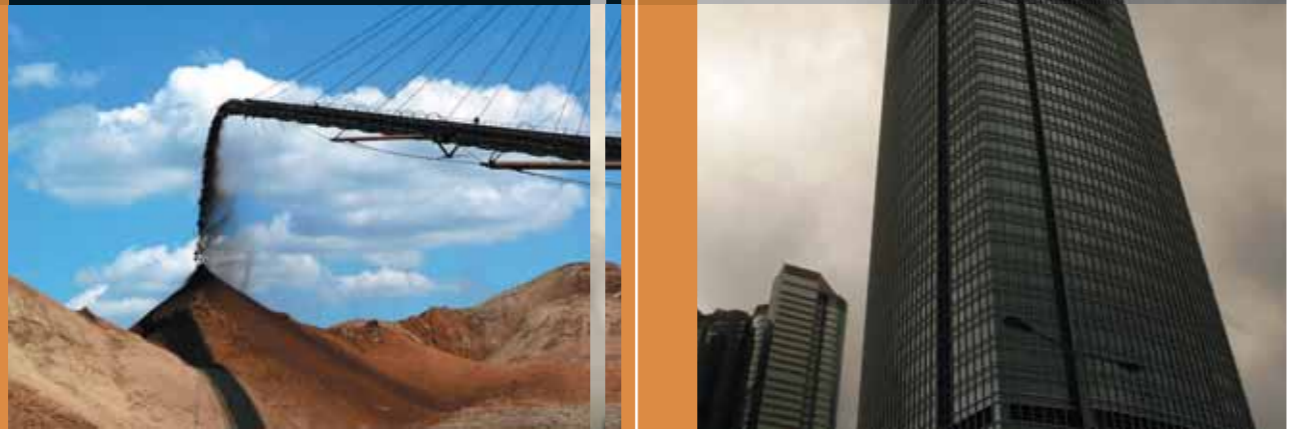
- **Strategic Plan 2007 – 2012.** Members and staff together developed an ambitious Five-Year Plan for the Institute. Adopted by the General Assembly at the June Annual Conference in Vienna, the plan rests on four long-term goals; and outlines objectives and an action plan running until 2012.
- **REACH Mn Consortium.** Much of the year was spent building the foundations for a Mn Consortium to help companies comply with REACH regulations. This project demanded a huge investment in time and effort from many of our members and the entire IMnI team. By the end of December, the REACH Mn Consortium was ready to go into operation and had recruited a Manager, Dr. Keven Harlow, to take charge.
- **New Market Research Tools.** Throughout the year the IMnI widened its China market sources; expanded its trade statistics by adding trade flows for EMD and began work on the creation of a database. By the end of the year, the Market Analyst had developed new Monthly Trade Reports with dynamic pivots. These user-friendly reports allow for rapid country comparison of imports/exports of Mn ore, Mn alloys and Mn Metal for use in analysis.

• **The 2007 Annual Conference in Vienna.** Attendance at the Vienna Conference significantly outstripped the previous year's record. The 167 delegates proved once again that our Conference has become the foremost yearly event for the Mn industry; the one place where players want to be seen and heard.

• **New Members.** 2007 saw a record number of companies seek membership in the IMnI. Eleven new members joined our ranks, adding two new countries to our wide membership base: Macedonia and the Ivory Coast. Today, IMnI's members reflect the increasingly global nature of our industry.

Many challenges for our industry and Institute still lie ahead. With the help of my team, I intend to meet these head on and am counting on the continued support of IMnI's members to do so.

Anne Tremblay
Secretary General of the IMnI



Manganese in 2007

> JANUARY - MARCH

- Ex-BHPB chief Brian Gilbertson seeks to re-enter the mining sector with a friendly takeover bid for Consolidated Minerals (CML).
- Felman Production declares force majeure on SiMn shipments due to production problems at its Letart plant in West Virginia.
- Eramet declares force majeure on SiMn after 2 burn-throughs at its Marietta plant in Ohio.
- Zambia's chances of becoming a world class Mn ore producer were boosted by the confirmation of a high grade deposit (between 44% - 52% Mn content).
- Sinosteel agrees to buy Jilin Ferroalloys, China's largest ferroalloy producer.

> APRIL - JUNE

- Manganese flake price exceeds \$5,500 as buyers worry about supply availability.
- China raises its export tariff on Mn flake to 15%.
- Privat group purchases Mn ore producer Ghana Manganese Company (GMC).
- State-run Steel Authority of India (SAIL) signs a MoU with MOIL to meet its requirements for ferroalloys.
- Kalagadi Manganese to double the size of its proposed mine to about 3M tpy. It receives JV offers from 16 companies.

