

MP Materials Investment Case

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ROMERO MENTORING™



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1) MP MATERIALS SITUATION OVERVIEW

SITUATION OVERVIEW

MP Materials' stock price has decreased by 16% year-to-date, yet financial statements demonstrate strong performance and record growth. Is MP Materials stock still a buy?

Stock Performance

- While MP Materials stock price has increased by 43% year-to-year, it is down by 16% year-to-date, currently valuing at \$40.13.
- MP Materials currently produce a rare earth concentrate that they sell pursuant to Shenghe, a leading global rare earth company that is publicly listed in China, that, in turn, sells that product to refiners in China.
- For the rest of 2022, the Company will continue working on building the rare earth, metal, alloy and magnet manufacturing facility in Fort Worth, Texas, and supply General Motors with U.S.-sourced and manufactured rare earth materials, alloy and finished magnets for the electric motors in more than a dozen models using GM's Ultium Platform.

MP Materials Operation Performance

- **MP Materials is a growth story**
- The company's primary source of revenue is the sale of rare earth products.
- Following the acquisition of Mountain Pass in July 2017, new management restarted production and embarked on a three-stage plan to fulfill the mission to restore the full rare earth supply chain to the United States. In 2020, MP Materials produced more than 38,500mt of rare earths in concentrate, representing more than 15% of global consumption and an all-time high in the 60-year history of Mountain Pass.
- The company's core strategy is to offer the Western Hemisphere a trusted, sustainable source of supply for materials and components that enable the development of critical industries.
- **Financial Highlights**
- Total revenue has increased by 147% to \$332 million from 2020 to 2021.
- Produced 42,413 metric tons of rare earth oxides in concentrate, the highest rare earth production in U.S. and Mountain Pass history.
- Sold a record 42,158 metric tons of rare earth oxides, up 147% year-over-year.
- Produced net income of \$135.0 million; Adjusted EBITDA of \$219.1 million, a 414% increase year-over-year.

Industry Environment

- **The rare earth mining and processing industry is growing**
- The rare earth industry is expected to grow at an average rate of 4% over the 10 years to 2030. The NdPr segment of the rare earth oxides market, which makes up the significant majority of the market value, is expected to grow at a 9.1% CAGR through 2030.
- Competition in this industry is increasingly high as operators compete to develop more technology to improve production volume and efficiency. They also compete to obtain more end customers to increase sales.
- The industry is also dependent on the growth of existing and emerging uses for rare earth products.

Investment Thesis

- **Price Target:** \$60
- **Recommendation:** BUY
- **Valuation Methods:** Implied Trading Multiple Valuation, Discounted Cash Flow Analysis

Source: Company website, SEC filings 10k-10Q, Press release, CRU Group.

MP MATERIALS COMPANY PROFILE

Stock Performance

MP Materials Corp. (NYSE: MP) is the largest producer of rare earth materials in the Western Hemisphere. The rare earth concentrate produced and sold by MP Materials in 2021 represent approximately 15% of the rare earth content consumed in the global market.

Rare Earth Industry: involves the production of rare earth concentrates through a series of steps, including mining, beneficiation, separation, and finishing. MP Materials' integrated operations at Mountain Pass combine low production costs with high environmental standards, thereby restoring American leadership to a critical industry with a strong commitment to sustainability.

- Founded: 2017
- Production Output: ~42,413 metric tons
- Workforce: 365 employees (313 field-based and 52 office-based)
- Headquarter: Las Vegas, Nevada
- Industry: Rare Earth Mining and Processing

Financial Overview

Trading Statistics

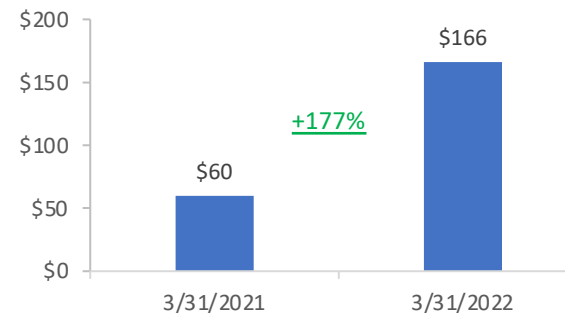
Share price as of 5/27/2022	\$40.13
52-Week Range	\$27.84 - \$60.19
% of 52-week high	50.0%
Outstanding shares (mm)	177.53
Equity Value	\$7,124.15
+ Net Debt	(\$556.69)
+ Minority Interest	\$0.00
Enterprise Value	\$6,567.46

Balance Sheet Summary (3/31/22)

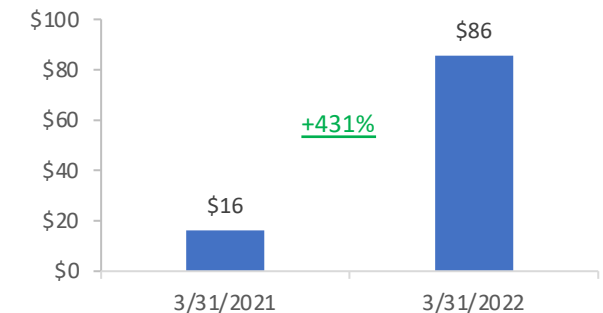
Current portion of finance lease liabilities	\$0.25
Long-term finance lease liabilities	\$0.55
Long-term debt	\$675.80
Total debt	\$676.61
Cash & Equivalents	(\$1,233.30)
Net debt	(\$556.69)
Equity Value	\$7,124.15
Total Capitalization	\$7,800.76

Q1-FY2022 Performance

Revenue (\$in millions)



Net Income (\$in millions)



(\$ in millions)

FY 12/31	2019	2020	2021	EV/LTM
Net Sales	\$73.4	\$134.3	\$332.0	15.0x
% growth	-	83.0%	147.2%	
EBITDA	(\$1.4)	\$42.7	\$219.1	20.6x
% margin	-	31.8%	66.0%	
Net Income	(\$6.8)	(\$21.8)	\$135.0	55.0x
% growth	-	-	-	

COMPANY SEGMENT – RARE EARTH INDUSTRY



MP Materials operates through one business segment, producing and selling rare earth concentrates and aiming to restore the full rare earth supply chain to the US.

Rare Earth Mining and Processing

- **Highlights:** MP Materials owns and operates the Mountain Pass Rare Earth Mine and Processing Facility, the only rare earth mining and processing site of scale in North America. Then, the company sells rare earth concentrate to Shenghe, a leading global rare earth company that is publicly listed in China, that, in turn, typically sells that product to refiners in China.
- 2021 REO production volume of 42,413 metric tons, increased by 10% from 2020 to 2021.
- 2021 revenue of 332 million, increased by 147% from 2020 to 2021.



RARE EARTH ELEMENTS

Rare earths are a series of chemical elements found in the earth's crust that are vital to many modern technologies. The rare earth elements group includes 17 elements, primarily the lanthanide elements.

Rare earth material contained in typical Mountain Pass bastnaesite concentrate:

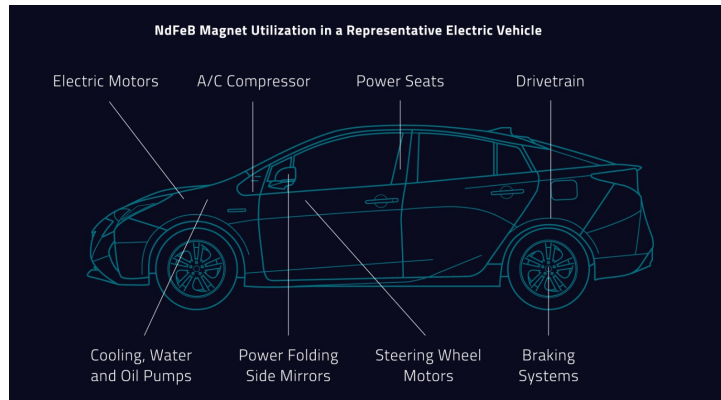
- 1) **Cerium (50.2%):** In addition to its role in various metal alloys and glass polishing compounds, Cerium reduces automobile emissions through its use in catalytic converters and enables energy efficiency by powering LED lighting.
- 2) **Lanthanum (32.3%):** Lanthanum's primary end-uses include automotive and imaging/vision applications. Lanthanum prevents corrosion in EV batteries, adds efficiency to petroleum cracking and enables specialized treatments for lenses and vision systems.
- 3) **Neodymium-Praseodymium ("NdPr") (15.7%):** Neodymium and Praseodymium power the strongest types of rare earth magnets, which enable the conversion of electrical energy into motion via permanent-magnet motors. These motors power EVs and countless industrial processes. NdPr is the largest segment of the REE market by economic value.
- 4) **SEG+ 'Heavies' Concentrate (Samarium / Europium / Gadolinium / Terbium / Dysprosium) (1.8%):** SEG+ is a combination of Samarium, Europium, Gadolinium, Terbium, and Dysprosium which MP Materials produces in a concentrate form.

Rare Earth Elements																		He
H																	Ne	
Li	Be											B	C	N	O	F	Ne	
Na	Mg											Al	Si	P	S	Cl	Ar	
K	Ca	Sc	Ti	V	Cr	Mn	Fe	Co	Ni	Cu	Zn	Ga	Ge	As	Se	Br	Kr	
Rb	Sr	Y	Zr	Nb	Mo	Tc	Ru	Rh	Pd	Ag	Cd	In	Sn	Sb	Te	I	Xe	
Cs	Ba	*	Hf	Ta	W	Re	Os	Ir	Pt	Au	Hg	Tl	Pb	Bi	Po	At	Rn	
Fr	Ra	**	Rf	Db	Sg	Bh	Hs	Mt	Ds	Rg	Cn	Uut	Fl	Uup	Lv	Uus	Uuo	
		*	La	Ce	Pr	Nd	Pm	Sm	Eu	Gd	Tb	Dy	Ho	Er	Tm	Yb	Lu	
		**	Ac	Th	Pa	U	Np	Pu	Am	Cm	Bk	Cf	Es	Fm	Md	No	Lr	
<div><div></div>Light Rare Earth Element<div></div>Heavy Rare Earth Element</div>																		

RARE EARTH ELEMENTS END MARKET

Rare earths are fundamental building blocks of the modern economy, enabling trillions of dollars in global GDP via a wide range of clean energy, information technology, defense and industrial applications.

Automotive



Rare earth elements are primarily used in clean-energy and transportation technologies. NdFeB magnet is frequently utilized in traction motors, A/C compressors, and many other components in EVs and hybrid electric vehicles. They are also used in linear motors in mag-lev trains.

Clean Energy



Rare earth magnets are utilized in the generators in wind power turbines. Using rare earth metals prevents the use of a gearbox and make the turbines lighter, cheaper, more reliable, easier to maintain and capable of generating electricity at lower wind speeds.

Military



Rare earth elements are applied in critical defense, including guidance and control systems (tomahawk cruise missile, smart bombs, etc.), communications (sonar transducers, radar technology, etc.), electric motors (CHPS future combat, integrated starter generator, etc.), global positioning systems, radar and sonar, drones, and railguns.

RARE EARTH ELEMENTS END MARKET (CONTINUED)



Digital and High-Technologies



Rare earth elements are used in high-technology applications, including miniaturization of smart phones and other mobile devices, computing devices, speakers and microphones, as well as fiber optics, lasers, robotics, medical devices and optical temperature sensors in medical and industrial environments.

