

# Suspended tantalum and niobium producer Molycorp Silmet to reopen in New Year

✘ Molycorp plans to resume operations at its Molycorp Silmet subsidiary at the beginning of next year. Molycorp Silmet, which is one of the largest rare metal and rare earth metal producers in Europe and is located in the Estonian city of Sillamae; suffered significant damage due to a fire that occurred in June earlier this year.

This has already been confirmed by David O'Brok, chairman of Molycorp Silmet, who said that the company is going to launch the suspended tantalum-niobium production at the plant already in the coming weeks.

O'Brok has also added that the factory, which was affected by the fire, is currently in the process of demolition, while limited production is expected to be resumed at the capacities of another production facility.

According to plans of Molycorp Silmet, full-scale production will be resumed after the building of a new production facility on the foundations of the destroyed factory.

The suspension of production at the enterprise has not resulted in massive lay-offs and cuts of wages of its workers. At present the enterprise employs about 600 workers.

The reasons of the fire are still not disclosed, as investigations are still underway, while their official results are expected to be announced by the end of the current year.

The company hopes for a steady demand for its products in 2016, despite the decline of prices, which has been observed

in recent months.

**It has also said that financial problems of its Molycorp parent company have not had any negative impact on the Estonian business of the company.**

Production of Molycorp Silmet used in the automotive, aviation, electronics and other high-tech industries. According to estimates of the Estonian government, prior to the fire, and associated with this suspension of production, the Sillamae plant provided about 10% of global tantalum demand and 20% of demand for pure niobium metal.

Molycorp Silmet AS is an Estonian branch of the US Molycorp Inc., specializing in the production of tantalum and niobium. During the Soviet times the plant had a status of a covert facility of the military-industrial complex of the USSR. The plant recognized as the best industrial enterprise of Estonia by several times and was acquired by Molycorp Silmet from the Estonian Silmet Group in 2011.

The plant was built on the basis of a shale processing plant during the 1960s and specialized on the processing of loparite ores from the Kola Peninsula (a peninsula in the far northwest of Russia) as well as uranium enrichment. After the collapse of the USSR in 1991 the plant specializes on the production of tantalum and niobium.

After the acquisition by Molycorp, the plant became subject of massive modernization, which involved the replacement of old Soviet equipment. The amount of investments was not disclosed. According to Molycorp, the acquisition of the plant, provided the company with European production bases and expanded its global customer base. In addition, it allowed Molycorp to significantly increase the production of rare earths in the European continent.