> JULY - SEPTEMBER

- MOIL and BHPB announce plan to work together to investigate options for the production of ferroalloys for the Indian market.
- Renova, which holds a stake in United Mn of Kalahari, purchases Transalloys from Highveld Steel & Vanadium.
- The Japanese Government makes its first sale in 3 years of FeMn from its strategic reserves.
- Territory Resources and Palmary Enterprises both launch official takeover bids for CML.
- Tronox Inc. files an anti-dumping duty petition with the International Trade Commission and U.S. Department of Commerce against imports of EMD from Australia and China.

> OCTOBER - DECEMBER

- China aiming to close 1.17 million tpy of ferroalloys capacity by the end of 2007 notifies 204 smelters to shut down 302 furnaces and urges its local subsidiaries to immediately abolish preferential electricity prices.
- Manganese ore prices surge in China as rising demand from alloy producers and low availability in ports combine to boost the market.
- ArcelorMittal enters into a 50/50 JV with Kalagadi Manganese, to develop a mine, beneficiation plant, sinter complex and FeMn smelter. It also announces it will purchase Slovakian alloy producer, OFZ.
- The Chinese Gov't announces an increase in export tariffs for Mn alloys in 2008: 20% for both Mn flake and Mn alloys and 15% for Mn ore.
- In the year-long battle to gain control of Consolidated Minerals, Palmary, led by Ukrainian businessman Gennadiy Bogolyubov, who is also a large shareholder in the Privat group, takes the prize having acquired a 90% interest.



IMnI in 2007

> JANUARY - MARCH

- IMnI Board members decide to create a REACH Mn Consortium to facilitate REACH registration.
- Western Australian ore producer and Board member Consolidated Minerals Ltd. hosts the February Board meeting in Perth and arranges a visit to its Woodie Woodie mine operations.
- IMnI hosts two conferences in March in Guilin, China; one for ore & alloy producers, the other for manufacturers of EMM and EMD.
- Three companies join the IMnI: Mogale Alloys (Pty) Ltd, a South African Mn alloy producer; Ntsimbintle Mining (Pty) Ltd, a South African prospector; SODEMI, an Ivory Coast state-owned Mn mining company.

> APRIL - JUNE

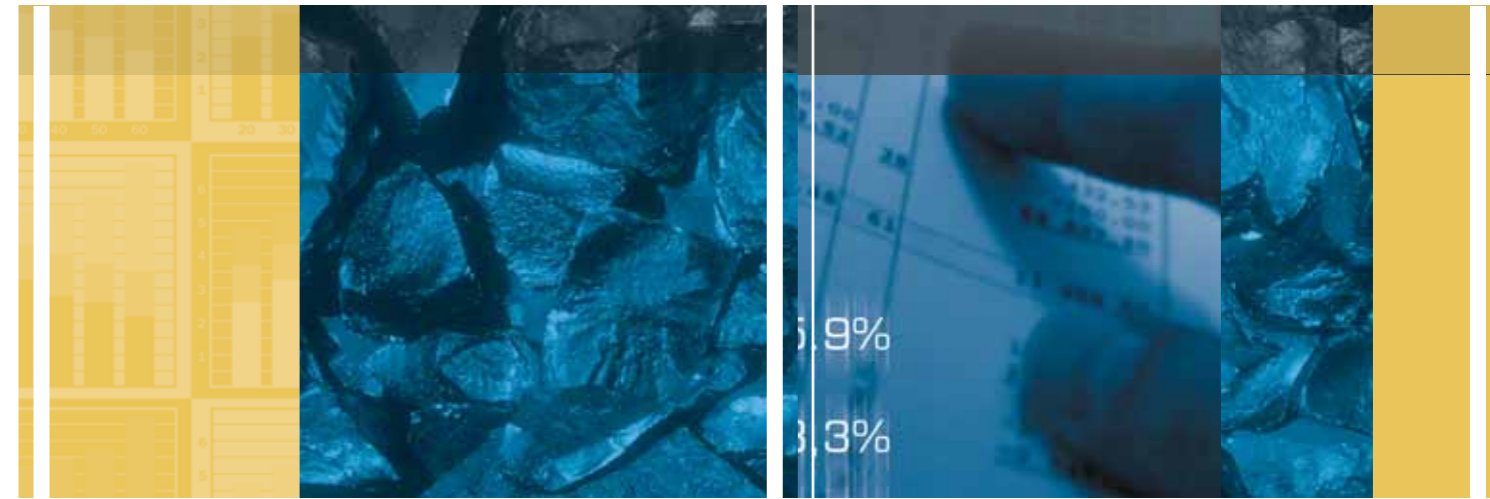
- The 33rd Annual Conference in Vienna attracts 167 delegates – an all-time record. Austrian member DMC DECOMetal generously contributes to the success of the Banquet dinner.
- The General Assembly adopts IMnI's Five-Year Strategic Plan.
- OFZ's ferroalloy plant in Slovakia and Nikopol's plant and mine in the Ukraine welcome members during Annual Conference technical tours.
- Alastair Stalker (Ore & Metal) is elected Chairman by the General Assembly in Vienna. He replaces John Raubenheimer (Samancor). Also elected are Arnaud Tissidre (Eramet Comilog Manganese) as Vice-Chairman on the Executive Committee (ExCo); Branislav Klocok (CVRD, now Vale) as Chairman of the Statistics Committee (replacing Dalena Norden). The Electrolytic Products Division (EPD) elects Pietro Amico (Erachem) as Chairman and Blikkies Bignaut (MMC) as Vice-Chair. Peter Beaven (Samancor) joins the Board along with Rune Reinertsen (Tinfos Jernverk) who replaces Leif Andreassen.
- The REACH Mn Consortium sees the day when 11 "founder member" companies come together to finance the drafting of the Consortium Agreement and initial studies required for REACH registration.
- Three companies join the IMnI: Simpac Anc Corporation, a South Korean producer of HC FeMn and SiMn; CNTIC Shenzhen Imp. & Exp. Co., a Chinese producer of SiMn, HC FeMn and Ref FeMn; Zhejiang Materials Industry International Co. Ltd, a Chinese state-owned trader.