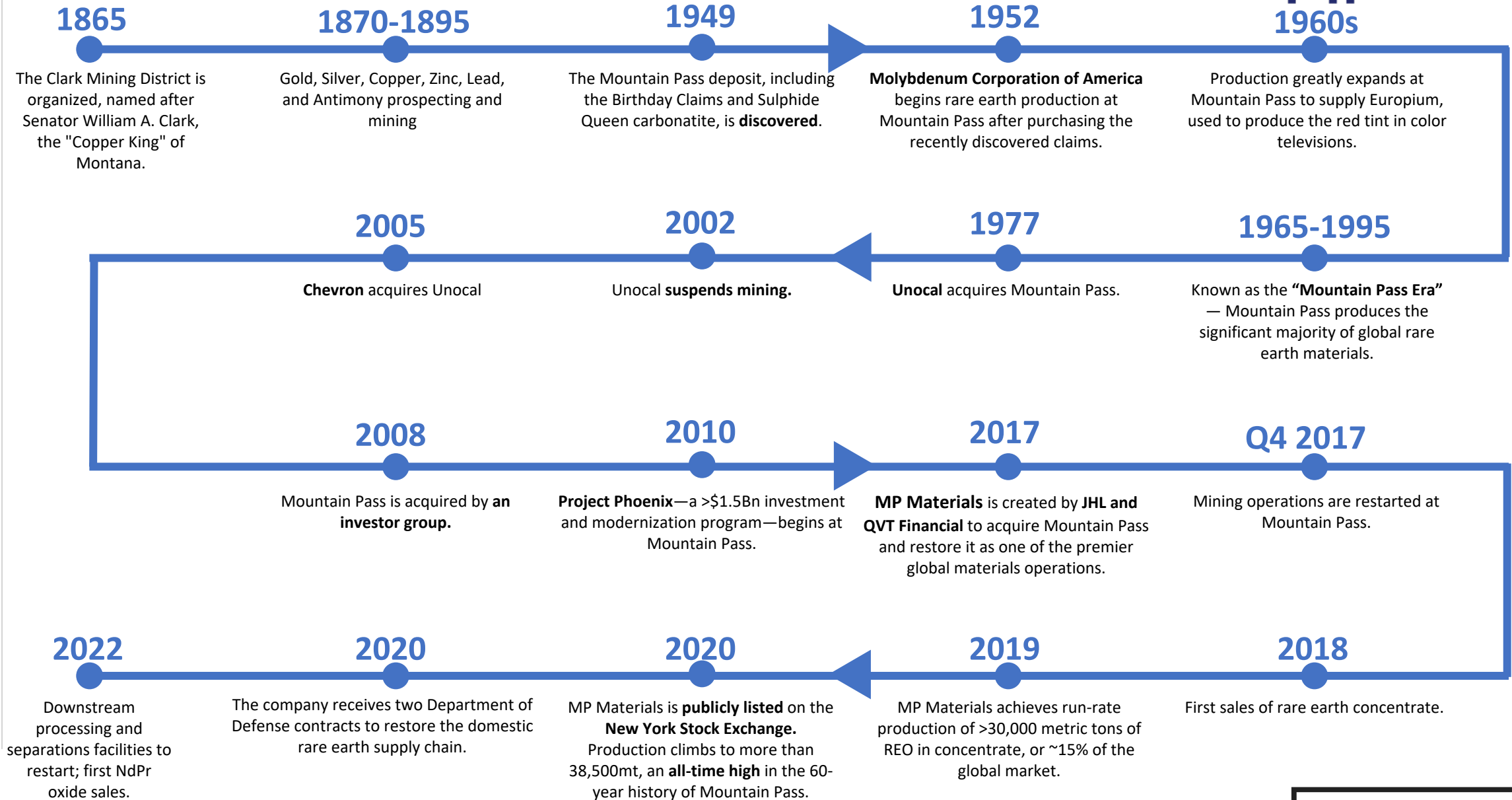
Source: Company website, SEC filings 10K-10Q.

Essential Industrial Infrastructure



Rare earth elements are utilized in advanced catalyst applications in oil refining, pollution-control systems in traditional internal-combustion automobiles, glass polishing, and LED lighting and phosphors.

MOUNTAIN PASS HISTORY



Source: Company website.

MP MATERIALS FACILITY

The self-contained nature of Mountain Pass' operations creates significant cost advantages and mitigates operational risks.

Characteristics of Mountain Pass

- Co-located mining, milling, separations, and finishing
- Tremendous geological advantages (averaging 7% rare earth content relative to .1% to 4% for most global deposits)
- Zero-discharge facility equipped with state-of-the-art environmental systems
- Located immediately adjacent to an interstate highway



Advantages

- Leading cost position
- Recycles more than one billion liters of water per year – enough to meet approximately 95% of need in the beneficiation process
- Easily accessible to rail and port facilities
- Cost-efficient distribution



PROCESS STEPS

Processing at Mountain Pass include four primary process steps: mining, beneficiation, separation, and finishing.

- 1) **Mining:** Bastnaesite ore is recovered from an open-pit surface mine and separated from overburden waste.
- 2) **Beneficiation:** Through a process of crushing, milling, conditioning, and flotation, rare earth elements are separated from waste to produce a mixed rare earth concentrate.
- 3) **Separation:** The mixed rare earth concentrate undergoes a complex chemical process to purify, recover, separate, and precipitate individual rare earth elements.
- 4) **Finishing:** Pure forms of rare earth oxides – primarily lanthanum, cerium, and NdPr oxide – are packaged and treated to meet specific customer specifications.



STAGES AND PROGRESS



MP Materials aims to restore the full rare earth supply chain to the US through three major stages, currently working in the middle of stage II.

Stage I

- Re-establish stable, scaled production of rare earth concentrate, leveraging the existing processing facility.
- Improvements in several processes materially increased plant uptime and reliability driving enhanced flotation throughput, REO recovery and production as well as tailings facility reliability and throughput at a significantly lower cost per processed ton.
- Achieved approximately 3.5x the production volume of REO content as the prior operator of Mountain Pass using the same capital equipment.

Stage II

- Focus on the separation of individual REE.
- In the process of reintroducing an oxidizing roasting circuit, reorienting the plant process flow, increasing product finishing capacity, improving wastewater management, and making other improvements to materials handling and storage.
- Upon completion of Stage II, MP Materials is expected to be a global low-cost, high-volume producer of NdPr oxide, which represents a majority of the value contained in their ore.

Stage III

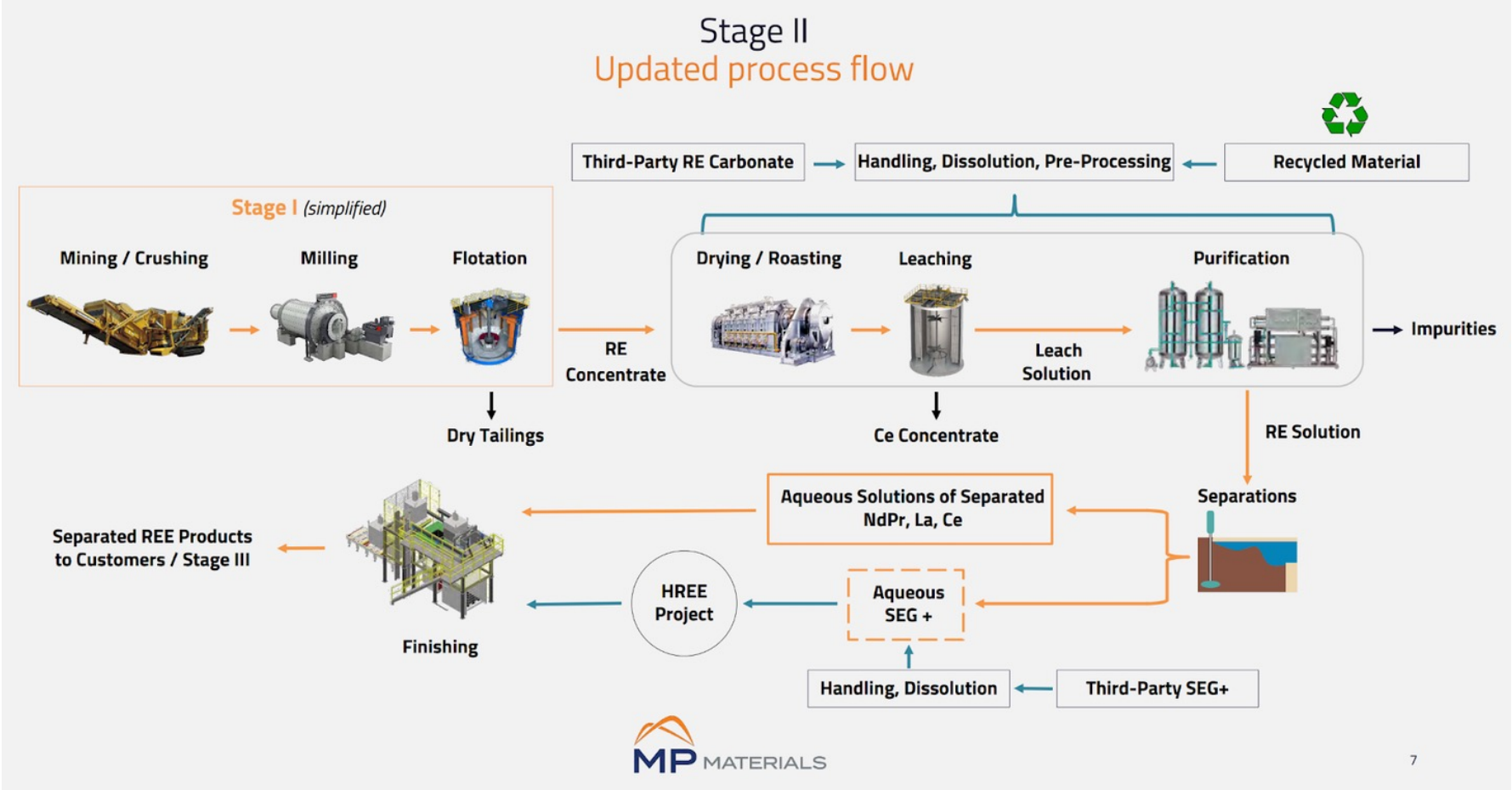
- Pursue opportunities to integrate further downstream into converting NdPr into metal, alloy, and permanent magnets, as well as advancing magnet recycling capabilities.
- Recently announced Fort Worth Facility, which is expected to have the capacity to produce approximately 1,000 metric tons of finished NdFeB magnets per year, sufficient to power approximately 500,000 EV motors annually.
- The integration of magnet production would establish MP Materials as the first and only fully-integrated source of supply for rare earth magnets in the Western Hemisphere.

Source: Company website, SEC filings 10K-10Q, BofA Securities' 2022 Global Metals, Mining and Steel Conference Presentation.



