

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

IN RE MOLYCORP, INC. SECURITIES LITIGATION

Civil Action No. 13-Civ-5697 (PAC)

**NOTICE OF SETTLEMENT OF CLASS ACTION AND SETTLEMENT FAIRNESS HEARING,
AND MOTION FOR AN AWARD OF ATTORNEYS' FEES
AND REIMBURSEMENT OF LITIGATION EXPENSES**

A Federal Court Authorized This Notice. This Is Not A Solicitation From A Lawyer.

TO: ALL PERSONS WHO PURCHASED OR ACQUIRED MOLYCORP, INC. ("MOLYCORP") SECURITIES DURING THE PERIOD FROM FEBRUARY 21, 2012 THROUGH OCTOBER 15, 2013, INCLUSIVE (the "CLASS PERIOD"), YOU COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT. CERTAIN PERSONS ARE EXCLUDED FROM THE DEFINITION OF THE CLASS AS SET FORTH BELOW¹

- PLEASE READ THIS NOTICE CAREFULLY.
- IF YOU WISH TO COMMENT IN FAVOR OF THE SETTLEMENT OR OBJECT TO THE SETTLEMENT, YOU MUST FOLLOW THE DIRECTIONS IN THIS NOTICE.
- YOUR LEGAL RIGHTS MAY BE AFFECTED BY THIS LAWSUIT.
- TO RECEIVE MONEY FROM THIS SETTLEMENT, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM ("CLAIM FORM") POSTMARKED ON OR BEFORE MAY 18, 2017.
- IF YOU DO NOT WISH TO PARTICIPATE IN THE SETTLEMENT, YOU MAY REQUEST TO BE EXCLUDED FROM THE SETTLEMENT BY SENDING A WRITTEN REQUEST FOR EXCLUSION THAT MUST BE POSTMARKED ON OR BEFORE APRIL 10, 2017.
- IF YOU RECEIVED THIS NOTICE ON BEHALF OF A SETTLEMENT CLASS MEMBER WHO IS DECEASED, YOU SHOULD PROVIDE THE NOTICE TO THE AUTHORIZED LEGAL REPRESENTATIVE OF THAT SETTLEMENT CLASS MEMBER.

YOU ARE HEREBY NOTIFIED AS FOLLOWS:²

A proposed Settlement has been reached by the Parties in the constituent actions that make up the consolidated class action pending in the United States District Court for the Southern District of New York (the "District Court"), which was brought on behalf of the Settlement Class. The District Court has preliminarily approved the Settlement, the terms of which are set forth in the Stipulation, which is available at www.MolycorpSecuritiesLitigation.com and has preliminarily certified the Settlement Class for purposes of Settlement only. You have received this Notice because the Parties' records indicate that you may be a member of the Settlement Class. This Notice is designed to inform you of your rights, how you can submit a Claim

¹ All capitalized terms that are not defined in this Notice have the meaning ascribed to them in the Stipulation of Settlement (the "Stipulation") dated October 21, 2016, which is available on the website established for the Settlement at www.MolycorpSecuritiesLitigation.com.

² A copy of this Notice may be found at www.MolycorpSecuritiesLitigation.com.

Form, and how you can comment in favor of the Settlement or object to the Settlement. If the Settlement is finally approved by the District Court, the Settlement will be binding upon you, unless you exclude yourself, even if you do not submit a Claim Form to obtain money from the Net Settlement Fund and even if you object to the Settlement.

A hearing to be held by the District Court on notice to the Settlement Class, to consider approval of the Settlement, the Plan of Allocation, and the Fee and Expense Application (the "Settlement Hearing") will be held before the Honorable Paul A. Crotty, United States District Court Judge, at 4:00 p.m. on May 1, 2017, in Courtroom 14C of the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY CLAIMS OR DEFENSES BY ANY OF THE PARTIES. IT IS BASED ON CONTENTIONS OF THE PARTIES AND IS SENT FOR THE SOLE PURPOSE OF INFORMING YOU OF THE EXISTENCE OF THE LAWSUIT AND OF THE FINAL SETTLEMENT HEARING ON A PROPOSED SETTLEMENT SO THAT YOU MAY MAKE APPROPRIATE DECISIONS AS TO STEPS YOU MAY, OR MAY NOT, WISH TO TAKE IN RELATION TO THE LAWSUIT.

I. BACKGROUND OF THE LAWSUIT

On or about August 14, 2013, Plaintiff Macie Jurkowski commenced a securities class action in the United States District Court for the Southern District of New York against Molycorp, Constantine E. Karayanopoulos, Mark. A. Smith, Michael F. Doolan, and Kevin W. Johnson, alleging violations of §§ 10(b) and 20(a) of the Exchange Act, 15 U.S.C. §§ 78j(b) & 78t(a), and SEC Rule 10b-5, 17 C.F.R. § 240.10b-5. On or about August 22, 2015, Plaintiff Gail Fialkov commenced a separate securities class action asserting similar claims against the same defendants. The complaints alleged that between August 2, 2012 and August 7, 2013, defendants issued false and misleading statements about Molycorp's business and operations.

