

Molycorp, Inc. Signs Restructuring Support Agreement With Key Creditors; Agreement Covers More Than 70% of 10% Secured Noteholders

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- Company to Complete Restructuring of \$1.7 Billion of Debt Through Chapter 11 for U.S., Canadian Operations

- Obtains Agreement for Up to \$225 Million in New DIP Financing

GREENWOOD VILLAGE, June 25, 2015 - [Molycorp Inc.](#) (NYSE:MCP), ("Molycorp" or the "Company") the only global, vertically-integrated producer of rare earth products used in many electronic, transportation, industrial and clean energy applications, announced today that it has executed a restructuring support agreement with creditors that hold over 70% of the aggregate principal amount of the Company's 10% senior secured notes. The agreement provides for a financial restructuring of the Company's \$1.7 billion in debt and provides up to \$225 million in gross proceeds in new financing to support operations while the Company completes negotiations with creditors.

To facilitate its financial restructuring, Molycorp and its North American subsidiaries, together with certain of its non-operating subsidiaries outside of North America, today filed voluntary petitions under Chapter 11 of the Bankruptcy Code in U.S. Bankruptcy Court for the District of Delaware (the "Court"). The Company's operations outside of North America, with the exception of non-operating companies in Luxembourg and Barbados, are excluded from the filings. Molycorp Rare Metals (Oklahoma), LLC, with operations in Quapaw, Oklahoma, also is excluded from the filings as it is not 100% owned by the Company.

Molycorp has obtained commitments from a group of its 10% senior secured noteholders, led by JHL Capital Group, JMB Capital Partners and QVT Financial LP, for up to \$225 million in gross proceeds of debtor-in-possession (DIP) financing, subject to Court approval, which will be used to support operations during the Chapter 11 period. Approximately \$40 million of this amount is expected to be made available to the Company immediately after an initial Court hearing, with approximately another \$90 million available subject to Court approval at a further hearing at the end of the first month of the case. The remainder is available on a delayed basis and subject to lender conditions. Final maturity for the DIP financing is November 30, 2015, which can be extended until December 30, 2015. The Company expects to exit Chapter 11 before the end of the year.

"The actions we have taken today are important steps toward achieving a restructuring of our \$1.7 billion debt with our major creditor constituencies. In doing so, the Company expects to exit Chapter 11 with an appropriate financing framework to support our business going forward," said Geoff Bedford, Molycorp President and Chief Executive Officer. "Our operations in Europe and Asia are not a part of today's filings, and these businesses are cash-flow positive and play a vital role in many key industries worldwide. All of the Company's facilities in North America and around the world will continue operating as usual. We greatly appreciate the efforts of our lenders and the continued support of our customers."

Employees are working their usual schedules. Purchasing of goods and services will continue, with all purchases made after today's filings granted a special administrative priority under the law.

As part of today's filings, the Company filed a restructuring plan term sheet that broadly outlines the terms of the plan of reorganization that the Company expects to pursue. The plan term sheet provides for the discharge of the Company's more than \$700 million in unsecured notes. The plan term sheet further calls for holders of the Debtors' \$650 million in 10% senior secured notes to have their debt exchanged for a majority equity stake in reorganized Molycorp.

As is the case after a Chapter 11 filing, Molycorp expects to receive notice from the New York Stock Exchange informing the Company that its shares will be delisted from the NYSE within nine calendar days of notification. The Company expects that its shares will be traded on the OTC Pink Sheets exchange. The Company previously announced plans to postpone until the second half of 2015 the annual meeting of

shareholders while it completes this process.

Molycorp is being advised by the investment banking firm of Miller Buckfire & Co. and is receiving financial advice from AlixPartners, LLP. Jones Day and Young, Conaway, Stargatt & Taylor LLP act as legal counsel to the Company in this process.

For additional information about Molycorp, please visit www.molycorp.com. For information regarding the Chapter 11 case, please visit <http://cases.primeclerk.com/molycorp>.

About Molycorp, Inc.

Molycorp is the only advanced material manufacturer in the world that both controls a world-class rare earth resource and can produce high-purity, custom engineered rare earth products to meet increasingly demanding customer specifications. With production facilities on three continents, the Company produces a wide variety of specialized products from rare earth elements and five rare metals (Gallium, Indium, Rhenium, Tantalum and Niobium). The Company produces rare earth magnetic materials through its Molycorp Magnequench subsidiary, including neodymium-iron-boron (NdFeB) magnet powders, used to manufacture bonded NdFeB permanent rare earth magnets. The Company also markets and sells a line of rare earth-based water treatment products.