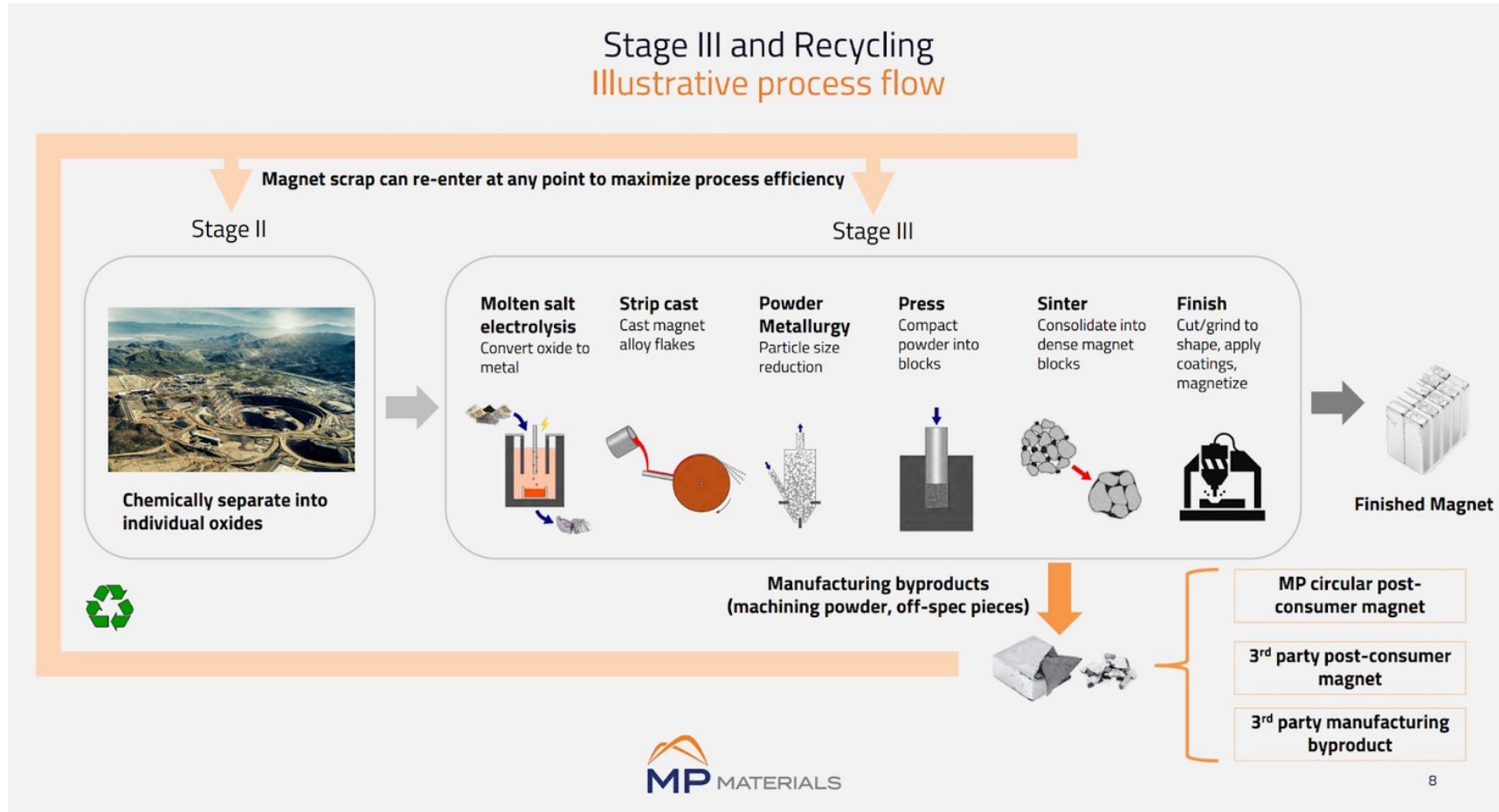
STAGE II PROCESS FLOW

MP Materials expects to achieve full run-rate production volume for Stage II in 2023. MP’s upgrades to facilities and broader process flow should translate to lower cost separation and a smaller environmental footprint.



STAGE III PROCESS FLOW

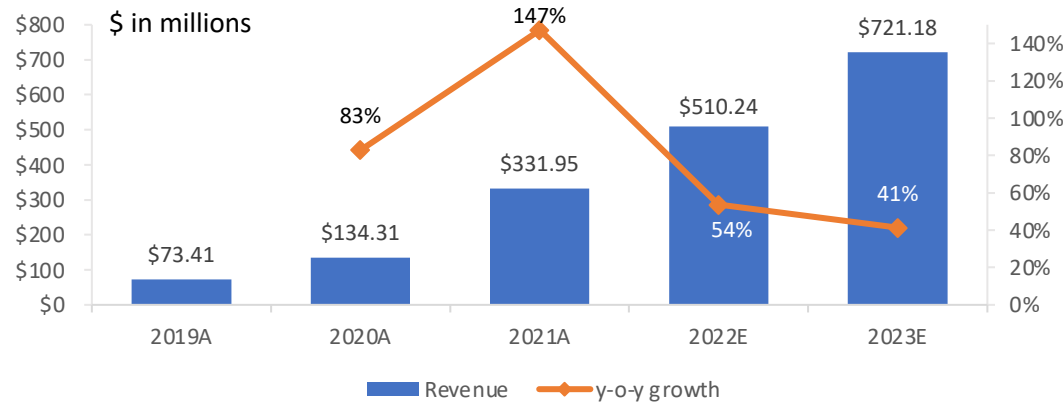
The final stage will enable MP Materials to convert NdPr into permanent magnets, establishing MP Materials as the only vertically-integrated rare-earth magnets producer in the Western Hemisphere. The company expects to begin delivering alloys in late 2023 and magnets in 2025.



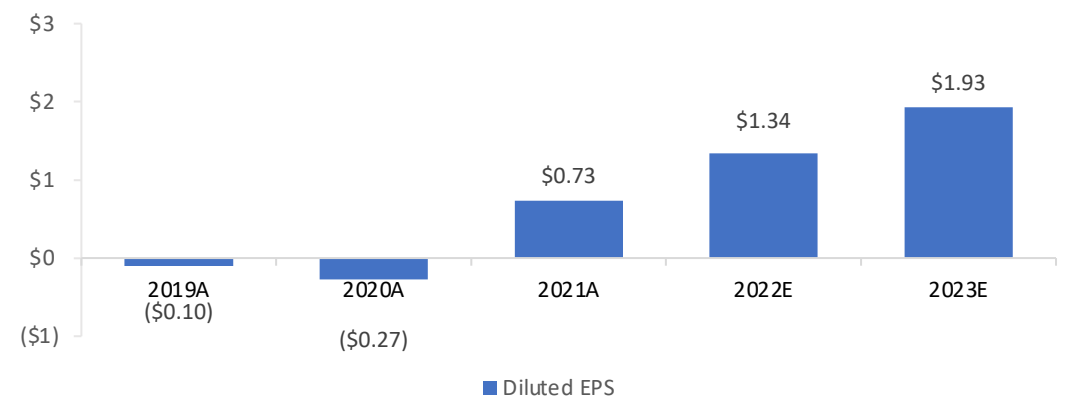
FINANCIAL PERFORMANCE

Revenue and EBITDA have been and are expected to grow at an extremely fast rate. While diluted EPS is predicted to increase and stay positive, free cash flow might remain negative.

