

# **Molycorp says it has secured 78% of its Phase 1 rare earth production at Mountain Pass**

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Mining firm Molycorp Inc. announced Tuesday that it has reached customer agreements to sell nearly 60 percent of its projected 2012 manufacturing output at its Mojave Desert complex.

Molycorp's mine at Mountain Pass is the only place in the United States where rare earths metals are mined. The company, which resumed mining operations there about one year ago after a lengthy hiatus, plans to manufacture mined materials into high-powered magnets and other products.

The Greenwood, Colo.-based Molycorp reported that the company has written agreements to sell 58 percent of its 2012 manufacturing output. The company also plans to use an additional 20 percent of this year's projected output for the production of its own Xsorbx water treatment products.

"I am very pleased that we have met the Phase 1 off-take allocation target that we set for 2011, and have found a home for more than three-quarters of our Phase 1 production prior to start-up," said Mark A. Smith, Molycorp's president and chief executive officer.

"In an industry that traditionally has been driven by spot sales," he said, "Molycorp continues to break ground by moving customers to stable, secure, long-term supply contracts."

The rare earths metals are 17 chemical elements that, in nature, are rarely found in sufficient concentrations to make mining operations economically viable. The rare earths have several high-tech applications, and most of the world's current supply comes from Chinese sources.

Molycorp also announced last month that it received permission from the U.S. Bureau of Land Management to conduct exploratory drilling operations near its Mountain Pass mine.

Mountain Pass is in San Bernardino County not too far from the Nevada state line and near the 15 Freeway.

Before December 2010, the Mountain Pass mine had been shut down for eight years due to environmental reasons.