By Order dated April 2, 2014, the Court consolidated these actions, and appointed Gary Armstrong as Lead Plaintiff and Kirby McInerney LLP as Lead Counsel for the consolidated action ("Lead Counsel"). On May 19, 2014, Plaintiffs filed the Consolidated Class Action Complaint ("the CAC") against Defendants Molycorp, Constantine E. Karayanopoulos, Mark. A. Smith, and Michael F. Doolan, as well as against John L. Burba and John F. Ashburn, Jr (collectively the "Defendants").

On August 13, 2014, the CAC Defendants filed a motion to dismiss the CAC.

By Order dated March 12, 2015, the Court granted the Defendants' motion to dismiss and, on March 18, 2015, judgment was entered for the Defendants. On April 1, 2015, Plaintiffs filed a motion for reconsideration of the March 12, 2015 Order and March 18, 2015 Judgment.

On June 25, 2015, Molycorp notified the Court that it filed a voluntary petition under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. On July 17, 2015, the Court directed the Clerk of Court to terminate the motion for reconsideration subject to reinstatement based on the disposition of Molycorp's bankruptcy petition.

On August 17, 2015, Plaintiffs filed a notice of appeal to the United States Court of Appeals for the Second Circuit ("Court of Appeal") from the Orders granting Defendants' motion to dismiss the CAC, the judgment, and the Order terminating Plaintiffs' motion for reconsideration.

By Order dated September 16, 2015, the Court of Appeal stayed the appeal under United States Bankruptcy Code § 362, 11 U.S.C. § 362. On December 2, 2015, Plaintiffs filed a motion to lift the stay as to the Settling Defendants, which the Court granted on May 6, 2016.

By Order dated May 23, 2016, the District Court denied Plaintiffs' pending motion for reconsideration of the Court's March 12, 2015 Order. On June 22, 2016, Plaintiffs filed a notice of appeal from this Order. Plaintiffs' appeal was pending at the time this Settlement was reached.

By Order dated June 28, 2016, the Court of Appeal granted the Parties' stipulation to dismiss Molycorp with prejudice and to remove Kevin Johnson from the docket.

On June 9, 2015, counsel for Plaintiffs and Settling Defendants participated in mediated settlement negotiations before former United States District Court Judge Layn Phillips (Ret.) of Phillips ADR Enterprises, P.C. The parties did not reach an agreement at the end of that mediation and continued with the litigation as described above. Following Plaintiffs' appeal of the District Court's denial for reconsideration of its March 12, 2015 Order, the Parties negotiated a settlement that they believe is in the best interests of their respective clients. The Settlement allow both sides to avoid the risks and cost of uncertain litigation and the uncertainty of a trial and appeals, and permits Class Members to be compensated without further delay. Plaintiffs and their counsel believe the settlement is best for all Class Members. On June 29, 2016, the Settling Parties agreed in principle to the Settlement which was thereafter memorialized in the Stipulation.

The Settling Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. The Settling Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by any of the Settling Defendants. The District Court has not ruled on the merits of whether the Defendants violated the securities laws, or any other laws or rules.

Plaintiffs and the Settling Defendants, and their counsel, have concluded that the Settlement is advantageous, considering the risks and uncertainties to each side of continued litigation. The Parties and their counsel have determined that the Settlement is fair, reasonable, and adequate and is in the best interests of the Settlement Class Members.

The Settlement creates a Gross Settlement Fund in the amount of \$1,250,000 in cash, plus interest that accrues on the fund prior to distribution. Your recovery from the Gross Settlement Fund will depend on a number of variables, including the number of Molycorp securities that you purchased during the Class Period, and the timing of your purchases and sales. Lead Plaintiff estimates that if all eligible Claimants submit a valid Claim Form, the average distribution per damaged Molycorp common stock will be approximately \$0.01 before deduction of Court-approved fees and expenses. Settlement Class Members should note, however, that this is only an estimate based on the overall number of potentially affected Molycorp securities. Settlement Class Members may recover more or less than the amount estimated herein.

Plaintiffs and the Settling Defendants do not agree on the average amount of damages per Molycorp share that would be recoverable if Plaintiffs were to have prevailed in the Action. The issues on which the Parties disagree include: (1) whether any of Defendants' class period statements were materially false or misleading, (2) if any statements were false and misleading, whether Defendants knew or recklessly disregarded this fact, and (3) whether, and to what extent, any of Defendants' false or misleading statements artificially inflated the price of Molycorp securities during the class period.

Plaintiffs' Counsel, who have been prosecuting this Action on a wholly-contingent basis since its inception, have not received any payment of attorneys' fees for their representation of the Settlement Class and they have advanced the funds to pay expenses necessarily incurred to prosecute the Action. Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in the amount of 33% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of litigation expenses (exclusive of administration costs) paid or incurred in connection with the prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$75,000 (which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiff directly related to its representation of the Settlement Class). Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. If the Settlement is approved, and Lead Counsel's fee and expense application is granted in its entirety, the average cost per Molycorp share of these fees and expenses will be approximately \$0.01.