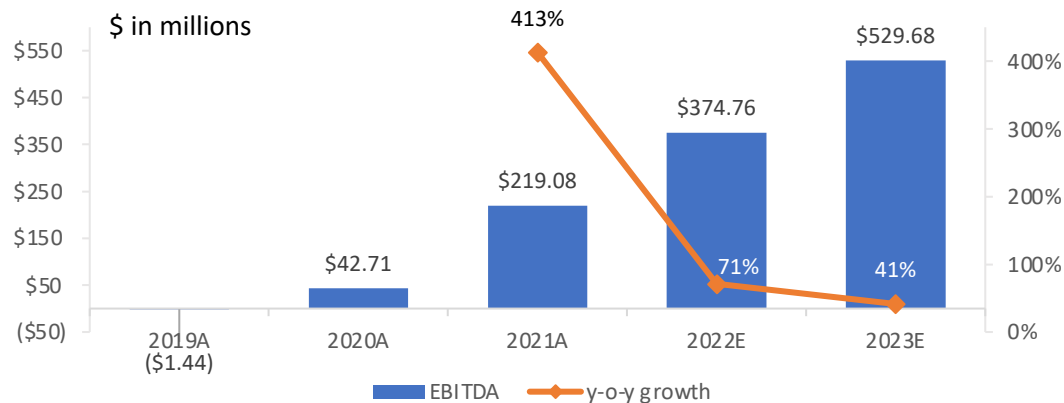
Revenue Performance



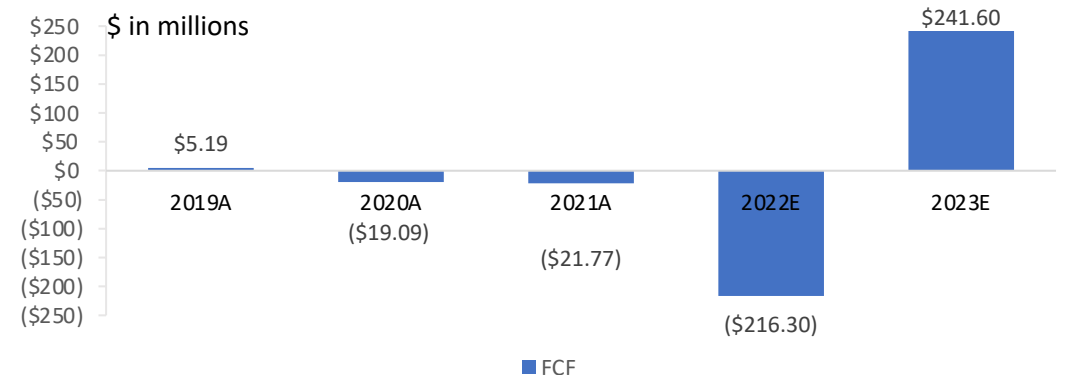
Diluted Earnings Per Share



EBITDA

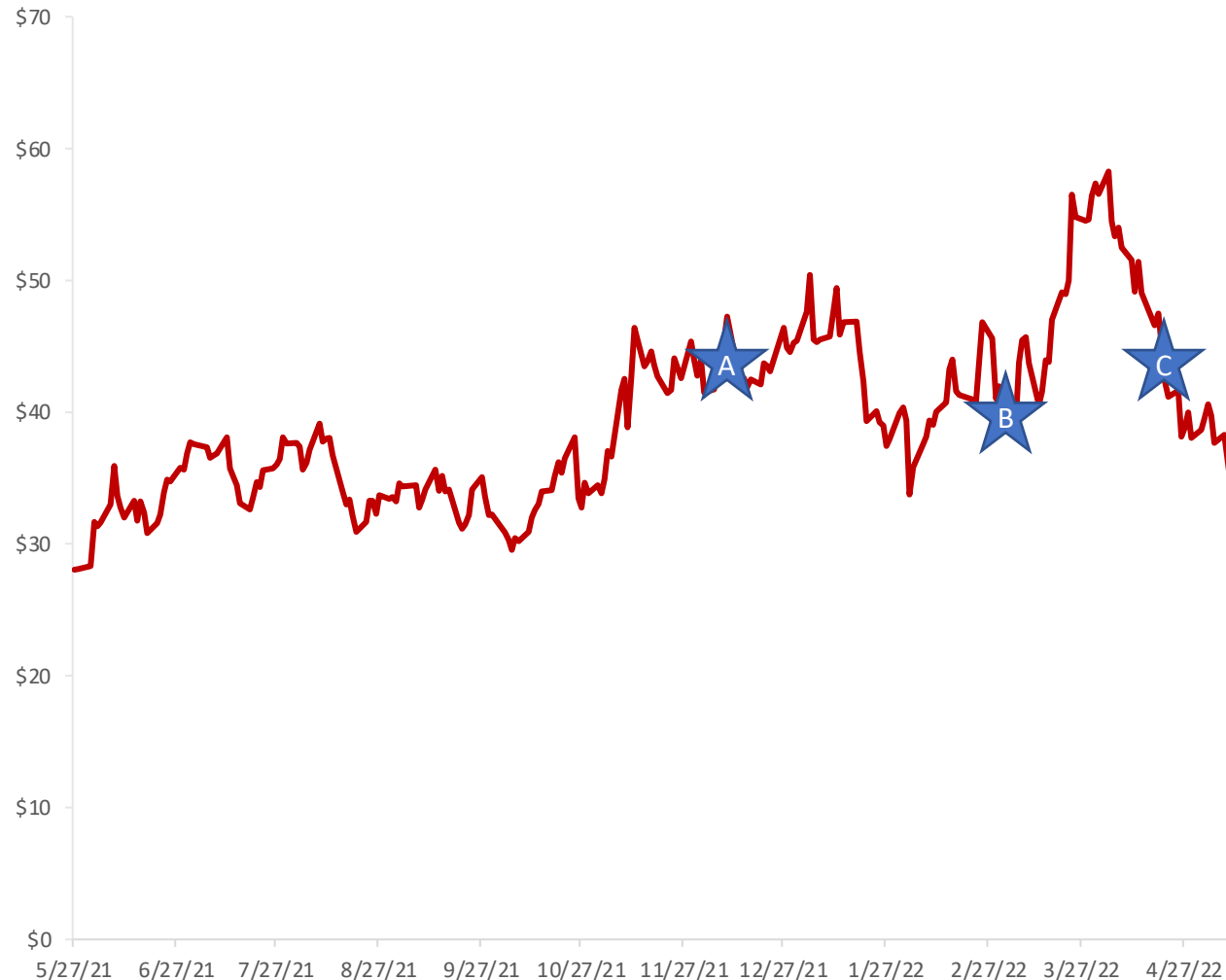


Free Cash Flow



ANNOTATED STOCK CHART

MP Materials Stock is Down 16% Year-To-Date



Press Release

- A. Dec. 9, 2021:** General Motors and MP Materials announced the formation of a strategic collaboration to develop a fully integrated U.S. supply chain for rare earth magnets. Under the long-term agreement, MP Materials will supply U.S.-sourced and manufactured rare earth materials, alloy and finished magnets for the electric motors used in the GMC HUMMER EV, Cadillac LYRIQ, Chevrolet Silverado EV and more than a dozen models using GM's Ultium Platform, with a gradual production ramp that begins in 2023.
- B. Feb. 22, 2022:** MP Materials announced it has been awarded a \$35 million contract through the U.S. Department of Defense (DoD) Industrial Base Analysis and Sustainment Program to support the construction of a commercial scale processing facility for heavy rare earth elements (HREE) at Mountain Pass.
- C. Apr. 21, 2022:** MP Materials commemorates the start of construction at its first rare earth metal, alloy, and magnet manufacturing facility, located in Fort Worth, Texas. The first-of-its kind U.S. facility is a substantial component of a \$700 million investment the company will make over the next two years to fully restore the U.S. rare earth magnet supply chain. The project will create around 150 high-skill jobs and 1,300 indirect jobs and is located in Hillwood's 27,000-acre, mixed-use development, AllianceTexas.

INDUSTRY OVERVIEW

Industry Overview

This industry primarily involves mining and processing rare earth materials and selling rare earth concentrate to end customers.

Outlook: The industry is expected to grow. Electrification is driving significant global growth in demand for rare earth elements, and the rapid growth of advanced motion technologies is expected to drive substantial demand growth for NdPr and NdFeB magnets. Global economic trends, geopolitical realities and sustainability mandates are expected to further operators' opportunity to create shareholder value.

Growing industry: The industry is expected to grow at an annualized rate of 4% over the 10 years to 2030. The NdPr segment, which makes up the significant majority of the market value, is expected to grow at a 9.1% CAGR through 2030.

Market share concentration is high: China dominates the rare earth industry across the full supply chain with six major rare earth producers. Three of them are further consolidated into a rare earth conglomerate, occupying greater market share. MP Materials is the largest producer of rare earth materials in the Western Hemisphere.

Basis of competition is increasingly high: Operators in the industry compete to improve their technology and efficiency in producing rare earth concentrates. They also compete to obtain more end customers.

Barriers to entry is increasingly high: Entering the market requires the ownership of rare earth mine and processing facilities, in other words access to rare earth materials, which is hard to obtain without government approval. The industry is also capital intensive, requiring a lot of technology to start mining and processing.

Industry globalization is medium: While foreign countries are heavily dependent on Chinese rare earth exports, recent export restrictions in China is making industry globalization increasingly difficult. Instead, operators not located in China are aiming to satisfy regional demand first. For instance, MP Materials' goal is to restore the full rare earth supply chain to the US.

Source: Company filings 10K-10Q, CRU Group.

2021 Rare Earth Oxides Market

Global Rare Earth Oxides Market

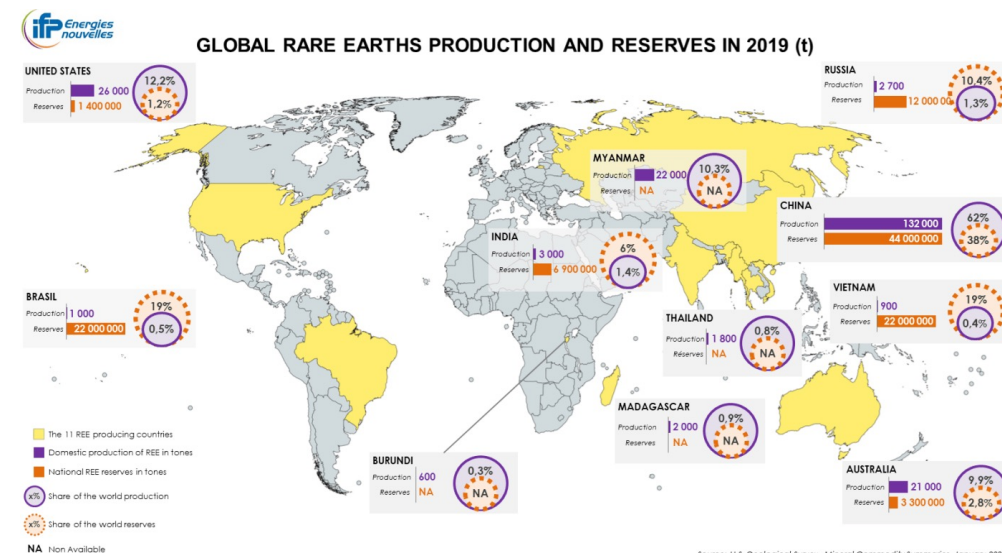
180,000 metric tons

Expected CAGR through 2030

4%

NdPr Segment CAGR

9.1%



MP MATERIALS'S COMPETITION



The rare earth mining and processing markets are capital intensive and highly competitive.

MP Materials's current and potential competitors include:

- The six major rare earth producers in China
 - China Minmetals Rare Earth Co., Ltd.
 - Aluminum Corporation of China Limited
 - China Northern Rare Earth (Group) High-Tech Co., Ltd.
 - (The three above are consolidated into a rare earth conglomerate called China Rare Earth Holdings Limited)
 - Xiamen Tungsten Co., Ltd.
 - China Southern Rare Earth Group Co., Ltd.
 - Guangdong Rare Earths Industry Group Co., Ltd.
- Lynas Rare Earths Ltd., which processes its rare earth materials in Malaysia



中国五矿集团公司
CHINA MINMETALS CORPORATION



中国铝业股份有限公司
ALUMINUM CORPORATION OF CHINA LIMITED



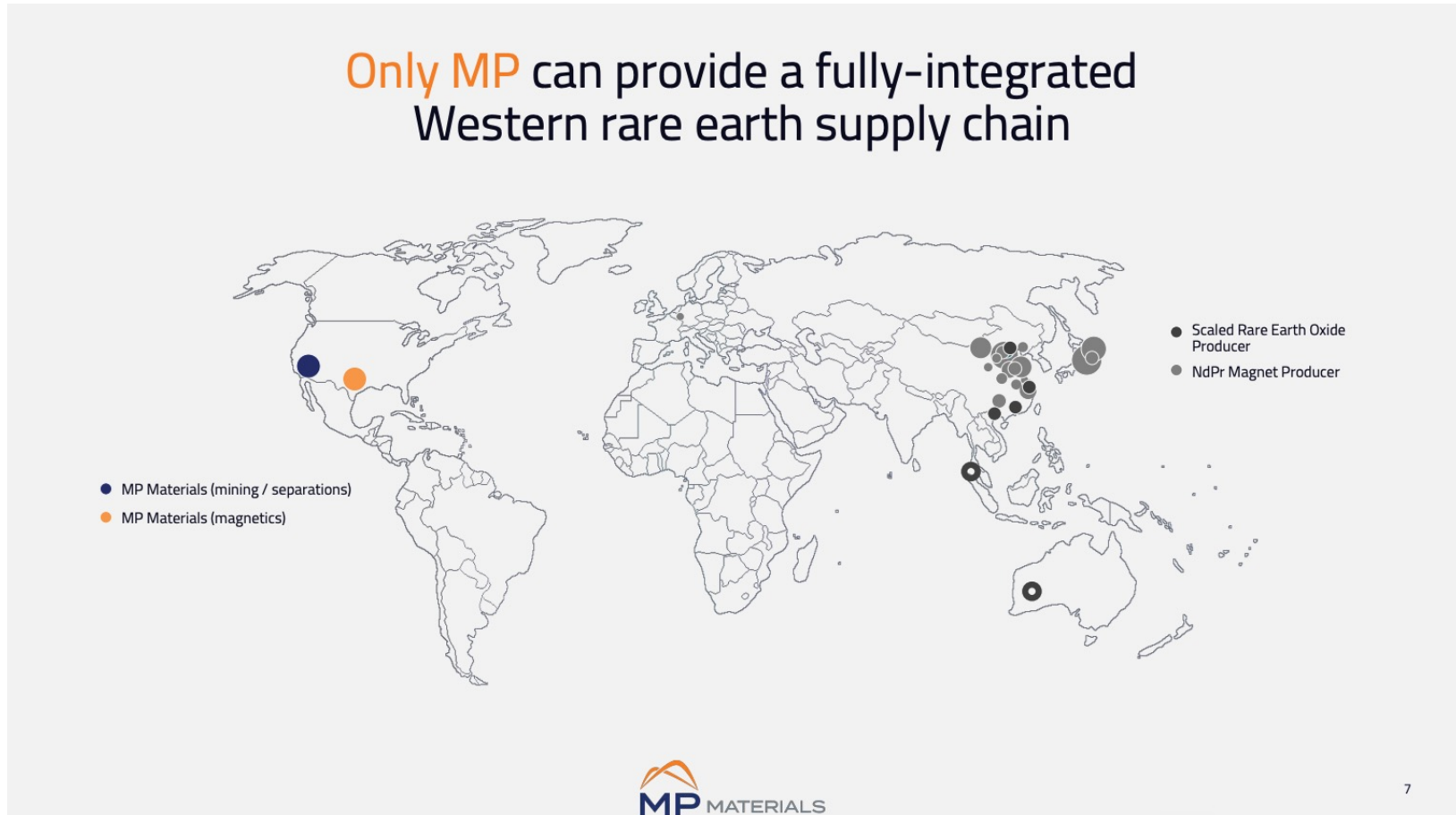
厦门钨业

Lynas
CORPORATION LTD

REGIONAL DOMINANCE AND ADVANTAGE



As the only rare-earth mining company operating at scale in North America, MP Materials has the potential to provide a fully-integrated Western rare earth supply chain and reduce US's reliance on China for rare earth oxides.