[Molycorp Inc.](#) *Caution Concerning Forward-Looking Statements*

SAFE HARBOR STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This release contains forward-looking statements that represent Molycorp's beliefs, projections and predictions about future events or Molycorp's future performance. Forward-looking statements can be identified by terminology such as "may," "will," "would," "could," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue" or the negative of these terms or other similar expressions or phrases. These forward-looking statements are necessarily subjective and involve known and unknown risks, uncertainties and other important factors that could cause Molycorp's actual results, performance or achievements or industry results to differ materially from any future results, performance or achievement described in or implied by such statements. No representations or warranties (express or implied) are made as to the accuracy of any forward-looking statements, including any estimates or projections.

Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to: Molycorp's ability meet the standards necessary to maintain its listing on the New York Stock Exchange or other stock exchange, including its ability to cure any non-compliance with such listing standards; the need to secure additional capital to implement Molycorp's business plans, and Molycorp's ability to successfully secure any such capital; Molycorp's ability to make interest payments on its existing debt; Molycorp's ability to repay its debt, whether at maturity, pursuant to any acceleration, or otherwise; Molycorp's ability to successfully restructure its debt; Molycorp's ability to optimize and ramp up production at its Mountain Pass rare earth mine and processing facility, which we refer to as the Mountain Pass facility, and the ability to develop internal and external demand for REO and other downstream products, including the ability to operate at commercial production rates and competitive cash production costs, in each case within the projected time frame; Molycorp's ability to economically produce chemical reagents from waste water at the Mountain Pass facility on a consistent basis; the success of Molycorp's cost mitigation efforts in connection with the optimization and ramp up of the Mountain Pass facility, which, if unsuccessful, might cause its costs to exceed budget; the final costs of Molycorp's planned capital projects, which may differ from estimated costs; Molycorp's ability to achieve fully the strategic and financial objectives related to its acquisitions, including in respect of Molycorp's financial condition and results of operations; risks and uncertainties associated with intangible assets, including any future goodwill impairment charges and the ability to develop and protect intellectual property related to products and operations; risks associated with Molycorp's ability to protect its intellectual property, including the infringement of intellectual property of third parties; market conditions, including prices and demand for Molycorp's products; Molycorp's ability to control its working capital needs; foreign exchange rate fluctuations; the development and commercialization of new products; unexpected actions of domestic and foreign governments; various events which could disrupt operations, including natural events and other risks; uncertainties associated with Molycorp's reserve estimates and non-reserve deposit information, including estimated mine life and annual production; uncertainties related to feasibility and other studies that provide estimates of expected or anticipated costs, expenditures and economic returns, REO prices, production costs and other expenses for operations, which are subject to fluctuation; uncertainties regarding global supply and demand for rare earths materials; uncertainties regarding the results of Molycorp's exploration programs; Molycorp's ability to enter into definitive agreements with its

customers, its ability to supply such customers, and its ability to maintain customer relationships; Molycorp's ability to maintain appropriate relations with unions and employees; Molycorp's ability to attract and retain employees with the necessary experience, skills and training; Molycorp's ability to successfully implement its vertical integration strategy; environmental laws, regulations and permits affecting Molycorp's business, directly and indirectly, including, among others, those relating to mine reclamation and restoration, climate change, emissions to the air and water and human exposure to hazardous substances used, released or disposed of by Molycorp; and uncertainties associated with unanticipated geological conditions related to mining; and the outcome of the current stockholder class action litigation and derivative litigation, including any actions taken by government agencies in connection therewith.

For more information regarding these and other risks and uncertainties that Molycorp may face, see the section entitled "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2014 and of the Company's Quarterly Reports on Form 10-Q. Any forward-looking statement contained in this release or the Annual Report on Form 10-K or the Quarterly Reports on Form 10-Q reflects Molycorp's current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to Molycorp's operations, operating results, growth strategy and liquidity. You should not place undue reliance on these forward-looking statements because such statements speak only as to the date when made. Molycorp assumes no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future, except as otherwise required by applicable law.

[Molycorp Inc.](#)

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