Lead Plaintiff and the Settlement Class are being represented by Kirby McInerney LLP. Any questions regarding the Action or the Settlement should be directed to Ira Press, Esq. at Kirby McInerney LLP, 825 Third Avenue, 16th Floor, New York, NY 10022, (212) 371-6600.

Your Legal Rights and Options in the Settlement:

Submit A Claim Form By May 18, 2017 This is the only way to be eligible to get a payment in connection with the Settlement.

Exclude Yourself From The Settlement Class By Submitting A Written Request Postmarked No Later Than April 10, 2017 If you exclude yourself from the Settlement Class, you will not be eligible to get any payment from the Net Settlement Fund. This is the only option that allows you to be part of any other lawsuit against any of the Settling Defendants or the other Released Parties concerning the Settled Claims (defined below).

Object To The Settlement Or The Request For Fees and Expenses By Submitting A Written Objection So That It Is Received No Later Than April 10, 2017 If you do not like the proposed Settlement, the proposed Plan of Allocation, or the Fee and Expense Application, you may write to the District Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the Fee and Expense Application unless you are a Settlement Class Member and do not exclude yourself.

Go To The Settlement Hearing On May 1, 2017 At 4:00 P.M., And File A Notice Of Intention To Appear No Later Than April 17, 2017 Filing a written objection and notice of intention to appear allows you to speak in court about the fairness of the Settlement, the Plan of Allocation, and/or the Fee and Expense Application. If you submit a written objection, you may (but do not have to) attend the hearing and speak to the District Court about your objection.

Do Nothing If you are a member of the Settlement Class and you do not submit a Claim Form by May 18, 2017, you will not be eligible to receive any payment from the Net Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any Judgments or Orders entered by the District Court pertaining to the class actions in the Action.

[END OF COVER PAGE]

II. FREQUENTLY ASKED QUESTIONS CONCERNING THE SETTLEMENT

A. Why Did I Get This Notice?

This Notice is being sent to you because you, someone in your family, or an investment account for which you serve as a custodian may have purchased or otherwise acquired Molycorp securities during the Class Period. The District Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. If the District Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Lead Counsel and approved by the Court

will make payments pursuant to the Settlement and the court-approved Plan of Allocation after any objections and appeals are resolved. This Notice is also being sent to inform you of a hearing to be held by the District Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and the Fee and Expense Application.

In a class action lawsuit, the court selects one or more people, known as class representatives, to sue on behalf of all people with similar claims, commonly known as the class or the class members. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. Once the class is certified, the court must resolve all issues on behalf of the class members, except for any Persons who choose to exclude themselves from the class. The District Court has preliminarily certified this Action to proceed as a class action for settlement purposes only and preliminarily certified the Plaintiff as the representative for the Settlement Class.

This Notice does not express any opinion by the District Court concerning the merits of any claim in the Action. The District Court has to decide whether to approve the Settlement. If the Court approves the Settlement and the Plan of Allocation, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. Please be patient.

B. What Does The Settlement Provide?

In exchange for the release of the Settled Claims against each of the Settling Defendants and the Released Parties, as well as dismissal of the litigation as against the Settling Defendants, the Settling Defendants have agreed to pay, or cause Molycorp's insurer to pay, the sum of one million, two hundred and fifty thousand United States dollars (\$1,250,000), plus interest earned thereon for the benefit of the Settlement Class. The Settlement Fund less all Taxes, Notice and Administration Costs, and Fee and Expense Award paid out of the Settlement Fund in accordance with applicable orders of the District Court (the "Net Settlement Fund") will be divided among all eligible Settlement Class Members who send in a valid Proof of Claim. The Proof of Claim is described in more detail below in Section F below.

C. Am I Included In The Settlement?

You are included in the Settlement if you purchased or acquired Molycorp securities during the Class Period and were damaged thereby. Excluded from the Class are the Settling Defendants, members of the immediate family of the Settling Defendants, all current and former directors and officers of the Company during the Class Period, and any firm, trust, partnership, corporation, officer, director or other individual or company, entity in which any of the Settling Defendant has a controlling interest or which is related to or affiliated with any of the Defendants, and the legal representatives, heirs, successors-in-interest or assigns of any excluded Person. Also excluded from the Settlement Class are any Persons who exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice (*see* pages 9 and 10 below).

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN MAY 18, 2017.

D. What Might Happen If There Were No Settlement?

If there were no Settlement and Plaintiffs failed to establish any essential legal or factual element of its claims against the Defendants, neither it nor the Settlement Class would recover anything from the Settling Defendants.

E. What Is The Legal Effect Of The Settlement On My Rights?

If you are a member of the Settlement Class, the Settlement will affect you. If the District Court grants final approval of the Settlement, the Action will be dismissed with prejudice and all Settlement Class Members will fully release and discharge the Defendants from all claims (as detailed below) for relief arising out of or based on Plaintiffs' allegations. When a Person "releases" claims, that means that Person cannot sue the defendants for any of the claims covered by the release. If you are a Settlement Class Member and you submit a valid and timely Claim Form, you will receive a payment based upon the distribution formula described below.

