



Molycorp raises public and investor profile

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By Tanya Lewis

Client: Molycorp Minerals (Greenwood Village, CO)

Agency: ICR (Norwalk, CT)

Campaign: A Rare (Earths) Opportunity

Duration: August 2010 -- January 2011

Budget: about \$100,000



In 2008, an investment group led by private equity firm Resource Capital bought a dormant mine near the Mojave National Reserve from Chevron. Molycorp Minerals was established to mine rare earth oxides, which are used in numerous technologies including computers, cell phones, defense systems, hybrid and electric cars, and wind turbines. Director of public affairs Jim Sims explains China currently produces 97% of the world's supply.

A July 2010 IPO raised money to help fund a \$520 million dollar mine upgrade. ICR was subsequently hired as AOR for both PR and IR to begin educating the public and the financial/investor community about rare earths and raising the company's profile.

Strategy

"[Rare earths are] crucial to many different technologies, and no one knows what they are or that China has a strangle hold on the supply," explains says ICR SVP James McCusker. "We had to let people know what rare earths do and how important they are. [Then] we could raise the importance of Molycorp sequentially."

Gary Dvorchak, SVP at ICR, says getting broad coverage with multiple angles and generating interest with end market analysts was a priority.

Tactics

In addition to business and financial media, McCusker says clean tech coverage was critical to educate end users, investors, and analysts. International media, particularly Japanese media, were key targets given the China angle.

The team scheduled a one-day event on December 13 before the mine renovation began for media, analysts, and investors to tour the site and talk to CEO Mark Smith and the plant manager.

Dvorchak also secured Molycorp appearances at various investor conferences, including several clean tech

conferences.

Results

Sims reports Molycorp stock increased about 200% from \$14 per share in late July to \$48 per share in February. Japan's Sumitomo Corporation invested \$130 million in December.

“McCusker adds that increased interest in Molycorp helped the company successfully complete a secondary offering in mid-February. The additional capital will help fund a doubling of their original production goal of 20,000 tons per year to 40,000 tons.”

Twenty analysts and more than 50 media outlets attended the December 13 tour. Live footage was broadcast on five CNBC shows. Additional coverage included The Wall Street Journal, Reuters, BusinessWeek, and Japan's TBN, Nikkei TV, and Asahi.

McCusker notes that after calling Molycorp's IPO a “dud” last summer, Greentech Media named it “Green IPO of the Year” in November.

Future

Education efforts are ongoing. The team will have access to the mine periodically to facilitate update coverage. A construction celebration event is planned for April.