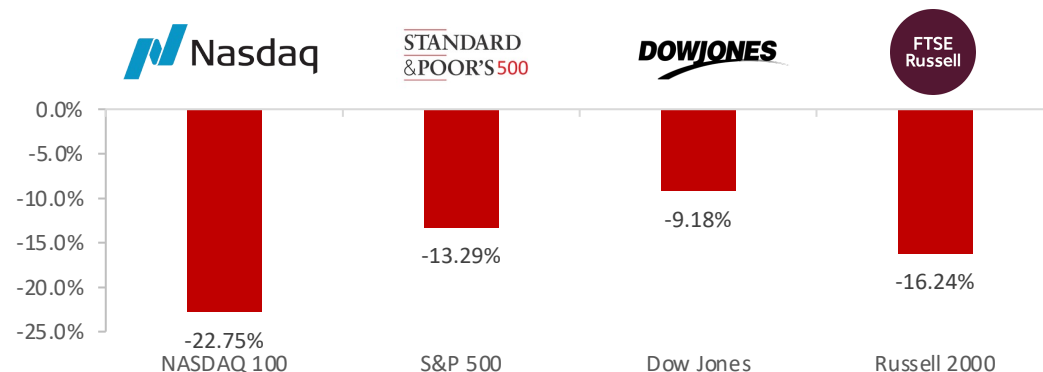
RISK FACTORS TO GROWTH

- May be adversely affected by fluctuations in demand for, and prices of, rare earth minerals and products, alloy flake and magnets.
- Success of business will depend, in part, on the growth of existing and emerging uses for rare earth products.
- An increase in the global supply of rare earth products, dumping, predatory pricing and other tactics designed to inhibit MP Materials' further downstream integration by competitors may materially adversely affect profitability.
- Relying on Shenghe to purchase the vast majority of rare earth concentrate product on a "take-or-pay" basis and sell that product to end users in China.
- Changes in China's political environment and policies, especially those related to rare earths production or the import of rare earth feedstock.
- Continued growth depends on the ability to complete the Stage II project.
- The production of alloy flake and magnets in Stage III is dependent upon the successful completion of Stage II project and the ability to complete the construction of the Stage III facility.
- May not be able to adequately protect intellectual property rights.
- The COVID-19 pandemic could have an adverse effect.
- A number of operational risks of our business, including power shortage at the Mountain Pass facility, increasing costs or limited access to raw materials, etc.
- Conversion of Convertible Notes may dilute the ownership interest of stockholders or may otherwise depress the price of common stock.
- Servicing debt requires a significant amount of cash.
- Volatile stock price.

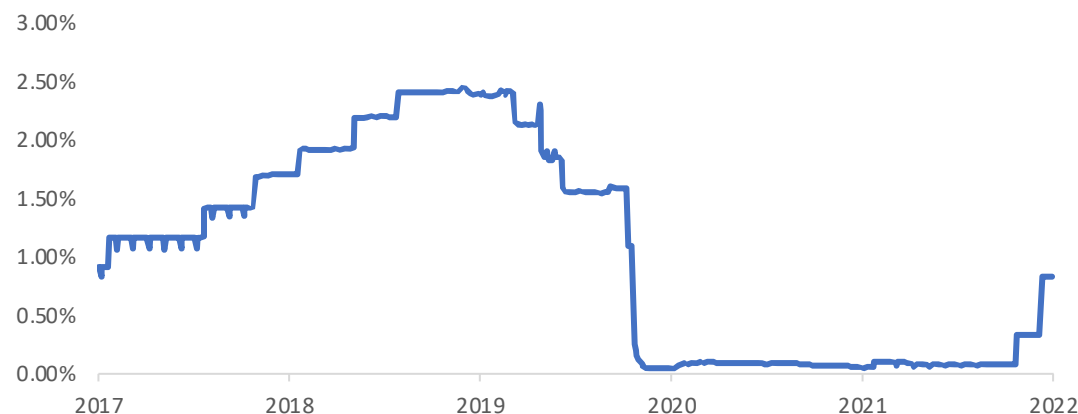
ECONOMIC INDICATORS

The economy was hit hard by COVID-19, and macroeconomic conditions remain unstable. While 30-year treasury rate and inflation rate escalate, the stock performance plummets.

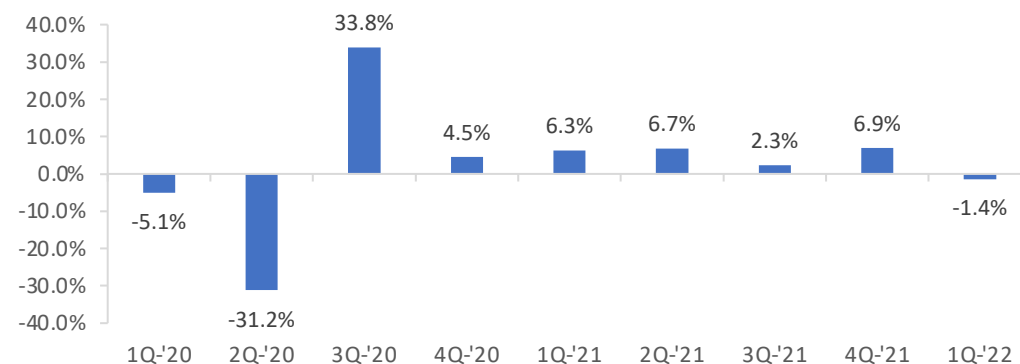
US Stock Market Indices YTD



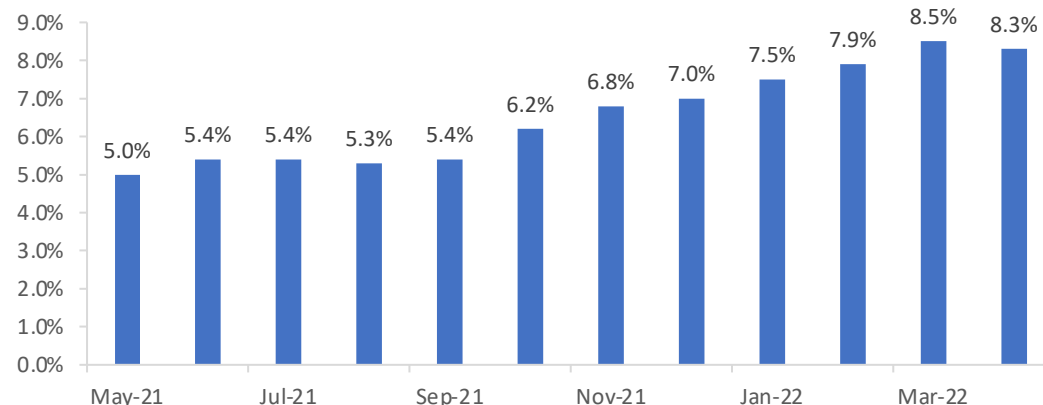
Federal Funds Effective Rate



US Quarterly GDP Growth



US Inflation Rate (CPI)



MP MATERIALS FIRST QUARTER RESULTS HIGHLIGHTS



MP Materials Highlights

CEO Comments

- “The MP team delivered strong execution and performance in the first quarter, highlighted by record quarterly revenues and profitability. We benefited from our continued focus on cost discipline and strong realized pricing,” said MP Materials Chairman and CEO, James H. Litinsky. “We are making steady progress on our goal to restore the full rare earth supply chain to the United States, including our Stage II project at Mountain Pass and our initial Stage III magnetics facility in Texas.”

First Quarter 2022 Financial Results

- Record quarterly revenue, net income and adjusted EBITDA: revenue up 177% year-over-year to \$166.3 million, net income increased 431% year-over-year to \$85.6 million, and adjusted EBITDA increased 301% year-over-year to \$132.3 million.
- Strong year-over-year growth in REO sales and production volumes of 20% and 10%, respectively.
- Significant cash generated from operations while investing in transformational growth, with \$71.2 million in free cash flow after \$49.8 million of capital expenditures and \$13.6 million for offtake paydown.
- Parallel progress on downstream expansion continued, with Stage II construction ramping on track along with groundbreaking and commencement of construction of initial Stage III facility.

Second Quarter 2022 and Future Guidance

- Continue to focus on completing LREE separations by the end of 2022 and expect run-rate NdPr production in 2023.
- Continue to supply alloy and magnets for more than 12 Ultium Platform EVs for General Motors, with gradual production ramp starting in late 2023 with alloy and magnets expected in 2025.
- Upon completion of the Stage II optimization project, MP Materials anticipate producing separated rare earth oxides (“REO”), including NdPr oxide, and selling these products directly to end users, at which time they may no longer sell their concentrate.

2) FINANCIAL STATEMENT MODELING

INCOME STATEMENT – WALL STREET

(\$ in millions, except per share data)