F. What Will I Receive From The Settlement?

At this time, it is not possible to make any determination as to how much a Settlement Class Member may receive from the Settlement. Pursuant to the Settlement, the Settling Defendants have agreed to pay, or cause Molycorp's insurer to pay, \$1,250,000 in cash. The settlement amount will be deposited into an interest-bearing escrow account. If the Settlement is approved by the District Court, the Net Settlement Fund will be distributed to Settlement Class Members as set forth in the proposed Plan of Allocation, or such other plan as the District Court may approve.

After approval of the Settlement by the District Court and upon satisfaction of the other conditions to the Settlement, the Net Settlement Fund will be distributed to Authorized Claimants in accordance with the Plan of Allocation approved by the District Court. Under the proposed Plan of Allocation, your share of the Net Settlement Fund will depend on: (1) the dates you acquired or sold your Molycorp securities; (2) the number of Molycorp securities acquired or sold and the price paid or received; (3) the expense of administering the claims process; (4) any attorneys' fees and expenses awarded by the Court; (5) interest income received and taxes paid by the Settlement Fund; (6) the number of eligible Molycorp securities acquired by other Settlement Class Members who submit timely and valid Proof of Claim Forms; and (7) the Recognized Losses of all other Authorized Claimants computed in accordance with the Plan of Allocation set out on pages 7-9 below.

You can calculate your Recognized Loss in accordance with the formula set forth below in the proposed Plan of Allocation. In the event the aggregate Recognized Losses of all timely and validly submitted Proof of Claim Forms exceed the Net Settlement Fund, your share of the Net Settlement Fund will be proportionally less than your calculated Recognized Loss. It is unlikely that you will get a payment for all of your Recognized Loss. After all Settlement Class Members have sent in their Proof of Claim Forms, the payment you get will be that proportion of the Net Settlement Fund equal to your Recognized Loss divided by the total Recognized Losses of all Settlement Class Members who submit timely and valid Proof of Claim Forms (the "Pro Rata Share"). See the Plan of Allocation on pages 7-9 for more information on your Recognized Loss.

The Net Settlement Fund will not be distributed until the District Court has approved a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

Neither the Settling Defendants nor any other Person that paid any portion of the Settlement Amount is entitled to get back any portion of the Net Settlement Fund once the District Court's Final Approval Order and Judgment approving the Settlement becomes final. The Settling Defendants will not have any liability, obligation, or responsibility for the administration of the Settlement or disbursement of the Net Settlement Fund or the Plan of Allocation.

Approval of the Settlement is independent from approval of the Plan of Allocation. Any determination with respect to the Plan of Allocation will not affect the Settlement, if approved.

Each Person wishing to participate in the distribution must timely submit a valid Claim Form establishing membership in the Settlement Class, and including all required documentation, postmarked on or before May 18, 2017, to the address set forth in the Claim Form that accompanies this Notice.

Unless the District Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before May 18, 2017, shall be fully and forever barred from receiving payments pursuant to the Settlement, but will in all

other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation and Settlement that is approved, including the terms of any judgment entered and releases given.

The District Court has reserved jurisdiction to allow, disallow, or adjust the Claim of any Settlement Class Member on equitable grounds.

Each Claimant shall be deemed to have submitted to the jurisdiction of the District Court with respect to his, her, or its Claim Form. Upon request of the Claims Administrator, each Person that submits a Claim Form shall subject his, her, or its Claim to investigation as to his, her, or its status as a Claimant and the allowable amount of his, her, or its Claim.

Persons that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class will not be eligible to receive a distribution from the Net Settlement Fund and should not submit a Claim Form.

Proposed Plan Of Allocation

The Net Settlement Fund will be distributed to Settlement Class Members who submit valid, timely Claim Forms. If you have a net loss on all transactions in Molycorp securities during the Class Period, you will be paid the percentage of the Net Settlement Fund that your Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants. The calculation of Claims below is not an estimate of the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants.

Each Authorized Claimant's Recognized Loss will be calculated as follows:

- A. For shares of Molycorp common stock purchased or otherwise acquired from February 21, 2012 through November 1, 2012:
 - (1) For each share sold before November 2, 2012, the Recognized Loss shall be zero.
 - (2) For each share sold during the period from November 2, 2012 through November 8, 2012, the Recognized Loss shall be the lesser of: (a) \$0.71 per share; (b) the difference between the purchase price and \$9.83 per share; or (c) the difference between the purchase price and the sale price.
 - (3) For each share sold during the period from November 9, 2012 through January 9, 2013, the Recognized Loss shall be the lesser of: (a) \$1.89 per share; (b) the difference between the purchase price and \$7.50 per share; or (c) the difference between the purchase price and the sale price.
 - (4) For each share sold during the period from January 10, 2013 through October 14, 2013, the Recognized Loss shall be the lesser of: (a) \$2.45 per share; (b) the difference between the purchase price and \$8.34 per share, or (c) the difference between the purchase price and the sale price.
 - (5) For each share not sold prior to October 15, 2013, the Recognized Loss shall be the lesser of: (a) \$3.97 per share; (b) the difference between the purchase price and \$5.58 per share; or (c) the difference between the purchase price and the sale price.
- B. For shares of Molycorp common stock purchased or otherwise acquired from November 2, 2012 through November 8, 2012:
 - (1) For each share sold before November 9, 2012, the Recognized Loss shall be zero.

