《Chinese company wins bid on sole rare earth mine in US》

A Chinese company was declared the winner at a bankruptcy auction for the only producing rare earths mine in the US earlier this week.

With a winning bid of 20.5 million US dollars on Wednesday, investment firms JHL Capital Group and QVT Financial were selected to take control of Mountain Pass rare earth mine, along with China's Leshan Shenghe Rare Earth Shareholdings Co., reported The Wall Street Journal.

The Colorado-based Mountain Pass mine – formerly owned by Molycorp – was the only functioning rare earths mine in the US before it went bankrupt in 2015.

Aerial view of Mountain Pass rare earths processing facility. /Molycorp Photo

According to a company statement Shenghe issued on Friday, it is still waiting for the US court's final decision to approve the acquisition. The US court will hold a hearing on June 23 at 2 p.m. local time for the final verdict.

A rival bidder, Tom Clarke, says he will challenge the sale on the grounds of national security, when it goes to court for approval. Clarke teamed up with Switzerland-based Pala Investments and Australian rare earths explorer Peak Resources at Wednesday's auction. Their bidding was 20 million US dollars.

Rare earth elements are indispensable in advanced electronics and some defense applications.

China holds 30 percent of the world's rare earth reserve, and meets more than 90 percent of rare earth requirements globally.