

Molycorp reaches profitability

Andrew Edwards, Los Angeles Newspaper Group, 8-12-11

Molycorp, the firm operating the United States' only mine for rare earth metals in San Bernardino County, reported a \$48.8 million profit for the year's second quarter.

The company had operated at a loss since resuming mining activity at its east county mine in late 2010.

Molycorp, which has its corporate offices in Greenwood Village, Colo., narrowed its losses this year before reaching profitability. The firm reported a \$909,000 net loss in the previous quarter ending March 31, compared with \$7.7 million loss one year prior.

The stock closed Thursday up 2.59 to 54.14.

Company executives attributed revenue increases to increased mining and production in California and the firm's acquisitions this year of processing facilities in Arizona and Estonia.

"It (the Estonian purchase) has helped double our rare earths oxide processing capacity," Molycorp CEO Mark Smith said in a conference call.

Molycorp reported \$99.6 million in sales for the three months ending June 30, up from \$26.3 million in sales during the previous quarter.

The mining firm is investing \$781 million to resume and expand mining activity at Mountain Pass, which is about 15 miles on San Bernardino County's side of the California-Nevada state line.

The Mountain Pass mine is the only place where rare earths metals, 17 elements including the lanthanide series, used in such diverse applications as smart phones, wind power generation and advanced weapons.

At present, China is the world's leading supplier of rare earths metals.