- (2) For each share sold during the period from November 9, 2012 through January 9, 2013, the Recognized Loss shall be the lesser of: (a) \$1.18 per share; (b) the difference between the purchase price and \$7.50 per share; or (c) the difference between the purchase price and the sale price.
 - (3) For each share sold during the period from January 10, 2013 through October 14, 2013, the Recognized Loss shall be the lesser of: (a) \$2.45 per share; (b) the difference between the purchase price and \$8.34 per share; or (c) the difference between the purchase price and the sale price.
 - (4) For each share not sold prior to October 15, 2013, the Recognized Loss shall be the lesser of: (a) \$3.97 per share; (b) the difference between the purchase price and \$5.58 per share; or (c) the difference between the purchase price and the sale price.
- C. For shares of Molycorp common stock purchased or otherwise acquired from November 9, 2012 through January 9, 2013:
- (1) For each share sold before January 10, 2013, the Recognized Loss shall be zero.
 - (2) For each share sold during the period from January 10, 2013 through October 14, 2013, the Recognized Loss shall be the lesser of: (a) \$2.45 per share; (b) the difference between the purchase price and \$8.34 per share; or (c) the difference between the purchase price and sale price.
 - (3) For each share not sold prior to October 15, 2013, the Recognized Loss shall be the lesser of: (a) \$3.97 per share; (b) the difference between the purchase price and \$5.58 per share; or (c) the difference between the purchase price and the sale price.
- D. For shares of Molycorp common stock purchased or otherwise acquired from January 10, 2013 through October 14, 2013:
- (1) For each share sold before October 15, 2013, the Recognized Loss shall be zero.
 - (2) For each share not sold prior to October 15, 2013, the Recognized Loss shall be the lesser of: (a) \$1.52 per share; (b) the difference between the purchase price and \$5.58 per share; or (c) the difference between the purchase price and the sale price.
- E. For shares of Molycorp common stock purchased or otherwise acquired on October 15, 2013, the Recognized Loss shall be the difference between the purchase price and \$5.58 per share.

To the extent an Authorized Claimant had an aggregate gain from his, her or its transactions in Molycorp common stock during the Class Period, the value of his, her or its total Recognized Loss will be zero. To the extent that an Authorized Claimant suffered an overall loss on his, her or its transactions in Molycorp common stock during the Class Period, but the loss was less than the Recognized Loss calculated above, then the Recognized Loss shall be limited to the amount of the actual loss. Purchases that were made in order to cover short sales are ineligible and will not be included in the Recognized Loss calculation; however, any aggregate gains with respect to short sales shall be offset against Recognized Loss on other transactions. All purchases/acquisitions and sales of Molycorp shares in the Class Period shall be matched on a Last-In-First-Out (“LIFO”) basis; sales during the Class Period and the 90 days thereafter will be matched first against the most recent Molycorp shares purchased during that period that have not already been matched to sales, and then against prior purchases/acquisitions in backward chronological order, until the beginning of the Class Period.

The date of purchase or sale is the “contract” or “trade” date as distinguished from the “settlement” or “payment” date. However, for Molycorp securities that were put to investors pursuant to put options sold by those investors, the purchase of Molycorp securities shall be deemed to have occurred on the date that the put option was sold, rather than the date on which

the Molycorp securities were subsequently put to the investor pursuant to that option. The proceeds of any put option sales shall be offset against any losses from Molycorp securities that were purchased as a result of the exercise of the put option. Additionally, Molycorp securities acquired during the Class Period through the exercise of a call option shall be treated as a purchase on the date of exercise for the exercise price plus the cost of the call option, and any Claim arising from such transaction shall be computed as provided for other purchases of Molycorp securities as set forth herein.

The receipt or grant by gift, devise or inheritance of Molycorp securities during the Class Period shall not be deemed to be a purchase of Molycorp securities for the calculation of an Authorized Claimant's Recognized Loss if the Person from which the Molycorp securities were received did not themselves acquire the securities during the Class Period, nor shall it be deemed an assignment of any claim relating to the purchase of such Molycorp securities unless specifically provided in the instrument or gift or assignment.

An Authorized Claimant will be eligible to receive a distribution from the Net Settlement Fund only if the Authorized Claimant had a net loss, after all profits from transactions in Molycorp securities during the Class Period are subtracted from all losses from transactions in Molycorp securities during the Class Period.