	Historical			Year Ended December 31,									
	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Product sales (including related party)	\$73.0	\$133.7	\$328.6	\$505.0	\$713.8	\$828.4	\$1,137.9	\$2,128.1	\$2,683.3	\$3,651.3	\$4,381.6	\$5,038.9	\$5,542.7
Other sales	0.4	0.6	3.4	\$5.2	\$7.4	\$8.5	\$11.7	\$22.0	\$27.7	\$37.7	\$45.2	\$52.0	\$57.2
Total revenue	\$73.4	\$134.3	\$332.0	\$510.2	\$721.2	\$837.0	\$1,149.7	\$2,150.0	\$2,711.0	\$3,689.0	\$4,426.8	\$5,090.8	\$5,599.9
Cost of sales (including related party) (excluding depreciation, depletion and amortization)	61.3	63.8	76.3	86.7	122.6	100.4	138.0	258.0	325.3	442.7	531.2	610.9	672.0
Gross profit	\$12.2	\$70.5	\$255.7	\$423.5	\$598.6	\$736.5	\$1,011.7	\$1,892.0	\$2,385.7	\$3,246.3	\$3,895.6	\$4,479.9	\$4,927.9
General and administrative	11.1	26.9	57.2	66.3	93.8	100.4	138.0	258.0	325.3	442.7	531.2	610.9	672.0
Advanced projects, development and other	0.0	0.1	4.6	0.5	0.7	0.8	1.1	2.2	2.7	3.7	4.4	5.1	5.6
Depreciation, depletion and amortization	4.7	6.9	24.4	37.3	43.0	45.8	47.3	54.5	63.6	75.9	90.7	107.8	126.5
Accretion of asset retirement and environmental obligations	2.1	2.3	2.4	2.6	3.6	4.2	5.7	10.8	13.6	18.4	22.1	25.5	28.0
Royalty expense	1.9	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Write-down of inventories	0.0	0.0	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Settlement charge	0.0	66.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating expenses	19.8	105.2	90.4	106.7	141.1	151.3	192.2	325.4	405.2	540.7	648.5	749.2	832.1
Operating income (loss) (EBIT)	(\$7.6)	(\$34.7)	\$165.3	\$316.8	\$457.5	\$585.2	\$819.5	\$1,566.6	\$1,980.5	\$2,705.6	\$3,247.1	\$3,730.7	\$4,095.8
Other income, net	4.3	0.3	3.8	3.4	3.4	4.4	6.0	7.4	9.7	14.3	20.2	27.2	35.1
Interest expense, net	(3.4)	(5.0)	(8.9)	(2.9)	(1.7)	(1.7)	(1.7)	(0.8)	0.0	0.0	0.0	0.0	0.0
Income (loss) before income taxes	(\$6.8)	(\$39.5)	\$160.2	\$317.3	\$459.2	\$588.0	\$823.9	\$1,573.1	\$1,990.2	\$2,719.9	\$3,267.3	\$3,757.9	\$4,131.0
Income tax benefit (expense)	(0.0)	17.6	(25.2)	(63.5)	(91.8)	(176.4)	(247.2)	(471.9)	(597.1)	(816.0)	(980.2)	(1,127.4)	(1,239.3)
Net income (loss)	(\$6.8)	(\$21.8)	\$135.0	\$253.8	\$367.3	\$411.6	\$576.7	\$1,101.2	\$1,393.2	\$1,903.9	\$2,287.1	\$2,630.5	\$2,891.7
Basic earnings per share	(\$0.10)	(\$0.27)	\$0.78	\$1.46	\$2.12	\$2.37	\$3.32	\$6.35	\$8.03	\$10.98	\$13.18	\$15.16	\$16.67
Diluted earnings per share	(\$0.10)	(\$0.27)	\$0.73	\$1.34	\$1.93	\$2.17	\$3.04	\$5.80	\$7.34	\$10.03	\$12.05	\$13.86	\$15.23
<i>Wall Street Estimates</i>				\$1.29	\$1.90	\$2.15	\$2.38						
<i>Diluted EPS growth</i>													
Weighted-average shares outstanding													
Basic	66.6	79.7	173.5	173.5	173.5	173.5	173.5	173.5	173.5	173.5	173.5	173.5	173.5
Option impact	0.0	0.0	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4
Diluted	66.6	79.7	189.8	189.8	189.8	189.8	189.8	189.8	189.8	189.8	189.8	189.8	189.8
Revenue Growth		83%	146%	54%	41%	16%	37%	87%	26%	36%	20%	15%	10%
EBIT	(\$7.6)	(\$34.7)	\$165.3	\$316.8	\$457.5	\$585.2	\$819.5	\$1,566.6	\$1,980.5	\$2,705.6	\$3,247.1	\$3,730.7	\$4,095.8
Depreciation & Amortization	\$4.7	\$6.9	\$24.4	\$37.3	\$43.0	\$45.8	\$47.3	\$54.5	\$63.6	\$75.9	\$90.7	\$107.8	\$126.5
EBITDA	(\$2.9)	(\$27.8)	\$189.7	\$354.1	\$500.5	\$631.1	\$866.9	\$1,621.1	\$2,044.1	\$2,781.5	\$3,337.8	\$3,838.5	\$4,222.3
Depreciation & Amortization	\$4.7	\$6.9	\$24.4	\$37.3	\$43.0	\$45.8	\$47.3	\$54.5	\$63.6	\$75.9	\$90.7	\$107.8	\$126.5
Stock-based compensation expense	0.0	5.0	22.9	18.1	25.6	29.7	40.8	76.3	96.2	130.9	157.0	180.6	198.6
Transaction-related and other non-recurring costs	0.9	4.4	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accretion of asset retirement and environmental obligations	2.1	2.3	2.4	2.6	3.6	4.2	5.7	10.8	13.6	18.4	22.1	25.5	28.0
Loss (gain) on sale or disposal of long-lived assets	(3.8)	0.1	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Write-down of inventories	0.0	0.0	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Royalty expense	1.9	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Settlement charge	0.0	66.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tariff rebates	0.0	(10.3)	(2.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	(7.6)	(34.7)	165.3	316.8	457.5	585.2	819.5	1,566.6	1,980.5	2,705.6	3,247.1	3,730.7	4,095.8
Adjusted EBITDA	(\$1.9)	\$42.7	\$219.1	\$374.8	\$529.7	\$664.9	\$913.4	\$1,708.1	\$2,153.8	\$2,930.8	\$3,517.0	\$4,044.5	\$4,449.0

CAGR
27.1%
27.8%

INCOME STATEMENT MARGIN ASSUMPTIONS (CONT'D)



Margin as % of Total Revenue													
Cost of sales (including related party) (excluding depreciation, depletion and amortization)	83.4%	47.5%	23.0%	17.0%	17.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Gross margin	16.6%	52.5%	77.0%	83.0%	83.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%
General and administrative	15.1%	20.0%	17.2%	13.0%	13.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Advanced projects, development and other	0.0%	0.1%	1.4%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Depreciation, depletion and amortization	6.4%	5.2%	7.3%	7.3%	6.0%	5.5%	4.1%	2.5%	2.3%	2.1%	2.0%	2.1%	2.3%
Accretion of asset retirement and environmental obligations	2.9%	1.7%	0.7%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
EBIT	-10.4%	-25.8%	49.8%	62.1%	63.4%	69.9%	71.3%	72.9%	73.1%	73.3%	73.4%	73.3%	73.1%
EBIT Wall Street estimates				62.2%	63.4%	70.3%	77.7%	74.2%	70.8%	74.2%			
Effective tax rate	0.0%	44.7%	15.7%	20.0%	20.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Net Income	-9.2%	-16.2%	40.7%	49.7%	50.9%	49.2%	50.2%	51.2%	51.4%	51.6%	51.7%	51.7%	51.6%
Stock-based compensation expense	0.0%	3.7%	6.9%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
CapEx	3.1%	16.7%	37.3%	99.9%	23.7%	10.0%	3.9%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
EBITDA	-2.5%	31.8%	66.0%	69.4%	69.4%	75.4%	75.4%	75.4%	75.4%	75.4%	75.4%	75.4%	75.4%
EBITDA Wall Street estimates				70.5%	66.0%	62.9%	56.8%						

SALES BUILD UP – WALL STREET



(\$ in millions, except per share data)

	Historical			Year Ended December 31,									
	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Revenue by type													
REO sales volume (in MTs)	26.8	38.4	42.2										
Realized Price per REO MT	\$2.8	\$3.3	\$7.7										
Total value realized	\$74.9	\$127.0	\$326.5										
(Adjusted for:)													
Shenghe implied discount	1.9	3.7	0.0										
Tariff rebates	0.0	(10.3)	(2.1)										
Product sales (including related party)	\$73.0	\$133.7	\$328.6	\$505.0	\$713.8	\$828.4	\$1,137.9	\$2,128.1	\$2,683.3	\$3,651.3	\$4,381.6	\$5,038.9	\$5,542.7
Other sales	0.4	0.6	3.4	5.2	7.4	8.5	11.7	22.0	27.7	37.7	45.2	52.0	57.2
Total revenue	\$73.4	\$134.3	\$332.0	\$510.2	\$721.2	\$837.0	\$1,149.7	\$2,150.0	\$2,711.0	\$3,689.0	\$4,426.8	\$5,090.8	\$5,599.9
Consolidated Revenue Growth		83.0%	147.1%	53.7%	41.3%	16.1%	37.4%	87.0%	26.1%	36.1%	20.0%	15.0%	10.0%
As % Weight of Net Revenue													
By type													
Product sales (including related party)	99.5%	99.5%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%
Other sales	0.5%	0.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

BALANCE SHEET – WALL STREET



(\$ in millions, except per share data)

	Historical			Year Ended December 31,									
	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Assets													
Cash and cash equivalents	\$2.8	\$519.7	\$1,179.3	\$946.7	\$1,188.0	\$1,599.0	\$2,191.5	\$2,437.7	\$3,672.7	\$5,328.1	\$7,362.6	\$9,725.5	\$12,354.2
Accounts receivable (including related party)	0.4	3.6	51.0	78.4	110.8	128.6	176.7	330.4	416.6	566.9	680.2	782.3	860.5
Inventories	23.0	32.3	38.7	44.0	62.2	51.0	70.0	130.9	165.1	224.6	269.5	310.0	341.0
Prepaid expenses and other current assets	1.2	5.5	7.8	8.4	11.9	12.8	17.6	32.9	41.5	56.4	67.7	77.9	85.6
Total current assets	\$27.4	\$561.0	\$1,276.8	\$1,077.6	\$1,372.9	\$1,791.3	\$2,455.7	\$2,931.9	\$4,295.8	\$6,176.0	\$8,380.1	\$10,895.6	\$13,641.3
Restricted cash	26.8	9.1	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Property and equipment, net	46.4	502.0	610.6	1,082.8	1,210.4	1,248.6	1,246.3	1,407.5	1,616.0	1,910.3	2,263.9	2,667.1	3,102.6
Finance lease right-of-use assets	0.6	1.0	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Other non-current assets	0.6	1.1	1.0	1.5	2.1	2.5	3.4	6.3	7.9	10.8	13.0	14.9	16.4
Total assets	\$101.8	\$1,074.3	\$1,889.7	\$2,163.1	\$2,586.7	\$3,043.6	\$3,706.6	\$4,347.0	\$5,921.0	\$8,098.4	\$10,658.2	\$13,578.9	\$16,761.5
Liabilities													
Accounts payable and accrued liabilities	\$14.2	\$16.2	\$35.7	\$39.8	\$56.2	\$52.2	\$71.7	\$134.1	\$169.1	\$230.1	\$276.2	\$317.6	\$349.4
Income taxes payable	0.0	0.0	3.5	8.7	12.6	24.3	34.0	65.0	82.2	112.3	134.9	155.2	170.6
Current installments of long-term debt	0.0	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current installments of long-term debt-related party	4.5	22.1	16.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current portion of finance lease liabilities	0.2	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	5.9	2.2	4.0	6.2	8.7	10.1	13.9	26.0	32.7	44.6	53.5	61.5	67.6
Total current liabilities	\$24.7	\$43.1	\$59.5	\$54.7	\$77.5	\$86.6	\$119.6	\$225.1	\$284.1	\$387.0	\$464.6	\$534.3	\$587.6
Asset retirement obligations	\$23.9	25.6	17.6	17.6	17.6	17.6	17.6	17.6	17.6	17.6	17.6	17.6	17.6
Environmental obligations	\$16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6
Long-term debt, net of current portion	\$0.0	1.0	674.9	674.9	674.9	674.9	674.9	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt-related party, net of current portion	13.6	44.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finance lease liabilities, net of current portion		0.7	0.6	0.5	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes		87.5	104.5	104.5	104.5	104.5	104.5	104.5	104.5	104.5	104.5	104.5	104.5
Other non-current liabilities		1.6	7.2	11.1	15.6	18.1	24.9	46.6	58.8	80.0	96.0	110.4	121.4
Total liabilities		\$220.4	\$880.9	\$879.9	\$907.0	\$918.5	\$958.2	\$410.4	\$481.6	\$605.7	\$699.3	\$783.4	\$847.7
Stockholders' equity													
Common stock		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional paid-in capital		916.5	936.3	956.9	986.1	1,020.0	1,066.5	1,153.5	1,263.3	1,412.6	1,591.7	1,797.7	2,024.4
Retained earnings (accumulated deficit)		(62.6)	72.4	326.2	693.6	1,105.1	1,681.9	2,783.0	4,176.2	6,080.1	8,367.2	10,997.8	13,889.4
Total stockholders' equity		\$853.9	\$1,008.7	\$1,283.2	\$1,679.7	\$2,125.2	\$2,748.4	\$3,936.6	\$5,439.5	\$7,492.7	\$9,958.9	\$12,795.5	\$15,913.8
Total liabilities and stockholders' equity		\$1,074.3	\$1,889.7	\$2,163.1	\$2,586.7	\$3,043.6	\$3,706.6	\$4,347.0	\$5,921.0	\$8,098.4	\$10,658.2	\$13,578.9	\$16,761.5
Check		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Check		Check	Check	Check	Check	Check	Check	Check	Check	Check	Check	Check	Check
Working Capital Assumptions													
Accounts receivable (days)	1.8	9.8	56.1	56.1	56.1	56.1	56.1	56.1	56.1	56.1	56.1	56.1	56.1
Inventories (days)	137.3	184.6	185.2	185.2	185.2	185.2	185.2	185.2	185.2	185.2	185.2	185.2	185.2
Prepaid expenses and other current assets (days)	40.6	74.8	46.1	46.1	46.1	46.1	46.1	46.1	46.1	46.1	46.1	46.1	46.1
Other non-current assets (as % of revenue)	0.8%	0.8%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Accounts payable and accrued liabilities (days)	71.5	65.0	94.5	94.5	94.5	94.5	94.5	94.5	94.5	94.5	94.5	94.5	94.5
Income taxes payable as % of provision for income taxes	0.0%	0.0%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%
Other current liabilities (as % of revenue)	8.0%	1.6%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Other non-current liabilities (as % of revenue)		1.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%

