Exhibits to Testimony
on Behalf of AMG Vanadium, Inc.

Ferrovanadium and Nitrided Vanadium from Russia
Inv. No. 731-TA-702 (Third Review)

U.S. International Trade Commission

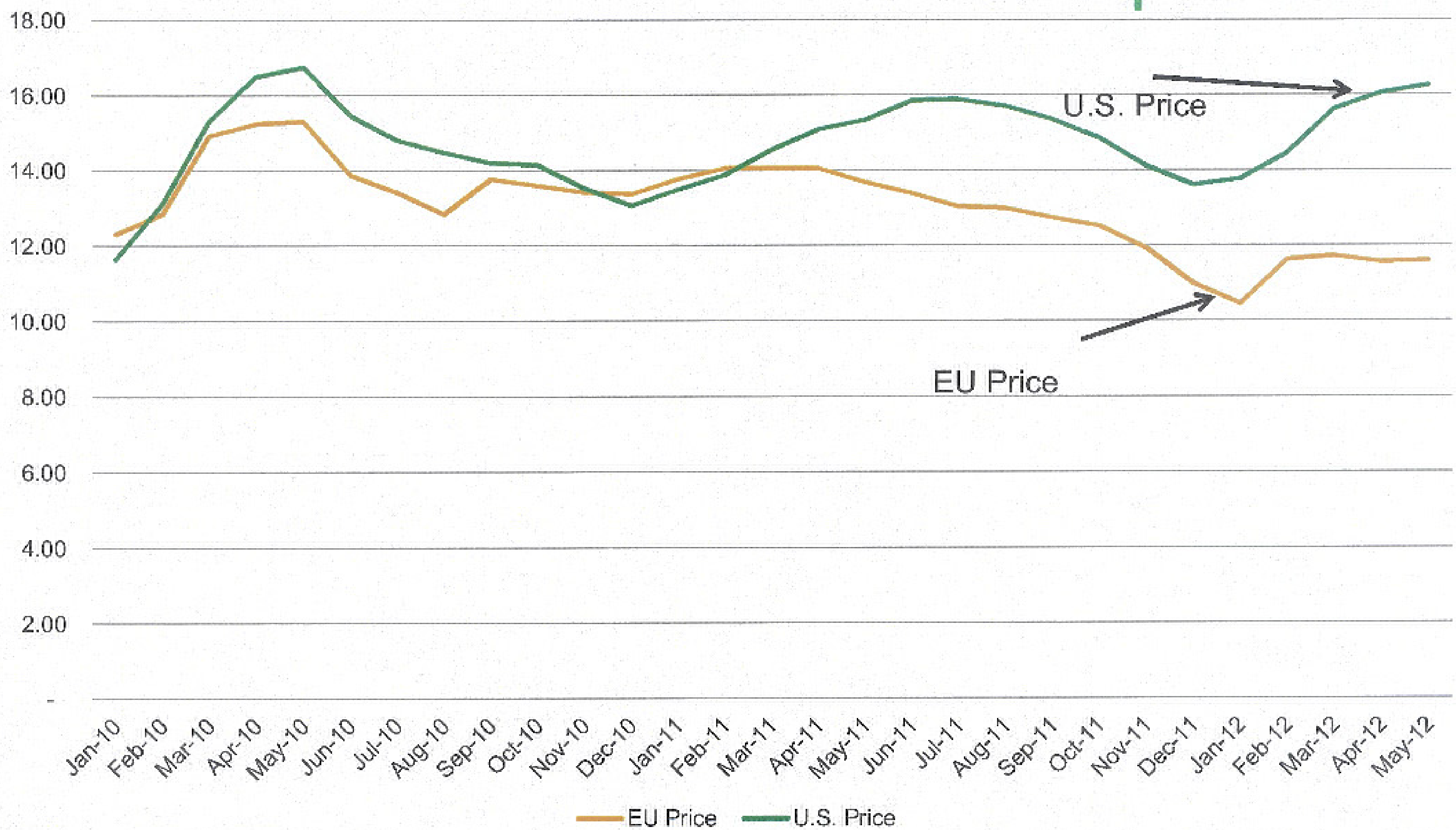
Commission Hearing

June 21, 2012

Conditions of Competition

- Demand for FeV is a derived demand
- Demand for FeV is cyclical
- Demand for FeV is price inelastic
- FeV from all sources is interchangeable
- FeV is sold on the basis of price
- Contract pricing is based on published prices
- The U.S. market is highly competitive
- U.S. prices are higher than prices in other markets

Ferrovanadium Prices are Higher in the U.S. Market than in Europe



Source: Ryan's Notes. Prices are reported in US$/lb. of vanadium content.

Tulachermet's Statement in the First Sunset Review

"{W}e have to pay toll converters in {the Czech Republic and Austria} rather than keeping that part of the profits ourselves for the ferrovanadium that is sold in the United States. We believe that it makes much more sense and is more profitable to bring some of that vanadium pentoxide back to Russia and make it into ferrovanadium there rather than paying others to do so."

Source: *First Sunset Review*, Transcript of Hearing (March 15, 2001), p. 121 (emphasis added), cited in AMG Vanadium's Prehearing Brief at 21-22.

Statement of the Commission in the Second Sunset Review

"{T}he record reflects that if the order were revoked, {Vanady Tula} has the capacity and would have the incentive to significantly increase its exports of subject merchandise from Russia to the United States by redirecting substantial quantities of the vanadium pentoxide it has toll converted in Europe, and particularly in the Czech Republic, back to Russia for production in that country, and ultimately export the subject product to the United States."

Source: *Second Sunset Review,* USITC Pub. 3887 at 14 (emphasis added), cited in AMG Vanadium's Prehearing Brief at 22.

Statement of the Commission in the First Sunset Review Regarding Freight and Packaging Costs

"The Russian producers argue that once differences in freight and packaging are taken into account, there is little or no sustained price differential between the United States market and Europe. We do not find this argument persuasive because the differential between the U.S. and European price is significantly in excess of these transportation costs."

Source: *First Sunset Review,* USITC Pub. 3420 at 15 (footnotes excluded).

Trends in Russian Steel Production, Ferrovanadium Exports, and Vanadium Pentoxide Exports

- No correlation between FeV exports and steel production
- Low level of FeV exports is most associated with high level of vanadium pentoxide exports

	2006	2007	2008	2009	2010	2011
Steel production (1,000 MT)	70,830	72,387	68,510	60,011	66,942	68,743
FeV exports (gross MT)	6,047	5,850	3,197	1,078	264	693
Vanadium pentoxide exports (gross MT)	5,480	4,020	6,435	3,180	7,480	7,760

↑ Evraz acquired Vanady Tula in 2009

Source: International Iron and Steel Institute; Evraz Prehearing Brief at Exhibit 1.