> JULY - SEPTEMBER

- The Manganese Health Research Program (MHRP) launches a call for proposals for Phase 3 of the program.
- Three companies take out membership in the IMnI: Territory Resources Limited, an Australian prospector; Skopski Leguri Dooel, a SiMn producer based in the Republic of Macedonia; Ski Shanghai Ltd, a Chinese trading house.

> OCTOBER - DECEMBER

- IMnI hosts a REACH Mn Consortium Workshop in London.
- The Manganese Health Research Program Steering Committee selects 20 new projects to fund.
- A search begins to find a Manager for the REACH Mn Consortium. Dr. Keven Harlow is recruited at the end of the year.
- Two New Members: China's Citic Dameng, a leading producer of Mn ore and Mn Metal, becomes an EPD member; Omni Industries BV, a Dutch trading house representing Russian producer Satka Chugunoplavilny Zavod. This brings total new members for the year to 11.



Manganese Ore and Alloy Market Overview

STEEL CONTINUES TO GROW IN 2007...

Global crude steel production grew 7.4% to 1.32 billion mt surpassing the previous year's record. This record steel production drove the increase in consumption of manganese. The increase was greatest in China where steel production grew by 15.7% to over 489 million mt; some 37% of world production.

Silicomanganese (SiMn) continued to grow at the fastest rate due to the robust growth in production of steel long products for infrastructure and construction projects in China and other rapidly developing countries such as Brazil, India and the CIS. Overall the production of SiMn grew to 7.5 million mt, an increase of 13%.

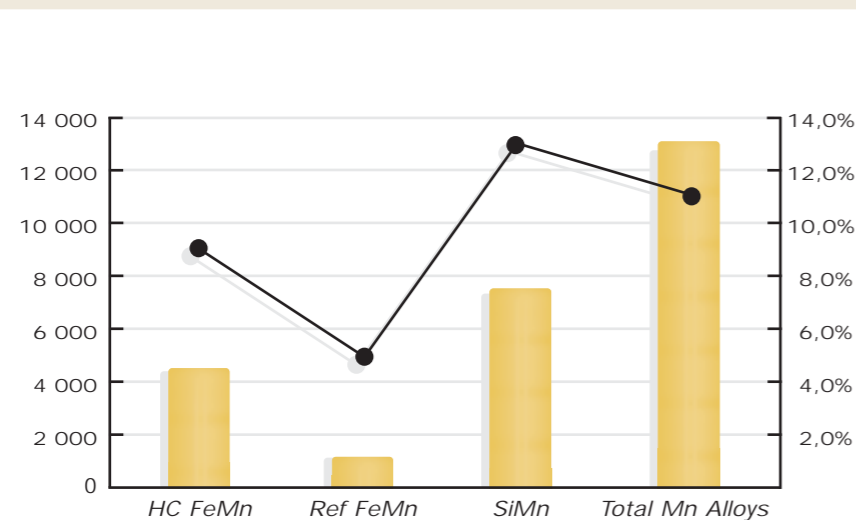
MANGANESE ALLOYS

Global production of manganese alloys grew 11% during 2007, reaching an unprecedented 13.1 million mt. China continued to be the major contributor to this growth; it produced over 6 million mt, representing 45% of total production.

Global unit consumption of manganese ferroalloys continues to vary significantly from region to region due to different steel production processes, the quality of the raw materials used (such as iron ore grades) and types of steel products produced. The overall average however continued to be around 10 kg Mn alloys per mt of steel produced in 2007. Increased production of higher strength steels, such as HSLA, which are lighter yet stronger, is expected to drive up the unit consumption of Mn alloys in the future. Manganese helps strengthen these steels.

The global production of each manganese alloy increased in 2007. High carbon ferro-manganese (HC FeMn) was up 9% surpassing 4.5 million mt. Refined ferro-manganese (Ref FeMn) production grew by 5% to 1.1 million mt.