CASH FLOW STATEMENT – WALL STREET



(\$ in millions, except per share data)

	Historical			Year Ended December 31,									
	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Operating activities													
Net income (loss)				253.8	367.3	411.6	576.7	1,101.2	1,393.2	1,903.9	2,287.1	2,630.5	2,891.7
Depreciation, depletion and amortization	4.7	6.9	24.4	37.3	43.0	45.8	47.3	54.5	63.6	75.9	90.7	107.8	126.5
Accretion of asset retirement and environmental obligations	2.1	2.3	2.4	2.6	3.6	4.2	5.7	10.8	13.6	18.4	22.1	25.5	28.0
Loss (gain) on sale or disposal of long-lived assets, net	(3.4)	0.1	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Stock-based compensation expense	0.0	5.0	22.9	18.1	25.6	29.7	40.8	76.3	96.2	130.9	157.0	180.6	198.6
Accretion of debt discount and amortization of debt issuance costs	1.0	3.1	7.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in operating assets and liabilities													
Accounts receivable (including related party)				(27.4)	(32.4)	(17.8)	(48.1)	(153.7)	(86.2)	(150.3)	(113.4)	(102.0)	(78.2)
Inventories				(5.3)	(18.2)	11.2	(19.0)	(60.9)	(34.2)	(59.6)	(44.9)	(40.4)	(31.0)
Prepaid expenses, other current and non-current assets				(1.2)	(4.1)	(1.2)	(5.7)	(18.2)	(10.2)	(17.8)	(13.4)	(12.1)	(9.3)
Accounts payable and accrued liabilities				4.0	16.4	(4.0)	19.5	62.4	35.0	61.0	46.0	41.4	31.8
Income tax payable				5.3	3.9	11.6	9.7	30.9	17.2	30.1	22.6	20.3	15.4
Other current and non-current liabilities				6.0	7.1	3.9	10.6	33.8	18.9	33.0	24.9	22.4	17.2
Net change in operating assets and liabilities				(18.6)	(27.3)	3.8	(33.0)	(105.7)	(59.4)	(103.5)	(78.2)	(70.5)	(54.2)
Cash provided by operating activities				\$293.2	\$412.3	\$495.1	\$637.6	\$1,137.0	\$1,507.0	\$2,025.7	\$2,478.8	\$2,873.9	\$3,190.7
Investing Activities													
Capital Expenditures (Additions of property, plant and equipment)	(2.3)	(22.4)	(123.9)	(509.5)	(170.7)	(84.0)	(45.0)	(215.8)	(272.1)	(370.2)	(444.3)	(510.9)	(562.0)
Cash provided by investing activities				(\$509.5)	(\$170.7)	(\$84.0)	(\$45.0)	(\$215.8)	(\$272.1)	(\$370.2)	(\$444.3)	(\$510.9)	(\$562.0)
Financing Activities													
Current portion of finance lease liabilities borrowings / repayments				(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current installments of long-term debt-related party borrowings / repayments				(16.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal payments on debt obligations and long-term finance leases				(0.0)	(0.3)	(0.1)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from / (Repayments of) long-term debt				0.0	0.0	0.0	0.0	(674.9)	0.0	0.0	0.0	0.0	0.0
Cash provided by financing activities				(\$16.4)	(\$0.3)	(\$0.1)	(\$0.1)	(\$674.9)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Change in cash & equivalents				(\$232.6)	\$241.3	\$411.0	\$592.5	\$246.3	\$1,235.0	\$1,655.4	\$2,034.5	\$2,362.9	\$2,628.6
Cash at the end of the year			\$1,179.3		\$946.7	\$1,188.0	\$1,599.0	\$2,191.5	\$2,437.7	\$3,672.7	\$5,328.1	\$7,362.6	\$9,725.5
Check				\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Free Cash Flow				(\$216.3)	\$241.6	\$411.1	\$592.6	\$921.2	\$1,235.0	\$1,655.4	\$2,034.5	\$2,362.9	\$2,628.6
Wall Street Estimates				(\$238.5)	\$232.5	\$372.0	\$490.0	-	-	-	-	-	-

3) COMPANY VALUATION

MARKET TRADING ANALYSIS OF SELECTED RARE EARTH MINING AND PROCESSING COMPANIES



(\$ in millions, except stock price)

Company	Stock Price As of 5/27/2022	Market Value of Equity	Enterprise Value	Enterprise Value / LTM			EPS Growth 2022 - 2023	LTM Margins			Total debt / EBITDA	Leveraged Betas
				Sales	EBITDA	PE		Gross	EBITDA	EBIT		
Rare Earth Mining and Processing Group												
China Minmetals Rare Earth Co., Ltd. (000831.SZ)	\$3.98	\$27,150	\$27,810	8.2x	68.5x	103.6x	NM	11.1%	11.8%	11.5%	2.2x	0.02
Aluminum Corporation of China Limited (NYSE: ACH)	\$10.87	\$10,550	\$20,910	0.1x	0.9x	9.8x	NM	9.4%	9.3%	6.6%	3.2x	2.42
China Northern Rare Earth (Group) High-Tech Co.,Ltd (600111.SS)	\$5.08	\$125,780	\$127,520	3.8x	15.4x	21.4x	30.2%	25.0%	25.8%	24.4%	1.0x	0.10
Xiamen Tungsten Co., Ltd. (600549.SS)	\$2.89	\$27,700	\$37,310	1.0x	14.7x	21.9x	25.7%	13.6%	8.8%	6.2%	4.1x	0.43
China Rare Earth Holdings Limited (0769.HK)	\$0.08	\$1,330	NM	NM	NM	54.8x	NM	7.1%	4.3%	1.7%	0.0x	0.42
JL Mag Rare-Earth Co., Ltd. (300748.SZ)	\$4.43	\$24,250	\$21,650	4.5x	32.9x	43.2x	27.1%	18.9%	14.3%	12.9%	2.7x	NM
Lynas Rare Earths Limited (Other OTC: LYSCF)	\$6.72	\$5,900	\$5,560	9.1x	16.0x	30.9x	NM	31.1%	46.7%	45.6%	0.6x	0.82
Rising Nonferrous Metals Share Co.,Ltd. (600259.SS)	\$5.38	\$12,390	\$12,510	0.7x	36.4x	63.5x	43.8%	3.1%	1.7%	1.4%	6.7x	0.01
			Mean	3.9x	26.4x	43.6x	31.7%	14.9%	15.3%	13.8%	2.6x	0.60
			Median	3.8x	16.0x	37.0x	28.6%	12.3%	10.5%	9.0%	2.5x	0.42
MP Materials Corp. (NYSE:MP)	\$40.13	\$7,124.15	\$6,567.46	15.0x	20.6x	55.0x	27.7%	81.4%	72.6%	59.0%	2.1x	1.64

IMPLIED TRADING MULTIPLE VALUATION

EBITDA Multiple Company Valuation Analysis

(\$in millions, except per share data)

	Data	Implied Reference Range			Implied Reference Range		
		Low	—	High	Low	—	High
LTM EBITDA	\$318.3	15.0x	—	25.0x			
Implied Enterprise Value Reference Range					\$4,775		\$7,958
(-) Net Debt					(557)		(557)
Implied Equity Value Reference Range					\$5,332		\$8,515
Fully diluted shares (millions)					177.53		177.53
Implied Share Price					\$30.03		\$47.96
<i>Implied Price Premium (%) to current share price as of most recent close</i>					(25.2%)		19.5%

Sales Multiple Company Valuation Analysis

(\$in millions, except per share data)

	Data	Implied Reference Range			Implied Reference Range		
		Low	—	High	Low	—	High
LTM Sales	\$438.2	10.0x	—	20.0x			
Implied Enterprise Value Reference Range					\$4,382		\$8,765
(-) Net Debt					(557)		(557)
Implied Equity Value Reference Range					\$4,939		\$9,321
Fully diluted shares (millions)					177.53		177.53
Implied Share Price					\$27.82		\$52.51
<i>Implied Price Premium (%) to current share price as of most recent close</i>					(30.7%)		30.8%

Price Earnings Multiple Company Valuation

(\$in millions, except per share data)

	Data	Implied Reference Range			Implied Reference Range		
		Low	—	High	Low	—	High
LTM EPS	\$0.73	50.0x	—	65.0x			
Implied Enterprise Value Reference Range					\$5,923		\$7,867
(-) Net Debt					(557)		(557)
Implied Equity Value Reference Range					\$6,480		\$8,424
Fully diluted shares (millions)					177.53		177.53
Implied Share Price					\$36.50		\$47.45
<i>Implied Price Premium (%) to current share price as of most recent close</i>					(9.0%)		18.2%

DISCOUNTED CASH FLOW

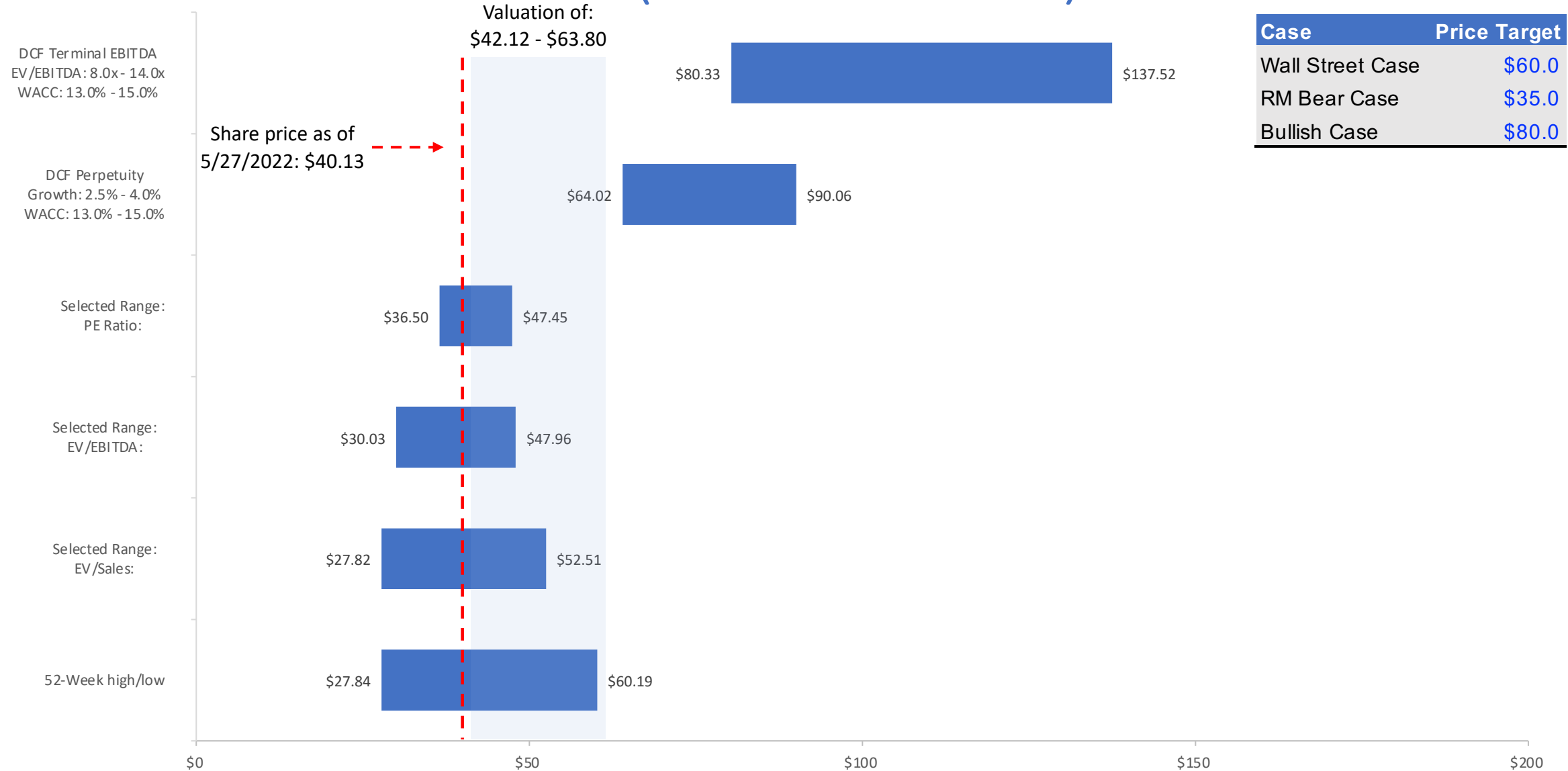
(\$ in millions, except per share data)

