Molycorp Shares Climb On Start-Up Of CA Site

The Associated Press

GREENWOOD VILLAGE, Colo. (AP) — Molycorp Inc. said Monday that it has started operations at a new California mine that will become a source of rare earth elements used in applications ranging from hybrid electric vehicles to consumer electronics.

Shares of Molycorp rose more than 5 percent in after-hours trading following the announcement.

Molycorp's Project Phoenix facilities at Mountain Pass, Calif., will produce heavy rare earth concentrate from ore mined at the location. The concentrate will then be processed into rare earth products at Molycorp's global production facilities.

The project features an on-site heat and power plant. This week, that plant is expected to begin producing electrical power and steam for the company's Mountain Pass facilities.

President and CEO Mark A. Smith said the company remains on track to achieve a full first-phase production rate at Mountain Pass in the final three months of this year.

Molycorp's heavy rare earth concentrate contains dysprosium, terbium, europium, and other elements. They can be processed into rare earth oxides, metals, alloys, and magnetic materials used in hybrid vehicles, wind turbines, high-efficiency appliances and motors, and electronics.

Molycorp shares fell 9 cents to close at $9.52 in the regular session. At one point the stock traded at $9.40, a 52-week low. In after-hours trading it shot up 49 cents, or 5.2 percent, to $10.01. Shares traded as high as $58.74 last September.

Earlier this month, the Greenwood Village, Colo. company said it would need to secure additional financing to cover a substantial portion of capital expenditures and other cash needed this year.

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