

Rethinking Rare Earths

Medallion is rethinking accepted rare-earth exploration and development strategies under the leadership of veteran geologist and rare-earth expert Dr. Bill Bird. With the accelerated need to relaunch the rare-earth exploration and development industry, most company strategies focused on the portfolio of hard-rock occurrences that were discovered in the mid-20th Century, before China's dominance. Most of these occurrences require complex metallurgy, huge investments for infrastructure and years to get to production.

Medallion recognized in 2009 that there was no company or REE-project, with the possible exception of Molycorp's Mountain Pass Mine, that could solve the most critical REE-supply issues:

1. a near-term shortage of rare-earth elements, and
2. a lack of low-production-cost projects.

Over the past two years, solving these issues has been the driving force of Medallion's exploration and project-acquisition strategy. Rather than focusing on properties with complicated, expensive and untested metallurgy, Medallion is pursuing monazite processing partnerships and purchase-agreements. Monazite is a rare-earth phosphate mineral that is a major source of rare earths. It is a common by-product of heavy-mineral-sands deposits. Although it can be developed quickly and inexpensively, it is almost totally ignored by others.

Monazite an untapped source of RARE EARTHS

Monazite is a phosphate mineral containing 50% to 60% rare-earths and it was also the world's original commercial rare-earth source. For over 100 years, monazite has been processed using well-understood metallurgical procedures. Monazite and bastnaesite (the main rare-earth mineral at Molycorp's Mountain Pass mine) are the only two rare-earth minerals to have successfully produced commercial quantities of rare earths. The U.S. Geological Survey, in a January 2011 report, states that monazite is the 2nd most available rare-earth resource globally today.

New rare-earth production from monazite can be developed relatively quickly and inexpensively, since it is accessible in large quantities as a by-product of heavy-mineral-sand mining operations. This potential source of rare-earths, much like rare-earths themselves, has been virtually ignored for decades as the major heavy-mineral-sands producers focused on their key growth markets of titanium and zirconium.

Today, many heavy-mineral-sands operations maintain ore reserves in excess of one billion tonnes. This translates into 20 to 40 years of production. The by-product monazite, from just one of these huge mines, may be capable of satisfying 5-10% of the world's rare-earth needs.

Medallion is actively pursuing three separate initiatives to capitalize on the monazite opportunity:

1. partner with a significant heavy-mineral-sands producer to produce rare-earths from its presently available monazite by-product
2. acquire monazite for rare-earth extraction from heavy-mineral-sands operators
3. acquire heavy-mineral-sands properties.

Issued and Outstanding	44.6 M
Warrants	9.2 M
Options	4.0 M
Fully Diluted	57.8 M
Market Capitalization	approx. \$8 M

“The Medallion strategy, producing rare earths from heavy-mineral-sands monazite, is a great idea. I have worked with mineral-sands producers for many years and, generally, they have just discarded their monazite. The producers are always keen to maximize value from their resources, and Medallion is offering them a very low-risk opportunity to improve their revenues by adding monazite and the rare earths to their list of products.”

Robert R. Roe, MS Geosciences
Specialist in heavy-mineral-sands deposits and member of Medallion Advisory Board



Investment Highlights

- REEs are essential for electronic products, high energy magnets, batteries, green technologies, military hardware and petroleum refining
- Medallion is rethinking accepted rare-earth exploration and development strategies to address critical rare-earth supply issues
- Investigating monazite as a rare-earth source, which has successfully and inexpensively produced commercial rare-earth products for over 100 years
- Assembled a team of the undisputed leaders and thinkers in the rare-earth exploration industry, led by veteran rare-earth expert Dr. Bill Bird

Red Wine Heavy-Rare-Earth Project

As the Company works to acquire monazite projects and investigates other near-term production and low-cost rare-earth initiatives, Medallion continues to explore its Canadian hard-rock property, the Red Wine Heavy-Rare-Earth Project.

Medallion's Red Wine Project explores for the heavy-rare-earth elements (HREEs) at the Red Wine peralkaline intrusions, which lie approximately 90 kilometres northeast of Churchill Falls, Labrador. The Red Wine intrusions are a major new heavy-rare-earth area play with several properties held by numerous public and private companies.

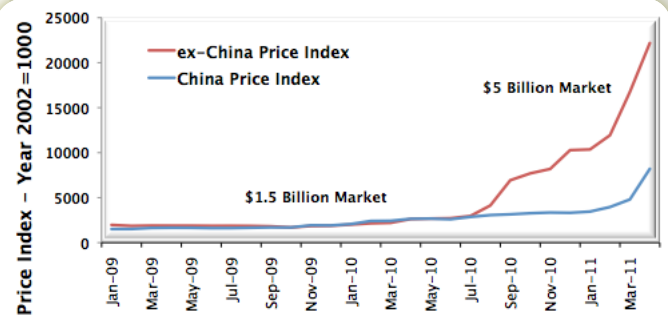
HREEs are more rare in nature and hence, in general, more valuable than the light REEs. There has never been an HREE mine, per se, and very few pure HREE prospects are known. Historically, HREEs have always been by-products of LREE, uranium or niobium mines.



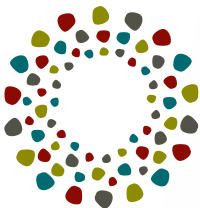
Global REE Supply Shortage

In 2009, the world of rare-earth elements changed dramatically. The media and popular investment writers introduced the public to rare earths with shocking stories of upcoming shortages and resulting industrial shutdowns. The exotic nature of these commodities and their mysterious supply-and-demand issues led to a stock market, investment frenzy. This was in marked contrast to the previous 40 years, when few people in the financial and mining industries, or in the world, paid much attention to rare earths. Demand for rare earths is increasing with growing global consumer energy and defense-industry uses and the world's main producer, China, has significantly reduced its export supplies. Concern that a global industrial rare-earth crisis will develop continues to drive this intense new interest in these critical metals.

Kaiser Rare Earth Oxide Price Index



Increasing global demand combined with a 72% year-over-year government-ordered reduction in exports by China (which controls 97% of world REE production) has resulted in huge increases in REE prices.



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