Figure 1.
Mn Alloy Production / % Change y-o-y



MANGANESE ORE

Mn ore (wet) production increased by 12% , reaching 38 million mt, whereas production of Mn ore (in Mn content) was up just under 9%, indicating that with alloy production increasing by 11%, consumption of manganese units exceeded production during the year. Adding to the market pressure brought on by this imbalance were limitations in rail, port and shipping capabilities at certain locations. Furthermore, reductions in sales to the seaborne market by a couple of integrated producers reduced the amount of Mn Ore available to importers.

China continued to be the largest producer of Mn ore in both wet tonnages and in Mn content, producing 14 million wet mt and 2.8 million mt of Mn content. South Africa was the second largest producer, producing 5.6 million wet mt and 2.5 million mt of Mn content. Australia was the third largest, with 4.9 million wet mt and 2.2 million mt of Mn content, followed by Gabon at 3.3 million mt and 1.6 million mt respectively.

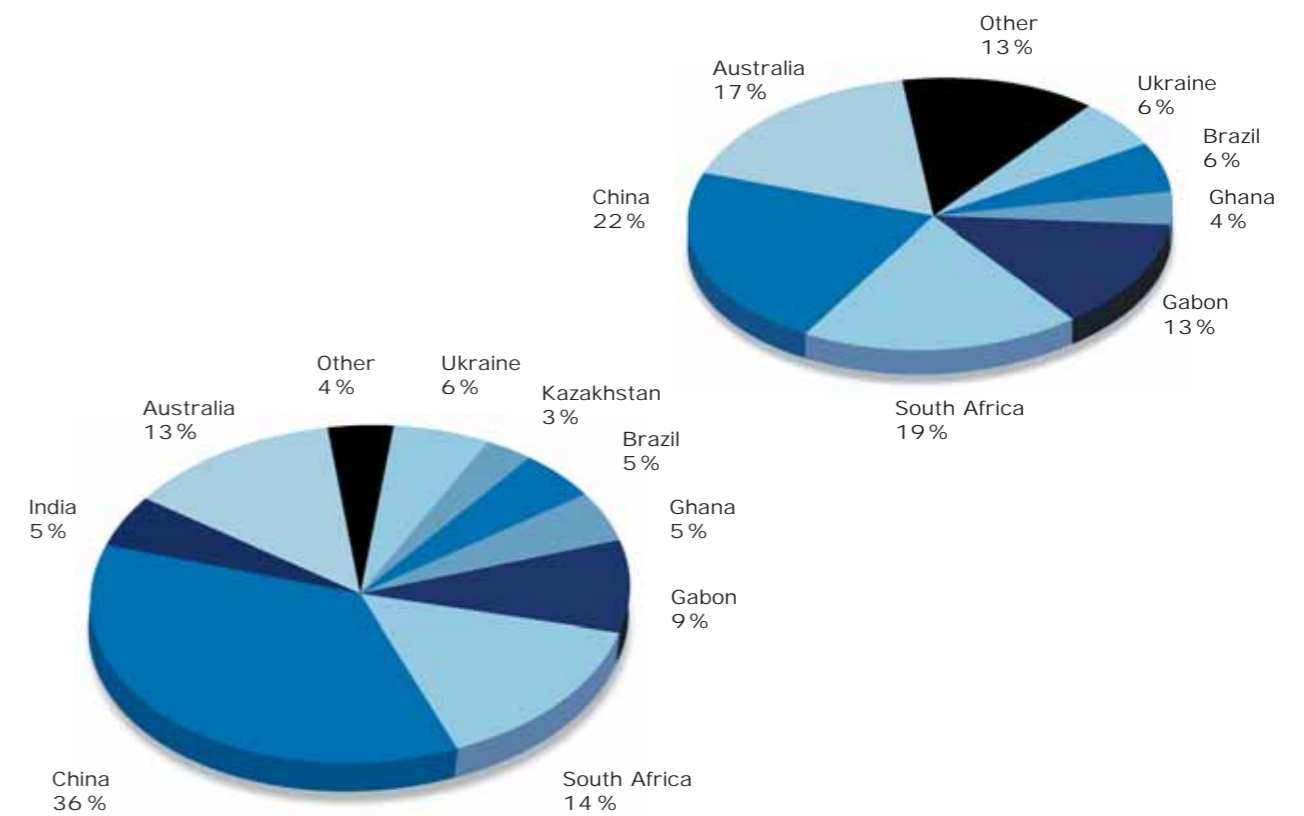


Figure 2.
2007 Top 9 Mn Ore Producers
(As a % of total global production 38 million wet mt)

Figure 3.
2007 Top 7 Mn Ore Producers (in Mn Content)
(As a % of total global production 12.7 million wet mt)



"IMnI provides the most comprehensive manganese industry market research available."

MARKET RESEARCH AT IMNI

IMnI provides the most comprehensive manganese industry market research available.

