

## Schomberg company gets boost by federal government program

Schomberg's Sentient Magnetics Inc. is receiving a contribution to accelerate the development of its new automotive audio speaker. The funding was announced by Paul Calandra, MP for Oak Ridges-Markham, on behalf of the Honourable Gary Goodyear, Minister of State for the Federal Economic Development Agency for Southern Ontario (FedDev Ontario).

Our government's top priorities are jobs, growth and long-term prosperity, said Calandra. With support for Sentient Magnetics, we are investing in business innovation and job creation in Schomberg and increasing exports of high-value Canadian products to international markets.

Under FedDev Ontario's Investing in Business Innovation initiative, Sentient is receiving a contribution to accelerate the development of its new automotive audio speaker. The speaker is being developed using the company's internationally patented technology, which eliminates the need for the costly rare earth element neodymium in the production of speaker magnets. Removal of neodymium will greatly reduce the price and weight of the speaker, responding to the needs of the automotive industry, where price and fuel economy are more important than ever.

Currently, neodymium is used to create the world's most powerful, lightweight magnets, which are used in smartphones, hybrid electric cars, audio speakers, and more. The bulk of current neodymium production is in China, where regulations have imposed a significant price increase since 2008. In addition, rare earth elements, so named because they were originally thought to be rare, are widely distributed but sparsely concentrated. Because of this, they are incredibly expensive to refine in quantities sufficient to meet the global demand of technology manufacturers.

As a result of FedDev Ontario's financial participation we have been able to cut time to market with early prototypes and get the attention of potential customers much more quickly, said John French, CEO of Sentient Magnetics. This is especially important to our investors, given the typical lengthy process for adopting new technology in the automotive industry.

FedDev Ontario funding for Sentient Magnetics has enabled the company to attract up to \$410,000 in leveraged funding from Maple Leaf Angels, a registered member of the Network of Angel Organizations Ontario.

The company anticipates creating up to 19 full-time jobs during implementation of this project and an additional six jobs in the Schomberg area by 2017.

Sentient Magnetics Inc. was created from its parent company, Audera Acoustics Inc. in 2011 to focus on the development of its electromagnetic technology that eliminates the need for the rare earth element neodymium in magnets such as those used in speakers. The company has obtained domestic and international patents for this electromagnetic technology.

Investing in Business Innovation is designed to boost private sector investment in start-up businesses to accelerate the development of new products, processes and practices and help bring them to market. The government of Canada is focusing on a portfolio of early-stage businesses that are recognized by the investor community as having the potential for high-growth and a net long-term economic benefit for southern Ontario. The investor community includes accredited angel investors from recognized angel investor networks in southern Ontario registered with the Network of Angel Organizations Ontario and venture capital providers who are member of Canada's Venture Capital & Private Equity Association.

Created in 2009, FedDev Ontario supports the southern Ontario economy by building on the region's strengths and creating opportunities for jobs and economic growth. In this year's federal budget, Ottawa demonstrated its continued commitment to workers, families and communities in southern Ontario with the renewal of FedDev Ontario. Economic Action Plan 2013 provides \$920 million over five years for the Agency, starting on April 1, 2014. As part of the renewal, FedDev Ontario will be allocating \$200 million over five years for a new Advanced Manufacturing Fund in Ontario.

To learn more, please visit the website at [www.FedDevOntario.gc.ca](http://www.FedDevOntario.gc.ca) or call 1-866-593-5505.