

**IBC Advanced Alloys Corp. Is Focused On Consolidating And Integrating  
Their Beryllium Alloy Business To Take Advantage Of A Very  
Significant Opportunity In This Unique Growth Market**

**Basic Materials - Beryllium  
(IB-TSXV)**

**IBC Advanced Alloys Corp.**

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**Anthony Dutton  
President, CEO and Director**

**BIO:**

Anthony is a seasoned business executive and entrepreneur with a successful track record as an early stage investor and business founder. His areas of expertise are corporate finance, business development and strategic management. He is regularly engaged in developing strategic and financial plans for early stage and high growth companies. Anthony holds a BA in Economics from the University of British Columbia and a MBA from the Cranfield School of Management in the United Kingdom. Anthony is a principal at Primary Capital Group and is also a director of several public and private companies, both in Canada and the United States.

**Company Profile:**

IBC Advanced Alloys Corp. is an integrated manufacturer and distributor of beryllium-based alloys and related products serving a variety of industries including nuclear energy, automotive, telecommunications and a range of industrial applications. IBC has 61 employees and is headquartered in Vancouver, Canada with production facilities in Pennsylvania, Indiana and Missouri. Additionally, IBC owns prospective beryllium properties in the Western US and Brazil covering approximately 9,500 hectares. IBC is creating a dynamic global beryllium and advanced alloys company.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFOinterviews.com**

**CEOCFO:** Mr. Dutton, what is the vision at IBC?

**Mr. Dutton:** The vision at IBC Advanced Alloys Corp. is to consolidate and integrate our global beryllium business to take advantage of what we think is a very significant opportunity going forward.

**CEOCFO:** Would you tell us a little bit about beryllium?

**Mr. Dutton:** Beryllium is a very interesting metal. It is the second lightest metal after lithium, extremely strong and very stiff, which makes it suitable for some very specific structural applications such as the Hubble Space Telescope, which is made out beryllium. It also has some other very unique characteristics such as it is a non-sparking metal, so that in an environment where there is combustible gases it is the best metal to use. It is transparent to x-rays so that it is used in medical diagnostic equipment for exam-

ple. It has many other applications related to high thermal conductivity, which means that it is at a very high melting point. Therefore, it can be used in a number of heat-sensitive applications like automobile electronics, airplane brakes. So there are quite a few attributes that makes it use very effective in a wide variety of areas. It is one of those metals that a lot of people haven't heard of it, but they probably come across it everyday of their lives.

**CEOCFO:** What is IBC doing today related to beryllium?

**Mr. Dutton:** We are doing a number of things. Upstream we have already acquired what we think is the most significant beryllium asset in the world. We will be doing some exploration work to firm up our belief that our property in the due south, holds more beryllium than any other properties currently known. Then downstream both the manufacturing acquisitions and R&D initiatives, we are looking at doing all we can to increase demand for beryllium. This will then filter back to increase the value of our core holdings with our properties in Utah.

**CEOCFO:** What do you do to increase value and get people to use more beryllium?

**Mr. Dutton:** Over the last thirty years there has not been a lot of research done into new ways of using this metal. It has been used in the same standard way pretty much unchanged since the 1950's and 1960's. Just to give you one example, we are involved in a research initiative with a very large Japanese bicycle manufacturing company who's name I cannot mention, but it is a household name. They are looking at doing some research

into how we might be able to use beryllium/aluminum alloys to make very high performance bicycle rims, which would be extremely lighter than anything on the market today. If our research bears fruit, which we believe it will be, then you could find yourself in five years from now riding on a bicycle that weighs half of what the bicycle weighs today, because it is using beryllium/aluminum. In addition, because of its strength to weight ratio it is ideally suited in this market. You can also read news releases on our website about another area we are involved in with two very well-known American institutions, Purdue University and Texas A&M University, and the National Atomic Company of Kazakhstan. We are exploring the best way to use beryllium in the next generation of nuclear fuel. The research so far tells us that if you add 5% to 10% beryllium to the existing chemical structure of existing nuclear fuel that you can make the fuel much safer, burn for longer, and dramatically increase the safety profile of nuclear reactors. So that is a very positive thing for all concerned. Everyone knows that nuclear power is going to be a big part of our future, so we all have a vested interest in making sure that we can generate nuclear power more safely, efficiently and economically. If we were able to do that then IBC would benefit because we have what we believe to be the largest holdings of beryllium.

**CEOCFO:** Where did the idea come from?

**Mr. Dutton:** It came from our largest shareholders, a guy by the name of James Passin, who was a principle at Fire bird Management in New York, which is a very large hedge fund of \$2 to \$2.5 billion of invested capital. He had done very well about ten years ago and when he was one of the first people to spot the trend in uranium, a big part of all things nuclear. Back about ten years ago there weren't too many people looking at uranium; they didn't appreciate that there was going to be an increase in the demand. The price of uranium went from \$15 to \$150. It has now settled back to be around \$60 or \$70.