Available on a quarterly and annual basis, IMnI's reports examine both production and consumption, and the balance between the two, looking at the industry from both sides of the supply demand equation. The primary objective of these reports is to offer an analysis of the current situation of the market which can provide the basis for Members to develop a greater understanding of their business. Our Market Analyst, Mark Camaj examines manganese ore and alloy consumption as they relate to the steel industry with the application of an industry model. This approach provides increased accuracy and a systematic approach to understand and anticipate changes in the industry.

IMnI's China Representative, Li Yongzhi, investigates local industry developments to refine IMnI's global market knowledge. He also translates and provides all the market research reports to our Chinese members.

IMnI Statistics Committee

- Branislav Klocok (Chair)
- Dalena Norden
- Peter Allen
- Jean Marie Augeard
- Oscar Tellaeche
- Graziella Nicora
- Kunihiro Kitamura
- Juan Bosco Alvarez
- John Lewis
- Ole Oystein Haugen
- Mark Camaj
- Anne Tremblay

THE IMNI STATISTICS COMMITTEE

IMnI market research activities are guided by the IMnI Statistics Policy. The IMnI Statistics Committee, chaired by Branislav Klocok, serves as a key contact between IMnI member companies and the IMnI Market Analyst. The committee's three main roles are to:

- Identify and determine best report formats and practices
- Standardize units of measure for reporting metrics
- Communicate statistical information only to the Market Analyst who aggregates this information to protect members' confidentiality. (There is no member-to-member statistics dialogue).

- Vale (CVRD)
- BHP Billiton
- Consolidated Minerals Ltd.
- Eramet Comilog Manganese
- Ferroatlántica
- Italiana Prodotti Minerali (I.P.M.)
- Japan Ferroalloy Association
- Minera Autlan
- Ore & Metal
- Tinfos
- IMnI
- IMnI



"Dr. Keven Harlow was selected as the Consortium Manager"

Building a REACH Mn Consortium

Throughout 2007, the new EU regulation for Registration, Evaluation and Authorization of Chemicals (REACH), was one of the Institute's prime focuses.

REACH regulations, which went into effect on June 1, 2007, require industry to prove its products are safe for use. All companies producing manganese products in Europe, exporting manganese products to Europe, or importing manganese products into Europe (traders) are obligated to comply with REACH. REACH is a licence to operate: if there is no data, then access to the European market will be denied.

Key events leading up to the Consortium's opening included:

- At the February IMnI Board meeting, a group of five companies decided to launch a REACH Mn Consortium. The group delegated IMnI to recruit additional companies to take part in the initial phase and to provide a draft Consortium Agreement.
- In June the group of now 11 "Founder Members" met in Vienna and elected Samancor's CEO Peter Beaven to Chair their Steering Committee. An initial budget of 1.1€ million was voted to cover start-up costs, overheads and initial studies and tests, with each company agreeing to contribute 100.000€. A Legal Sub-Committee, made up of in-house legal counsel from 5 of the companies and an external law firm, was designated to draft the Consortium Agreement. The Steering Committee decided to recruit a Consortium

Manager and asked the IMnI to draft a job description and candidate profile and, once approved, begin the search.

- On October 10, the Institute hosted a one-day REACH Workshop in London to inform interested companies of REACH requirements and how joining the Mn Consortium was the most efficient and cost-effective solution for registering their products.
- With continued expert technical support from Dr. Patricia Koundakjian, SafePharm Laboratories (SPL) was selected as the prime contract toxicology laboratory for the provision of studies, tests and expertise needed for the registration of the Mn substances retained by the Consortium. Work got under way to prepare a Master Services Agreement with SPL.
- In December, Dr. Keven Harlow was selected as the Consortium Manager. Dr. Harlow comes with considerable knowledge of REACH. A senior metals industry executive with 20 years experience in project management, commercial performance, sales activities and the management of people, he has worked for Höganäs, London and Scandinavian Met Co Ltd (Metallurg Group) and has also taught at the Technological University of Nagaoka in Japan. He holds a PhD (Al-Li alloys) from the University of Nottingham. His nomination would become effective on January 1, 2008, the same day the Consortium would officially open.



Dr. Keven Harlow

REACH Mn Consortium "Founder Members"

- Consolidated Minerals Ltd.
- Delta EMD
- Ferroatlantica
- Ore & Metal Co. Ltd.
- Samancor Ltd.
- Tosoh Corporation

- Companhia Vale do Rio Doce (CVRD now Vale)
- Eramet
- Mogale Alloys (Pty) Ltd.
- Privat Intertrading
- Tinfos Jernverk A/S



"Engage all producers to adopt IMnI industry principles."

Alert, Mobilize & Lead on OHES Issues

The International Manganese Institute has a strong and enduring commitment to promoting good corporate citizenship amongst its members. This commitment ensures that member companies are informed of the best occupational safety measures to better protect their workers, that environmental protection measures are taken into account and that responsible attitudes are adopted towards local communities.

