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## Industry Bulletin

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### Industry Bulletin: The Future of the Nickel Metal Hydride Battery and the Rare Earth Metals it's Constructed from - Jack Lifton Commentary

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In our ongoing efforts to provide you with broader communications and industry information, we are pleased to alert you to the availability of new commentary by respected Rare Metals industry analyst Jack Lifton, in the January 2009 edition of *Resource Investor* entitled, “*The future of the Nickel Metal Hydride (NiMH) Battery and the rare earth metals it is constructed from*”.

In framing his article, Mr Lifton provides an intriguing overview of the historical actions and insights of the automakers and where he sees power train technology today and how it might unfold going forward. In particular, he asserts that the NiMH battery, which contains some 15kg of rare earth elements (primarily lanthanum), will remain the dominant rechargeable battery technology in hybrid and electric cars for the next ten years.

This insightful article, 8-pages long in print form, is well worth reading (a link is provided below). Among the many interesting insights provided by Mr. Lifton:

*“There will be a growing demand for rare earth metals for NiMH batteries and neodymium-iron-boron permanent magnets, which can only be met by extending the production of REEs (rare earth elements) outside of China”*

*“Industry leader Toyota plans to triple its production of Prius-power-train using hybrid vehicles and of nickel-metal hydride batteries built primarily in-house to a total of 1,000,000 vehicles and 1,000,000 batteries per year by 2011”*

*“Toyota’s management has concluded that lithium battery technology is not mature enough now for a full-scale commitment by Toyota to move from nickel-metal hydride battery technology to lithium battery technology in the near future.”*

While auto sales have suffered over the past six months in the current economic downturn, there is no question that new policy directives, research efforts and funding support from governments particularly the new Obama-led administration in the U.S. will ensure the continued growth of the hybrid and electric car market.

Avalon Ventures Ltd. is well positioned to take advantage of this trend. With initial production of rare earths from its Lake Zone deposit at Thor Lake NWT, anticipated to begin within the next five years, Avalon will likely be entering the market at a time when demand for rare earths may well be outstripping supply.

The complete article may be found on the Resource Investor website at:

<http://www.resourceinvestor.com/pebble.asp?relid=48980>

If you have any comments or questions, please do not hesitate to post them on Avalon's blog at [www.raremetalblog.com](http://www.raremetalblog.com)