

**MP Mine Operations LLC**  
HC1 Box 224  
67750 Bailey Road  
Mountain Pass, CA 92366

**John Benfield**  
Manager, Logistics  
jbenfield@mpmine.com

October 5, 2017

Deputy Director - Office of International Programs  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001  
Re: Amendment to NRC Export Licenses XSOU8707 and XSOU8827

Below are the responses to your questions, in italics, from the application which was submitted on August 14, 2017.

- *Examining the licenses referenced in your applications, it appears that both licenses may not be needed, depending on the export that you wish to perform, since the material described in both licenses is natural uranium/thorium contained as contaminants in rare earth compounds and mixtures (in concentrations ranging from 0.05 percent to 1.0 percent). Please confirm that you would like to have both licenses transferred to the proposed new licensee. If you wish to terminate one of the licenses, we will refund the fee that you paid for one of the two license amendments since only one amendment would be needed.*
  - MP Mine Operations LLC would like to have both license XSOU8707 and XSOU8827 transferred to the new licensee. Applications for the transfers are attached.
- *Boxes 1a, 1c, 1d, and 1e—Please confirm whether you want to update the contact information provided on the applications.*
  - 1a – Name of Applicant Contact: John Benfield
  - 1c – Phone Number: (702) 491-0359
  - 1d – Fax Number: None
  - 1e – E-mail Address: [jbenfield@mpmine.com](mailto:jbenfield@mpmine.com)
- *Boxes 4 and 5—These boxes are blank on the Form 7 for both applications. 10 C.F.R. § 110.51(a) states that “[a]pplications for amendment of a specific license shall be filed on NRC Form 7 in accordance with §§110.31 and 110.32.” Section 110.32 lists information that must be included in an application for a specific license/NRC Form 7. Included in that list is “(e) Dates of proposed first and last shipments.” Consequently, for both applications, please submit dates of proposed first and last shipments.*
  - First Shipment Date: 10/15/2017
  - Last Shipment Date: 12/31/2021

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- *Box 6—This box is blank on the Form 7 for both applications. Please confirm that you are not requesting a change to the expiration date for either license.*
  - A change in the expiration date for the license is not being requested.
- *Boxes 7a, 8a, and 9a—These boxes are blank on the Form 7 for both applications. Please confirm whether there will be any change to the information requested in these boxes.*
  - 7a – No change
  - 8a – No change
  - 9 – XSOU8707 - No change – (To all countries EXCEPT those listed as Embargoed Destinations in 10 CFR 110.28 and Restricted Destinations in 10 CFR 110.29.)
  - 9 – XSOU8827 – No change – (Brazil, Japan, Mexico, Vietnam, and the European Union)
  - 9a – No change – (Commercial use – Non-Nuclear end use.)
- *Boxes 10, 10a, 10b, and 10c—You indicated “no change” in these boxes in the Form 7 for both applications. Given the passage of time and proposed direct transfer of control, please confirm that there has been no change during the span of both licenses.*
  - 10 – No change – (Natural thorium and uranium (in concentration ranging from 0.05% to 1.0%) as contaminants in rare earth compounds and mixtures.)
  - 10a – XSOU8707 - No change – (No change from 400,000 kg. currently permitted under the license.)
  - 10a – XSOU8827 - No change – (No change from 9,500 kg. currently permitted under the license.)
  - 10b – No change
  - 10c – No change

*Regarding the review for the direct transfer of control for XSOU8707 and XSOU8827:*

- *Please submit an organizational chart illustrating the relationship between the proposed new licensee and all of the parent companies using the legal names of the companies. Before and after organization charts are helpful to aid NRC staff in understanding the proposed changes.*
  - Attached is the organizational chart showing the common and preferred unit holders of MP Mine Operations LLC, the new licensee. MP Mine Operations was formed in 2017 to acquire the assets comprising the Mountain Pass rare earth facility from Molycorp Minerals, the old licensee, and so there is no corporate relationship between the new and old licensee.
- *Please clearly identify if the proposed new licensee or any of its parent companies are foreign companies.*
  - MPMO is controlled by two US investment funds, JHL Capital Group and QVT Financial, which combined have a 90.01% economic stake and own 100% of the voting common units. In terms of foreign company involvement, Shenghe Resources, through its subsidiary Leshan Shenghe Rare Earth, owns a 9.99% non-voting preferred stake, and has no voting rights in MPMO.

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- *Please confirm that the proposed new licensee will abide by all constraints, conditions, requirements, representations, and commitments identified in or attributed to the license, or describe the new program that will be used to comply with the license and all applicable regulations.*
  - MPMO, as the new licensee, will abide by all constraints, conditions, requirements, representations, and commitments identified in or attributed to the license. Procedures are in place for the analysis, documentation, labeling, placarding, shipping, and tracking of all rare earth compounds and mixtures, and the associated thorium and uranium contaminants, which are exported under the license.
- *Please describe the plan for the transfer of required records, including those required by 10 C.F.R. § 110.53, and provide a commitment by the proposed new licensee to maintain the records received from the current licensee.*
  - Included in the Asset Purchase Agreement were all manufacturing data and information, operating instructions, documentation, operating records, files, and data. These records have been maintained and procedures are in place to continue, via either paper or electronic means, to maintain the required records under 10 C.F.R. § 110.53.
- *Describe any changes in personnel or duties related to the export program.*
  - There are no changes and John Benfield will continue to be named as the applicant contact and will be responsible for all duties related to the export program.
- *Describe any changes in location, facilities, equipment, or procedures related to the export program.*
  - The location at 67750 Bailey Road, Mountain Pass, CA 92366 will be the sole party to the export under this license. Although the principles of beneficiation of the ore have not changed, some procedural improvements related to cost reductions and product recoveries have been, or will be made, for the production of materials which will be exported under this license.
- *Also, the Asset Purchase Agreement provided with the applications indicates that there are a total of 79 pages; however; only 38 pages were submitted. To ensure that the administrative record is complete, please submit the remaining pages.*
  - The full Asset Purchase Agreement is attached.



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