	Projected Fiscal Year Ending December 31,										
	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Top-Down Unlevered Free Cash Flow (UFCF) Calculations											
EBITDA	\$189.7	\$354.1	\$500.5	\$631.1	\$866.9	\$1,621.1	\$2,044.1	\$2,781.5	\$3,337.8	\$3,838.5	\$4,222.3
Less: Depreciation & Deductible Amortization	24.4	37.3	43.0	45.8	47.3	54.5	63.6	75.9	90.7	107.8	126.5
EBIT	\$165.3	\$316.8	\$457.5	\$585.2	\$819.5	\$1,566.6	\$1,980.5	\$2,705.6	\$3,247.1	\$3,730.7	\$4,095.8
Taxes		(63.4)	(91.5)	(117.0)	(163.9)	(313.3)	(396.1)	(541.1)	(649.4)	(746.1)	(819.2)
Tax-Effectd Unlevered Taxable Income		\$253.4	\$366.0	\$468.2	\$655.6	\$1,253.3	\$1,584.4	\$2,164.5	\$2,597.7	\$2,984.6	\$3,276.7
Plus: Depreciation & Deductible Amortization		37.3	43.0	45.8	47.3	54.5	63.6	75.9	90.7	107.8	126.5
Plus: Working Capital Surplus / (Deficiency)		(18.6)	(27.3)	3.8	(33.0)	(105.7)	(59.4)	(103.5)	(78.2)	(70.5)	(54.2)
Less: Capital Expenditures		(509.5)	(170.7)	(84.0)	(45.0)	(215.8)	(272.1)	(370.2)	(444.3)	(510.9)	(562.0)
Unlevered Free Cash Flow		(\$237.3)	\$211.1	\$433.8	\$625.0	\$986.3	\$1,316.5	\$1,766.7	\$2,165.9	\$2,510.9	\$2,787.0

Sensitivity Analysis						
Terminal EBITDA Multiple						
		\$100.01	8.0x	10.0x	12.0x	14.0x
Discount Rate	13.0%		\$92.84	\$107.73	\$122.63	\$137.52
	13.5%		\$89.50	\$103.79	\$118.07	\$132.36
	14.0%		\$86.31	\$100.01	\$113.71	\$127.41
	14.5%		\$83.26	\$96.40	\$109.54	\$122.69
	15.0%		\$80.33	\$92.94	\$105.55	\$118.16

Sensitivity Analysis Perpetuity Growth Method						
		\$73.85	2.5%	3.0%	3.5%	4.0%
Discount Rate	13.0%		\$81.24	\$83.89	\$86.81	\$90.06
	13.5%		\$76.29	\$78.61	\$81.16	\$83.98
	14.0%		\$71.81	\$73.85	\$76.08	\$78.54
	14.5%		\$67.74	\$69.54	\$71.50	\$73.65
	15.0%		\$64.02	\$65.62	\$67.35	\$69.24

VALUATION FOOTBALL FIELD (WALL STREET CASE)



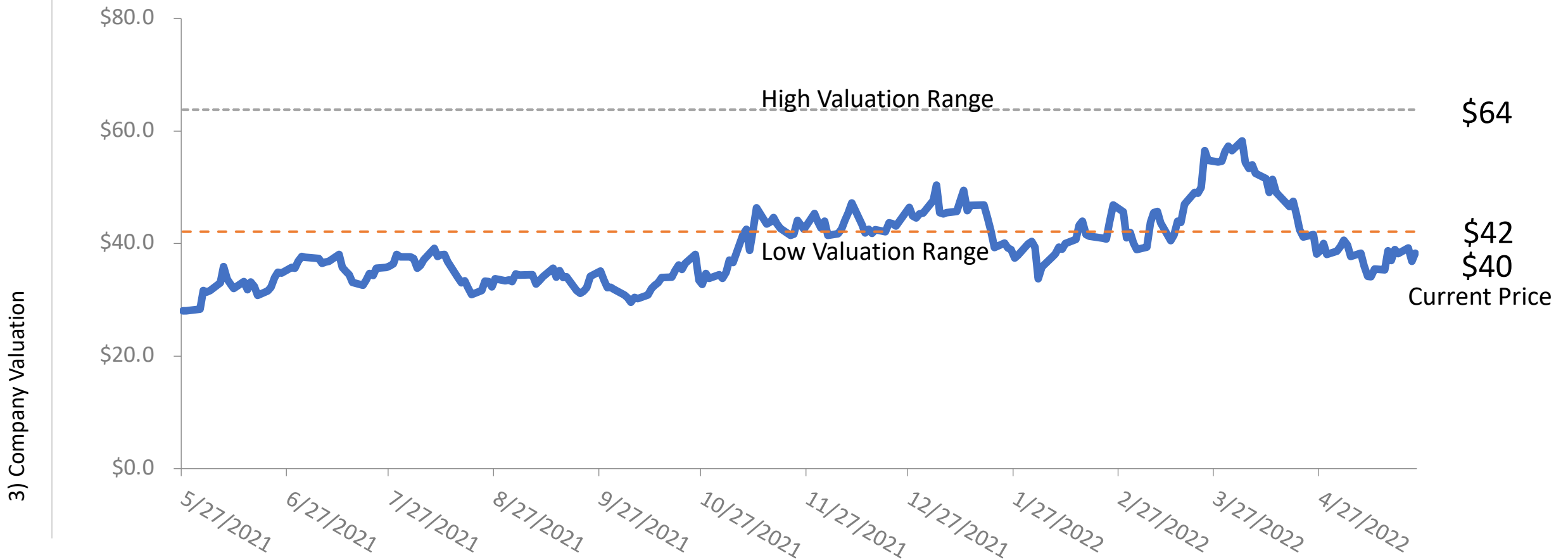
MP MATERIALS CORP. (MP) STOCK PRICE VALUATION ANALYSIS



Valuation Range		
Discounted Cash Flow	Low	High
Terminal EBITDA Multiple	\$80.3	\$137.5
Perpetuity Growth Method	\$64.0	\$90.1

Valuation Range		
Comparable Trading Multiple	Low	High
EV/Sales	\$27.8	\$52.5
EV/EBITDA	\$30.0	\$48.0

Valuation Case	Price Target	% of current price
Wall Street Case	\$60.0	50%
RM Bear Case	\$35.0	-13%
Bullish Case	\$80.0	99%



4) INVESTMENT PITCH

WHAT ARE MP MATERIALS' ADVANTAGES IN A HIGHLY COMPETITIVE ENVIRONMENT?

Strong financial performance and record growth

- All financial indices are growing at double digits and even triple digits, marking impressive and record growth.
- Total revenue has increased by 147% to \$332 million from 2020 to 2021. Adjusted EBITDA jumped by 301%, EPS increased by 400%, and total net income ran up 431%.
- Strong capital structure profile resulting in 9% debt holders vs 91% equity holders.

Natural advantages driving increasing production efficiency

- Mountain Pass has one of the highest ore contents, of approximately 7.5-8% rare earths, whereas China must produce a significantly higher volume of ore to capture the same amount (typically 2-3%).
- In 2021, MP Materials has already produced 42,413 metric tons of rare earth oxides in concentrate, which was 3.5 times higher than the highest ever rare earth production in Mountain Pass history.
- Efficiency and profitability is expected to improve as MP Materials continue to build on their current Stage II progress.

Promising operations, completing milestones, and advancing through stages

- The Department of Defense's Office of Industrial Base Policy awarded MP Materials with \$35 million to design and build a facility to process heavy rare earth elements, which would bring about huge potential in establishing the first processing and separation facility of its kind for HREEs in support of commercial and defense applications in the US.
- MP Materials has a promising three-stage plan that would lead it to accomplish its mission of restoring the full rare earth supply chain to the US. Management has been very diligent in providing investors targets and making sure they meet them.
- The long-term agreement with General Motors has proven MP Materials' capability to attract end users despite the fact that they currently still do not have the ability to directly offer end users finished products.

PUTTING IT ALL TOGETHER

1 Company Profile

- 1) MP Materials is the largest producer of rare earth materials in the Western Hemisphere through operating Mountain Pass, the only rare earth mining and processing site of scale in North America.
- 2) The company sells rare earth concentrate to Shenghe, that, in turn, typically sells processed product to refiners in China.
- 3) MP Materials produced and sold approximately 15% of the rare earth content consumed in the global market in 2021.

2 Company Story | *Growth Story*

- 1) MP Materials is a fast growth story, with revenue expected to grow at 54% in 2022. The company has established a dominant position in the industry as the only supplier of rare earth materials in the Western Hemisphere, shifting dependence away from China.
- 2) Produced 42,413 metric tons of rare earth oxides in concentrate, 3.5 times higher than the highest ever rare earth production in Mountain Pass history.

3 Future Expectations

- 1) Rare earth mining and processing industry is steadily growing, with an average rate of 4% over the 10 years to 2030.
- 2) Increasing demand from the automobile and advanced motion technology industries will likely drive faster growth of MP Materials.
- 3) Expected to complete Stage II with separating rare earth concentrates into products by 2023, and complete Stage III with delivering alloys and magnets in 2025.

4 Valuation

- 1) We believe MP Materials to be reasonably valued at current levels given its strong and record-breaking financial profile.
- 2) The value of MP Materials stock is expected to increase as it gradually builds up its full rare earth supply chain.
- 3) Upon completion of Stage II, MP Materials stock could be trading at an even higher value as it will become more cost-effective and produce at a higher volume.

5 Investment Thesis | *Bullish*

- 1) We maintain a bullish view on MP Materials stock because of its strong financial profile and record-breaking growth trend.
- 2) The \$35 million award from the Department of Defense provides a stimulus for further technological construction.
- 3) The company is improving its ability to separate rare earth oxides and is on the trend to sell products directly to end users, which is hinted by its long-term agreement signed with General Motors. This would make MP Materials more autonomous and less influenced by outside risks.

6 Risk

- 1) Success depends on emerging use of rare earth products
- 2) Increasingly competitive industry
- 3) Fluctuations in demand for and price of rare earth products
- 4) Reliance on Shenghe to purchase rare earth concentrate product
- 5) Continued growth depends on ability to complete Stage II and Stage III projects
- 6) Volatile stock price