If an Authorized Claimant's distribution amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

Distributions will be made to Authorized Claimants after all Claims have been processed and after the District Court has finally approved the Settlement. If there is any balance remaining in the Net Settlement Fund six months from the date of distribution of the Net Settlement Fund by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable efforts to have Authorized Claimants cash their distributions, and it is economically feasible, any balance remaining in the Net Settlement Fund shall be redistributed to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such redistribution after the payment of any taxes and unpaid costs or fees incurred in administering the Net Settlement Fund for such redistribution. Lead Counsel shall, if economically feasible, continue to reallocate any further balance remaining in the Net Settlement Fund after the redistribution is completed among Settlement Class members in the same manner and time frame as provided for above. In the event that Lead Counsel determines that further redistribution of any balance remaining (following the initial distribution and redistribution) is no longer economically feasible, thereafter Lead Counsel shall donate the remaining funds, if any, to a non-sectarian, not-for-profit 501(c)(3) organization serving the public interest, to be designated by Lead Counsel and approved by the District Court.

Payment pursuant to the Plan of Allocation, or such other plan as may be approved by the District Court, shall be conclusive against all Authorized Claimants. No Person shall have any claim against Lead Plaintiff, Lead Counsel, Settling Defendants, and their respective counsel or any of the other Released Parties, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation approved by the District Court, or further orders of the District Court. Lead Plaintiff, Settling Defendants, and their respective counsel, and all other Released Parties shall have no responsibility or liability whatsoever for the investment or distribution of the settlement funds, the Net Settlement Fund, the Plan of Allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiff and Lead Counsel to the District Court for approval. The District Court may approve this Plan of Allocation as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any orders regarding a modification of the Plan of Allocation will be posted on the settlement website, www.MolycorpSecuritiesLitigation.com.

G. Can I Decide To Opt Out Of This Settlement?

Yes. If you do not wish to be included in the Settlement Class and you do not wish to participate in the Settlement, you may request to be excluded. To do so, you must submit a written request for exclusion that must be signed by you or your

authorized representative and postmarked on or before April 10, 2017. You must set forth: (a) the name, address, and telephone number of the Person requesting exclusion; (b) the amount of Molycorp securities purchased, acquired and/or sold during the Class Period; (c) prices paid or received for such Molycorp securities; (d) the date of each purchase, acquisition or sale transaction; and (e) a statement that the Person wishes to be excluded from the Settlement Class.

The exclusion request should be addressed as follows:

In re Molycorp, Inc. Securities Litigation EXCLUSION REQUEST

Claims Administrator
c/o Angeion Group
1801 Market Street, Suite 660
Philadelphia, PA 19103

NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN ANY SUCH REQUEST AND RECEIVED WITHIN THE TIME STATED ABOVE, OR IS OTHERWISE ACCEPTED BY THE COURT.

If you timely and validly request exclusion from the Settlement Class, (a) you will be excluded from the Settlement Class, (b) you will not share in the proceeds of the Settlement described herein, (c) you will not be bound by any judgment entered in the case, and (d) you will not be precluded, by reason of your decision to request exclusion from the Settlement Class, from otherwise prosecuting an individual claim, if timely, against the Settling Defendants based on the matters complained of in the litigation. The Settling Defendants may withdraw from and terminate the Settlement if Settlement Class Members who purchased the requisite number of Molycorp securities exclude themselves from the Settlement Class.

H. What If A Settlement Class Member Is Deceased?

The authorized legal representative(s) of a Settlement Class Member may receive a recovery on behalf of the Settlement Class Member.

I. What If I Bought Molycorp Securities On Someone Else's Behalf?

If you purchased or otherwise acquired Molycorp securities during the Class Period for the beneficial interest of a Settlement Class Member, you must either (1) send copies of the Postcard Notice to the beneficial owners of the Molycorp securities within five (5) business days from the receipt of the Postcard Notice, and provide written confirmation to the Claims Administrator of such; or (2) provide the names and addresses of such persons or entities to *In re Molycorp, Inc. Securities Litigation*, c/o Angeion Group, 1801 Market Street, Suite 660, Philadelphia, PA 19103. If you choose the second option, the Claims Administrator will send a copy of the Postcard Notice to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the out-of-pocket expenses for which reimbursement is sought.

Copies of this Notice and the Claim Form can be obtained from the website maintained by the Claims Administrator, www.MolycorpSecuritiesLitigation.com, by calling the Claims Administrator toll-free at (855) 306-1914 or by email at MolyCorp@AdministratorClassAction.com, or from Lead Counsel's website, www.kmlp.com.

J. How And What Do I Do To Make Sure The Claims Administrator Has My Correct Address?

If your address changes from the address to which this Notice was directed, you must notify the Claims Administrator of your new address as soon as possible. Failure to keep the Claims Administrator informed of your address may result in the loss of any monetary award you might be eligible to receive. Please send your new contact information to the Claims Administrator at the address listed below and include your old address, new address, new telephone number, date of birth, and Social

Security number. These last two items are required so that the Claims Administrator can verify that the address change is from an actual Settlement Class Member.