In the IMnI's new Five Year Strategic Plan (2007 – 2012), four of the 12 objectives directly concern Occupational Health, Environment and Safety issues. These objectives aim to: facilitate REACH Registration for EU producers and importers into Europe (see page 9); engage all producers to adopt IMnI industry principles; enrich and supplement the OHES data available on Mn; make current and future "good" scientific studies available to appropriate parties.

Meeting these Objectives is the responsibility of the Occupational Health, Environment and Safety Committee (OHES) – IMnI's longest standing committee – chaired by Catherine Tissot-Colle, Eramet's Executive Vice-President for Communications & Sustainable Development.

Besides elaborating the scientific aspects of the REACH Consortium, the OHES Committee began work to establish universal sampling procedures for measuring exposure to Mn in the workplace. The development of a standard methodology for measuring inhalable and respirable Mn exposure will allow companies to compare their results and together set industry benchmarks.

OHES Committee Members

Catherine Tissot-Colle (Chair)	Eramet
Jerry M. Roper	Afton Chemical
Michael D. Taylor	Afton Chemical
Dirk van Niekerk	BHP Billiton
Alistair Croll	Consolidated Minerals Ltd.
Andrew Manditch	Delta EMD
Caroline Ciuciu	Eramet
Pierre Rousseau	Eramet
Cristina Rodriguez	Ferroatlantica
Lara Villaverde	Ferroatlantica
Phil Crous	Ore & Metal
Kyrre Johansen	RDME
Rune Reinertsen	Tinfos
Pat Koundakjian	IMnI Consultant
Dalida Chouchi	IMnI
Anne Tremblay	IMnI



"There were sufficient funds left in the budget to inaugurate a third and final phase of the MHRP."

Current Research Activity

The Manganese Health Research Program is an ambitious research program on the effects of manganese on human health. Spearheaded in 2002 by the International Manganese Institute and supported by US Congress and the US Military Operational Medicine Research Program, the MHRP has received a total of \$5.05 million in US government funding. The MHRP is scheduled to end in 2009.

THE MHRP PROCESS

The MHRP is a multi-phased project driven by a team comprising representatives from government, academia, industry and world-renowned scientists. The Steering Committee is chaired by the IMnI's Secretary General Anne Tremblay, while Dr. Michael Aschner of Vanderbilt University oversees and administers the multi-study program. The program's objective is to protect the health of those exposed to manganese through their work by developing an improved understanding of the relationship between exposure and health effects.

In the spring of 2007, the Steering Committee ascertained that there were sufficient funds left in the budget to inaugurate a 3rd and final phase of the MHRP. A call for proposals was circulated and 42 "letters of intent" were received. In October, the Steering Committee examined the pre-proposals and selected 20, asking the investigators to submit full proposals for final review. In December, the Committee met in Washington, DC, to make the selection. The Committee accepted 10 out of the 20, but asked each investigator to cut his budget without sacrificing the scope of his research. This was accepted by all and, as we go to press, the US Department of Defense is reviewing the 10 new projects. We are expecting a positive response early in 2008.

The MHRP web site www.manganese-health.org was updated regularly throughout the year. The site houses a Research Activity Awareness Service, information on the aims of the MHRP and on the state of advancement of the studies, along with news and useful links.

Research Activity : MHRP Subsidized Studies (excluding the 10 new projects)

1. Development of Guidance and Tools to Facilitate the Use of Routine Exposure Data in Future Epidemiology Studies of Manganese Exposed Workers
2. Biomarkers of Early Onset of Manganese Neurotoxicities among Occupationally Exposed Chinese Workers
3. A Feasibility Study on Exposure to Welding Fume and Parkinson's Disease
4. Cellular Mechanisms Involved in the Uptake and Delivery of Inhaled Manganese via the Olfactory Nerve
5. Magnetic Resonance Imaging (MRI) of Manganese Accumulation in the Rat Brain Associated with Iron-Deficiency and Supplementation
6. Provision of a Web-Based Research Activity Awareness Services
7. Neurotoxicity after Pulmonary Exposure to Welding Fumes Containing Manganese
8. Identification of Novel Biomarkers of Manganese Exposure
9. A Study of the Nervous System in Welders
10. Mechanisms of Manganese-Induced Damage at the Cell and Mitochondrial Level
11. Role of Manganese in Prion Disease Pathogenesis
12. Assessment of Genotoxicity and Carcinogenicity of Inorganic-forms of Manganese
13. Role of Toxins and Genetics in Manganese-Induced DA Degeneration
14. Molecular Mechanisms Underlying Mn Neurotoxicity



"2007 saw a spectacular jump in membership"



Ever-Increasing Effectiveness of IMnl's Marketing & Communications

THE M&C COMMITTEE PILOTS THE DEVELOPMENT OF THE FIVE-YEAR STRATEGIC PLAN

Following on the approval the Board had given to the Institute's new Mission Statement in November 2006, the Marketing & Communications Committee led by Greg Forbes, set out to coordinate the development of a new Five-Year Strategic Plan. Committee Chairs, active members and IMnl's team participated in a series of organized "brain-storming" sessions to define long-range goals for the Institute, along with objectives and an action plan for the next five years. After months of intense discussions, the Strategic Plan 2007 – 2012 was adopted by the General Assembly in June. Going forward, the Plan would be "the "beacon" by which all projects and proposals would be evaluated and measured", announced Chairman Alastair Stalker to the General Assembly minutes after his election.