Firebird was buying spot uranium, physical uranium on the spot market. They were also buying junior uranium companies, and larger uranium companies, all in the belief that these were going to go up significantly in value because of the increase in demand for uranium. Once he had understood the role of uranium in the nuclear power cycle, he then began to realize that there were other elements and other metals as well that were very integral to the nuclear power cycle and one of the most was beryllium. At that point he gave me a call, we started to explore the best way of getting into this market and we spent about a year analyzing it, looking at all of the players, looking at demand drivers, looking at the opportunity and concluded this would be a good mar-

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**- Anthony Dutton**

ket to enter which is what IBC did.

**CEOCFO:** Would you tell us a little bit about your production facilities?

**Mr. Dutton:** We have three production facilities, one in Royersford, Pennsylvania, one in Franklin, Indiana and one in New Madrid, Missouri. Those companies all purchase raw material from our partners in Kazakhstan, and we buy what is called master alloy, which is usually 4% beryllium, 9% to 6% copper and then we manufacture that into very specific final products, which are rod, tube, plate and these are the penultimate products before the final products. We would then sell our products to machine shops who manufacture aircraft landing gears, and machine shops that manufacture downstream equipment for the oil and gas exploration industry. We would also sell our products to the telecommunications industry and primarily the people who

manufacture cell phones, iPods, computers and that kind of thing.

**CEOCFO:** Where do most companies get their beryllium from today?

**Mr. Dutton:** There are really only two companies out there that sell beryllium, one is an American company called Brush Wellman and another is a Japanese company called NGK. That is a very good question that you ask because we spotted the opportunity in that these two companies have been enrolled in these markets for a very long time. Therefore, there is really an opportunity for a new entrance into the market who is going to be a little bit more 'nimble' shall I say, more attentive to customers needs and also very focused on product development, market development, alloy development and general research and development as I have already described to you.

**CEOCFO:** Is the investment community paying attention; do they understand the story?

**Mr. Dutton:** At the very beginning, they weren't paying attention because we had unfortunate timing in that we launched the company 24 hours before the global economic system collapsed. So people were a little bit preoccupied with their other invest-

ments. Over the last three to six months, we have been reaching out and people are beginning to pay attention because they understand two things, number-one they understand that the global manufacturing and industrial base is never going to go away. People are going to need to build things and people are going to need to acquire things. Number-two they are understanding that these rare special metals are a very large part of what we are calling the next generation of the industrial revolution. These are metals like lithium, beryllium, vanadium, and many other rare earth metals are going to be much more widely used than they have been over the last 20 or 30 years. So hybrid automobiles, new electronic equipment, flat screen TVs, next generation medical diagnostic equipment, all of these products require a much more esoteric, sophisticated kind of mineral to make them work and beryllium is one of them.

**CEOCFO:** What is the plan in the next year or two?

**Mr. Dutton:** We have an installed manufacturing base that is currently doing about just under \$20 million in revenues. We are about to make another acquisition that will increase our revenues by about 25%. What we are doing with all of these integrated manufacturing companies is improving the efficiency, improving the economy to scale and growing our market share with a focus of taking that \$25 million to project a \$75 to \$100 million in revenues in the next three to five years. We are already a profitable company at the operating level and the focus will be to take that profit or free cash flow and invest them in new opportunities. So we are going to be investing in ourselves and investing in the future of this business for the benefit of our shareholders in the long-run.

**CEOCFO:** What are the challenges?

**Mr. Dutton:** There are a number of challenges in any business has to face and those are vagaries of the economic cycle. You have to be aware of not building too much product for inventory, which might sink you. You also have to be aware of being able to deliver on time in the good times, so you have to be very aware of your market, and we have to be conscious of any new entrance to the market. Right now there is not a lot of competition, but we think that we have spotted an opportunity, which may attract competition. We have to make sure that we are one step ahead of them. We also want to be sure that the capital market and the investment community are on our side so one of our challenges is going to be reaching out to them and working with people such as yourself to tell a coherent story with a strong value proposition.

**CEOCFO:** Final thoughts; why should potential investors pay attention IBC Advanced Alloys?

**Mr. Dutton:** For most investors the biggest reason they should get involved is we are right at the beginning of a very exciting long-term trend and that is that there is going to be a much larger role for beryllium going forward than there previously has been. Number-two we are a smaller company with a very low valuation compared to our peers and there is going to be an excellent opportunity for some significant investment return both in the near, medium, and long-term. Number-three we are the only beryllium company that has as many R&D projects as we do on the go, which will significantly drive the future demand for our core product. Therefore, on every level we believe we have multiple reasons for people getting involved.



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