In re Molycorp, Inc. Securities Litigation ADDRESS CHANGE
Claims Administrator
c/o Angeion Group
1801 Market Street, Suite 660
Philadelphia, PA 19103

K. What Are Plaintiffs' Counsels' Fees And Costs?

At the Settlement Hearing, Plaintiff's Counsel will request that the District Court award attorneys' fees of 33% of the Settlement Fund, plus expenses (exclusive of administration costs) not to exceed \$75,000 which were incurred in connection with the litigation of the Action, plus interest thereon, which may include the reasonable costs and expenses incurred by Lead Plaintiff directly related to its representation of the Settlement Class, plus interest on such expenses at the same rate as earned on the Settlement Amount. Whatever amount is approved by the Court as legal fees and expenses will be paid from the Gross Settlement Fund.

To date, Plaintiff's Counsel have not received any payment for their services in conducting this action, nor has counsel been reimbursed for their substantial expenses. The fees requested by Plaintiff's Counsel will compensate Plaintiff's Counsel for their efforts in achieving the Gross Settlement Fund for the benefit of the Settlement Class, and for their risk in undertaking this representation on a wholly-contingent basis. If the amount requested is approved by the Court, the average cost per damaged Molycorp share will be \$0.01.

L. How Will the Notice Costs and Expenses Be Paid?

Lead Counsel are authorized by the Stipulation to pay the Claims Administrator's fees and expenses incurred in connection with giving notice, administering the Settlement, and distributing the Net Settlement Fund to Settlement Class Members.

III. PLAINTIFFS AND PLAINTIFFS' COUNSEL SUPPORT THE SETTLEMENT

Plaintiffs and Plaintiffs' Counsel believe that the claims asserted against the Defendants have merit. Plaintiffs and their Counsel recognize, however, the expense and length of continued proceedings necessary to pursue its claims against these Defendants through trial and appeals, as well as the difficulties in establishing liability and damages at trial. The immediate cash benefits under the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all in light of the Court's prior order dismissing the Action and the risk that the Court of Appeals would affirm the District Court's dismissal of the Action – might be achieved after a heavily contested appeals process, contested motions, a contested trial (if Plaintiffs prevailed in the Court of Appeals) and likely further appeals, a process that could be expected to last several years into the future.

In light of the value of the Settlement and the immediacy of a cash recovery to the Settlement Class, Plaintiffs and Plaintiffs' Counsel believe that the proposed Settlement is fair, reasonable, and adequate. Indeed, Plaintiffs and Plaintiffs' Counsel believe that the Settlement achieved is an excellent result and in the best interests of the Settlement Class. The Settlement, which provides an immediate \$1,250,000 in cash (less the various deductions described in this Notice), individually and collectively provides substantial benefits now as compared to the risk that a similar, smaller, or no recoveries would be achieved after a trial and appeals, possibly years in the future.

IV. WHAT OPPORTUNITY WILL I HAVE TO GIVE MY OPINION ABOUT THE SETTLEMENT?

A. How Can I Object To The Settlement, Plan of Allocation and Fee and Expense Application?

Any Settlement Class Member who does not request exclusion may object to the Settlement, the proposed Plan of Allocation, and/or the Fee and Expense Application. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk’s Office at the United States District Court for the Southern District of New York at the address set forth below on or before **April 10, 2017**. Your written objection should include all reasons for the objection, including any legal and evidentiary support you wish to bring to the Court’s attention. The objection must also include your name, address, telephone number, and the number of Molycorp securities you purchased and sold during the Class Period, including proof of your purchases and sales of Molycorp securities. You must also serve the papers on designated representative Lead Counsel and Settling Defendants’ counsel at the addresses set forth below for their respective counsel so that the papers are *received on or before April 10, 2017*.

To be considered, your objection must be filed with the Office of the Clerk’s Office no later than **April 10, 2017**, to:

| <u>Clerk’s Office</u> | <u>Settling Defendants’ Counsel</u> | <u>Lead Counsel</u> |
|--|---|--|
| Clerk of the Court United States District Court Southern District of New York Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007 Re: <i>In re Molycorp, Inc. Securities Litigation</i> Case No. 13 Civ. 5697 (PAC) | Koji F. Fukumura, Esq. Ryan Blair Cooley LLP 4401 Eastgate Mall San Diego, CA 92121 <i>Counsel for Settling Defendants Constantine E. Karayannopoulos, Mark A. Smith, Michael F. Doolan, John L. Burba, and John F. Ashburn</i> | Ira M. Press, Esq. Kirby McInerney LLP 825 Third Avenue, 16th Floor New York, NY 10022 <i>Counsel for Plaintiffs and the Class</i> |

You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

If you file an objection to the Settlement, Plan of Allocation, and/or the Fee and Expense Application you also have a right to appear at the Settlement Hearing either in person or through counsel hired by you at your own expense. You are not required, however, to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or the Fee and Expense Application, and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk’s Office and serve it on the Claims Administrator at the address set forth above. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing.

