

MP Materials Warrant FAQs

MP Materials Corp. (“MP”) is providing the following FAQs to help investors to better understand important features of the warrants issued in connection with the Fortress Value Acquisition Corp. (“FVAC”) IPO. For detailed information beyond what is provided below, please refer to MP’s final prospectus filed with the SEC on December 28, 2020 pursuant to Rule 424(b)(3) (the “Prospectus”). Terms of the warrant exercise and redemption features appear beginning on page 131 of the Prospectus under the heading “Description of Securities—Warrants.”

Note: The following FAQs are qualified in their entirety by reference to the Prospectus and the provisions of the Warrant Agreement, dated as of April 29, 2020, between FVAC (n/k/a MP) and Continental Stock Transfer & Trust Company, as warrant agent (a copy of which was filed as an exhibit to MP’s Registration Statement on Form S-1 of which the Prospectus forms a part).

1. When are the MP warrants exercisable?
 - a. The warrants will become exercisable on May 4, 2021, the 12-month anniversary of the FVAC IPO closing date.
2. When do the warrants expire?
 - a. The warrants will expire at 5:00 p.m., New York City time, on November 17, 2025, the fifth anniversary of the completion of MP Materials’ business combination with FVAC.
3. Can MP redeem the warrants?
 - a. Yes, MP can redeem the warrants, but only when the warrants are exercisable, as described further below, and only in whole and not in part. MP can redeem the warrants either for cash or for stock, in the circumstances set forth below (in each case, as further described in the Prospectus). In the event MP calls the warrants for redemption, the warrant holders will have a period of time to exercise their warrants in advance of any scheduled redemption date, as described further below.
4. How and when can the warrants be redeemed?
 - a. **Redeem for cash (option available beginning May 4, 2021, assuming \$18.00 trading price threshold continues to be satisfied):** Beginning on May 4, 2021, MP may elect to call for redemption all of the outstanding warrants for cash at a price of \$0.01 per warrant, upon a minimum of 30 days’ prior written notice. During such notice period, warrant holders would have the right to exercise their warrants for cash, UNLESS MP elects to require that all holders exercise on a “cashless” basis.
 1. If MP makes this “cashless” exercise election, each holder who exercises their warrant would pay the exercise price by surrendering the warrants for that number of shares of common stock equal to the quotient obtained by dividing (x) the product of the number of shares of common stock underlying the warrants, multiplied by the excess of the “fair market value” (as defined below) over the \$11.50 exercise price by (y) the fair market value. The “fair market value” equates to the average last reported sale price of shares of the common

stock for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the warrant holders.

2. If MP elects this “cashless” exercise option, the notice of redemption will contain the information necessary to calculate the number of shares of common stock to be received upon exercise of the warrants, including the “fair market value” in such case.

- b. **Redeem for stock (option available beginning August 2, 2021, assuming \$10.00 trading price threshold continues to be satisfied):** Beginning on August 2, 2021, MP may elect to call for redemption all of the outstanding warrants for stock at \$0.10 per warrant, upon a minimum of 30 days’ prior written notice. During such notice period, warrant holders would have the right to exercise their warrants on a “cashless” basis only.

1. If MP calls the warrants for redemption under this option, any warrant holder who desires to exercise their warrants may do so on a “cashless” basis only and receive that number of shares determined by reference to the table on page 133 of the Prospectus under the heading “Description of Securities—Warrants—Public Stockholders’ Warrants” based on the redemption date and the “fair market value” of MP’s common stock (as defined above).
2. Pursuant to such table, in no event will the warrants be exercisable for more than 0.365 of share of common stock for each whole warrant.

4. If MP calls the warrants for redemption, do I have any ability to act before it takes effect?

- a. Yes. Per the terms outlined in the Prospectus, were MP to provide notice of a redemption for either cash or stock, such a call requires at least 30 days’ advance written notice. Warrant holders would be able to freely trade or exercise their warrants (either for cash or on a “cashless” basis, as described above) prior to expiration of that notice period.

5. How are fractions treated upon exercise of warrants?

- a. Only whole warrants may be exercised.
- b. No fractional shares of MP common stock will be issued upon exercise. If upon a “cashless” exercise, the warrant holder would be entitled to receive a fractional interest in a share of MP common stock, the number of shares to be issued to such holder will be rounded down to the nearest whole share.