MEMBERSHIP GROWS EXPONENTIALLY

Perhaps it was due to the robustness of the market, translating into high prices, but 2007 saw a spectacular jump in membership. Eleven companies joined the IMnl: with The Netherlands, Macedonia, Australia, South Korea and the Ivory Coast providing one each; South Africa, two; and the People's Republic of China, four. And by the end of the year, another three companies had promised to join in 2008. The IMnl's growing membership base displays an ever increasing number of countries represented, thus underlining the truly global nature of our industry and the increasing recognition of the value proposition that comes with membership.

THE ANNUAL CONFERENCE: MN INDUSTRY'S "MUST DO" EVENT

Over the past few years, the Institute's Annual Conference has been acknowledged as the undisputed event where Mn industry players want to be seen and heard. The 2007 Conference in Vienna confirmed its reputation, thanks to record-breaking attendance (167 attendees), engaging and timely themes (*A look at the CIS, the Steel Industry and REACH*) and ambitious technical tours to OFZ's plant in Slovakia and Nikopol's plant and mine in the Ukraine.

OTHER SIGNIFICANT ACHIEVEMENTS

2007 was also marked by other significant events:

- IMnl held two China Conferences in Guilin City (Guangxi Province), one for ore & alloy producers, the other for EMD & EMM producers. Over 100 participants attended each event.
- The M&C Committee reviewed its China policy, in respect to one of its new objectives: "Gain the loyalty of Chinese members and increase membership in China." The conclusion was reached that it was important for the Institute, the international manganese industry and the Chinese industry that the significant Chinese producers were active participants in IMnl activities. Accordingly it was decided to continue to engage with the Chinese producers, but in 2008 we would modify our approach by replacing the IMnl China Ore & Alloy Conference with a less formal event.

All these activities helped ensure that the IMnl would continue to be the focal point for all those involved in the manganese industry.



Marketing & Communications Committee

Greg Forbes (Chairman)
 Wang Feng (Chair M&C China Sub-Committee)
 Peter Allen
 Arnaud Tissidre
 James Jin Shik Choi
 Mark Camaj
 Anne Tremblay

IMnl
 Minmetals
 Consolidated Minerals Ltd.
 Eramet Comilog Manganese
 Simpac Inc.
 IMnl
 IMnl



"The EMM and EMD industries are increasingly dominated by producers in China"

The IMnI Electrolytic Products Division (EPD)

THE IMNI ELECTROLYTIC PRODUCTS DIVISION (EPD):

- Focuses the activities of the IMnI on behalf of the global manganese industry to include the specific interests of those companies that are currently producers of electrolytic manganese metal (EMM) and electrolytic manganese dioxide (EMD).
- Collects and organizes trade data and distributes trade reports for the products of the membership.
- Acts as a forum for discussion of industry matters, particularly those relating to health, safety, environment and community issues.

EMM prices hit record levels in 2007, breaking the \$5,000 mark sometime mid-year, around the same time nickel was breaking its historic price records. EMM is used in the production of Stainless Steel 200, a stainless steel which substitutes manganese for nickel and other refined steels. Other fundamentals which supported the gains were the rise of prices of Mn Ore to unprecedented levels; sharp rises in freight costs and uncertainty over future supply. However, demand softened and prices came down in Q3. They began to firm again at the end of the year, as China's Government announced that export duties would be raised to 20% effective 1 January 2008, and as China experienced power shortages. China accounts for 95% of global EMM market share.

Competition in the EMD industry continued to be fierce, putting downward pressure on prices and adversely affecting many producers. With China exports representing a greater share of supply; exports have come under increased scrutiny regarding anti-dumping duties in various countries, including the USA, Japan and the EU.