Unless the District Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation and the Attorneys’ Fee and Expense Application. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

B. What Rights Am I Giving Up By Remaining In The Class?

If you remain in the Settlement Class, you will be bound by any orders issued by the District Court. For example, if the District Court approves the Settlement, the District Court will enter the Final Approval Order and Judgment. The Final Approval Order and Judgment will dismiss with prejudice the claims against the Settling Defendants and will provide that, upon the Effective Date of the Settlement, Plaintiffs and each of the other members of the Settlement Class on behalf of themselves, their respective heirs, executors, administrators, predecessors, successors, and assigns, among others, shall be deemed by operation of law to have fully granted and completely discharged, dismissed with prejudice, settled and released, and agreed to be barred by a permanent injunction from the assertion of, Settled Claims against any of the Released Parties and their attorneys.

“Settled Claims” means and includes any and all claims, debts, demands, controversies, obligations, losses, rights or causes of action or liabilities of any kind or nature whatsoever (including, but not limited to, any claims for damages (whether compensatory, special, incidental, consequential, punitive, exemplary or otherwise), injunctive relief, declaratory relief, rescission or rescissionary damages, interest, attorneys’ fees, expert or consulting fees, costs, expenses, or any other form of legal or equitable relief whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and Unknown Claims and including claims asserted or which could have been asserted in this Action, by Plaintiffs or Class Members, and based upon or related in any way to the purchase or other acquisition of Molycorp securities from February 21, 2012 to October 15, 2013. However, claims to enforce the Settlement are not released.

“Released Parties” means the Settling Defendants and each of any Settling Defendant’s past or present partners, insurers, co-insurers, re-insurers, attorneys, advisors, accountants, auditors, personal or legal representatives, successors-in-interest, joint ventures, assigns, spouses, estates, executors, administrators, heirs, related or affiliated entities, any entity in which any Settling Defendant has or had a controlling interest, any member of any Settling Defendant’s immediate family, or any trust of which any Settling Defendant is the settlor or which is for the benefit of any member of a Settling Defendant’s immediate family, as well as Molycorp, and its current or former directors, officers, members, administrators, agents, insurers, beneficiaries, trustees, employee benefit plans, representatives, servants, employees, attorneys, parents, subsidiaries, affiliates, divisions, branches, units, shareholders, investors, contractors, successors, joint venturers, predecessors, related entities, and assigns, and all other individuals and entities acting on their behalf. All Released Parties (other than the Settling Defendants) are intended third-party beneficiaries of this Stipulation.

“Unknown Claims” means and includes any and all claims that Plaintiffs or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Parties, or might have affected his, her or its decision to object or not to object to this Settlement. Plaintiffs, Class Members, and each of them may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Settled Claims. The Settling Parties expressly acknowledge, and the Class Members shall be deemed to have, and by operation of the Judgment shall have acknowledged, that the waiver and release of Unknown Claims constituting Settled Claims, including a waiver of any rights under California Civil Code section 1542 and other similar applicable state statutes, was separately bargained for and a material element of the Settlement.

V. SETTLEMENT HEARING

The District Court will hold a Settlement Hearing at 4:00 p.m. on May 1, 2017 in Courtroom 14C of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The District Court will also be asked to approve the proposed Plan of Allocation and the Fee and Expense Award. The District Court may adjourn or continue the Settlement Hearing without further notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

Settlement Class Members do not need to attend the Settlement Hearing. The District Court will consider any submission made in accordance with the provisions in this Notice even if the Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing. You are not obligated to attend the Settlement Hearing.

VI. GETTING MORE INFORMATION

This Notice is a summary and does not describe all of the details of the Stipulation. For precise terms and conditions of the Settlement, you may review the Stipulation filed with the District Court, as well as the other pleadings and records of this litigation, which may be inspected during business hours, at the office of the Clerk of the Court, United States District Court, Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, at www.MolycorpSecuritiesLitigation.com, or from Lead Counsel's website, www.kmlp.com. Settlement Class Members without access to the internet may be able to review this document online at locations such as a public library.

If you have any questions about the settlement of the Action, you may contact Lead Counsel:

Ira M. Press, Esq.
KIRBY McINERNEY LLP
825 Third Avenue, 16th Floor
New York, NY 10022
Tel: (212) 371-6600

You may also write to the Claims Administrator at *In re Molycorp, Inc. Securities Litigation*, c/o Angeion Group, 1801 Market Street, Suite 660, Philadelphia, PA 19103, call (855) 306-1914 or email MolyCorp@AdministratorClassAction.com, stating that you are requesting assistance regarding the Molycorp litigation.

DO NOT TELEPHONE OR WRITE THE DISTRICT COURT OR THE OFFICE OF THE CLERK OF THE COURT REGARDING THIS NOTICE.

DATED: January 18, 2017

BY ORDER OF THE DISTRICT COURT,
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK