

Molycorp gets BLM approval for rare earths drilling in California

Denver Business Journal, 12-16-11

In what its CEO called an "important milestone," Molycorp Inc. said Friday it has been given the OK by the U.S. Bureau of Land Management to begin exploratory drilling for heavy rare earths at a site on federal lands near its plant at Mountain Pass, Calif.

The Greenwood Village-based rare-earths miner (NYSE: MCP) said its exploration at the site has shown "a relatively high percentage of heavy rare earths, such as terbium, dysprosium, europium and samarium, as well as relatively high percentages of yttrium, neodymium, and praseodymium."

"This is an important milestone in our heavy rare earth strategy, and we expect to begin drilling immediately," Mark Smith, the company's president and CEO, said in Friday's announcement.

The company expects results from the drilling program by mid-2012.

Rare earths are a group of 17 elements rarely found together in quantities that are economical to mine. The elements are used to manufacture lightweight but powerful magnets used in a wide range of high-tech products.

Companies like Molycorp are trying to fill a need for U.S. rare earths production at a time when China produces more than 90 percent of the world's supply of the elements.

Companies that use rare earths -- as well as the U.S. government, which uses rare earths in military equipment - - are worried about access to the materials if China maintains its stranglehold on supplies.