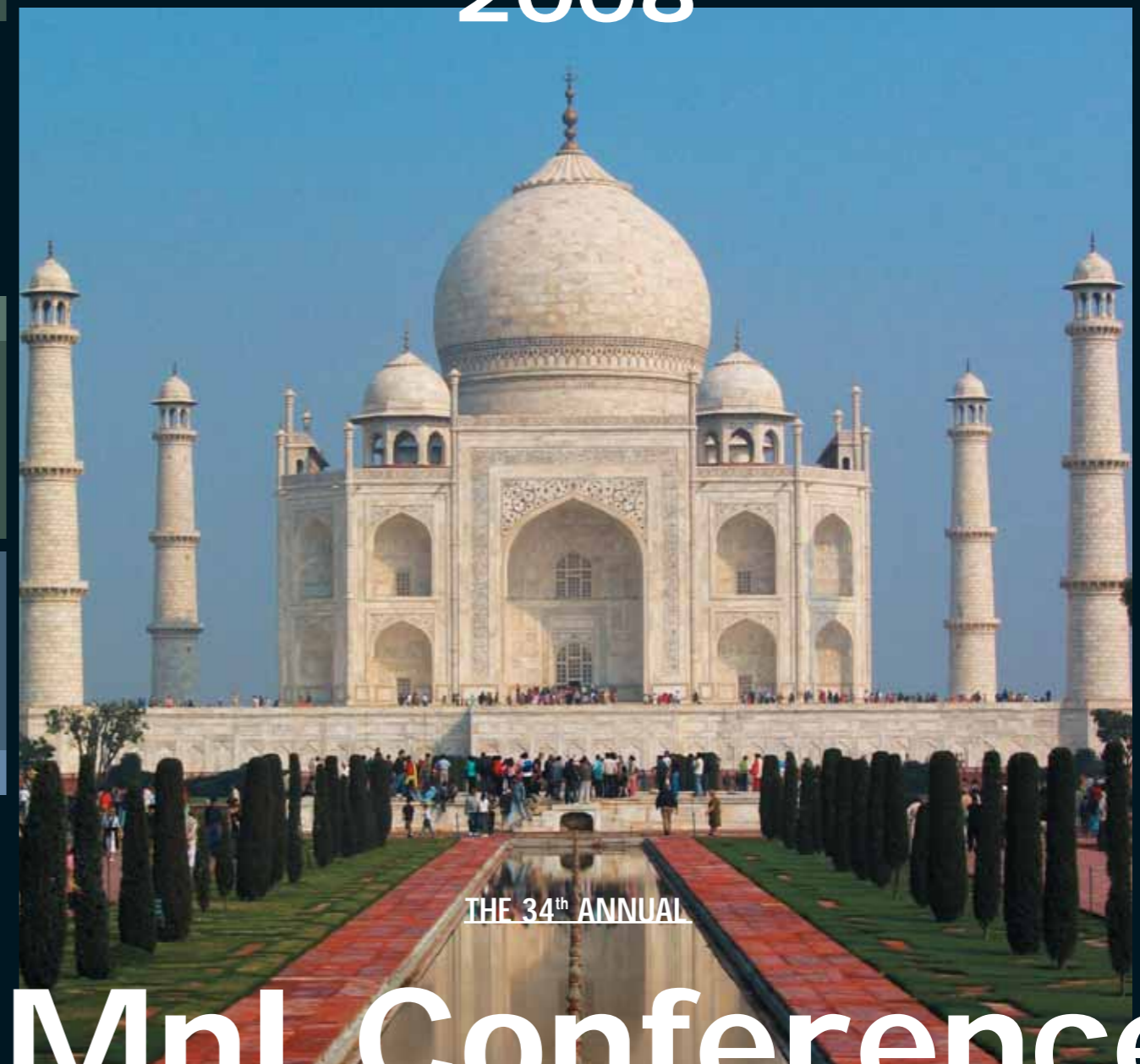
The EMM and EMD industries are increasingly dominated by producers in China. The EPD division has continued to focus on attracting greater Chinese membership to reflect this reality. In March 2007, the division successfully hosted its fourth EPD Conference in Guilin (Guangxi Province), bringing together the major players in China with EPD members. The conference showcased all the relevant issues in the industry and drew a high level of interest from Chinese EMM and EMD producers.

In 2007, the EPD division witnessed the shift from Chinese umbrella group membership to individual company membership, as Citic Dameng replaced the National Friendship Association of Electrolytic Manganese Metal Factory as the sole EMM producer member in China. This was a great success as Citic Dameng is considered one of the most recognized and influential Chinese companies in this industry sector.

EPD Division

Pietro Amico (Chairman)
Blikkies Bignaut (Co-Chairman)
Philippe Bertrand
Ashley Moore
Michael Renehan
Leon Arthur
Masaki Iwasaki
Masahiko Toyoda
Mark Camaj
Anne Tremblay

Erachem Comilog
Manganese Metal Company (MMC)
Erachem Comilog
Delta EMD Australia Pty Ltd
Delta EMD Australia Pty Ltd
Manganese Metal Company (MMC)
Tosoh Corporation
Tosoh Corporation
IMnI
IMnI



THE 34th ANNUAL

IMnI Conference

"The IMnI Annual Conference is the undisputed Mn Industry event: the place for players to network, be seen and have their voice heard."

THEMES INCLUDE :

INDIA AND ITS MANGANESE INDUSTRY: TODAY & TOMORROW

INDUSTRY DRIVERS: POWER, TRANSPORTATION, ETC.

SAFETY: BEST PRACTICE

REACH: A LICENSE TO OPERATE IN EUROPE

Group Outing to Agra and the Taj Mahal (Saturday, August 30th)

For information contact Valerie Breliere:
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Vice-Chairman

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