

## RESPONSE TO SEPTEMBER 3, 2020 NRC QUESTIONS

Unless otherwise specified, references to “Shenghe” below are intended to include Leshan Shenghe Rare Earth Co., Ltd. (“Leshan Shenghe”), and its affiliates, including Shenghe Resources (Singapore) International Trading Pte. (“Shenghe Singapore”).

For ease of explanation and to avoid repetition, we have grouped certain of your questions together.

**1. Provide the pre-transaction and post-transaction organizational charts.**

The pre-transaction and post-transaction organizational charts are attached.

**2. Does Shenghe currently have 9.99% non-voting shares? Please explain/confirm the minority interest of Leshan Shenghe Rare Earth Co., Ltd. and its Affiliates (Shenghe Singapore).**

Leshan Shenghe, a 99.9999% owned subsidiary of Shenghe Resources Holding Co., Ltd., holds non-voting Preferred Units in MP Mine Operations LLC (“MPMO”). Shenghe Singapore, a 70% owned subsidiary of Leshan Shenghe, also owns a warrant exercisable for additional non-voting Preferred Units.<sup>1</sup> Taking into account the dilutive effect of the warrant, Leshan Shenghe’s Preferred Units reflect a 9.24% interest in the overall equity of MPMO, on a fully diluted basis. Not taking into account the dilutive effect of the warrant, Leshan Shenghe’s Preferred Units reflect a 9.99% interest. As Shenghe Singapore has not yet exercised the warrant (and may not do so until upon or after the transaction), only the 9.99% interest is reflected in the “Pre-Transaction” organizational chart.

**3. Please confirm that Leshan Shenghe Rare Earth Co. Ltd. is a subsidiary of Shenghe Resources Holding Co. Ltd.**

Yes, Leshan Shenghe is a 99.9999% owned subsidiary of Shenghe Resources Holding Co., Ltd.

**4. After the transaction, Shenghe’s minority interest will range between 8-11%. Is this correct?**

Correct. Please see the response to question 5 below.

**5. Will Leshan Shenghe’s ownership change after the transaction? Would it represent an increase or decrease in ownership in MP Mine Operations LLC? Will Leshan Shenghe still**

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<sup>1</sup> The parties must enter into consultations with CFIUS before Shenghe either (i) converts its existing Preferred Units or its Preferred Units acquired through the warrant into any MPMO Common Units, or (ii) otherwise converts units that would cause Shenghe Singapore’s and Leshan Shenghe’s aggregate interest in either Preferred Units or Common Units to fall within the scope of CFIUS jurisdiction.

**be a minority interest owner, post transaction? What will be the percentage interest ownership?**

As indicated in the attached organizational charts, post-transaction, Leshan Shenghe will no longer hold any direct interest in MPMO. Leshan Shenghe will hold an indirect interest in MPMO through (i) Common Shares in MP Materials Corp. held directly by Leshan Shenghe and (ii) Common Shares in MP Materials Corp. held directly by Shenghe Singapore (after exercise of its warrant). Leshan Shenghe and Shenghe Singapore will collectively hold between 8-11% of the outstanding common stock of MP Materials Corp., which will in turn own 100% of MPMO.

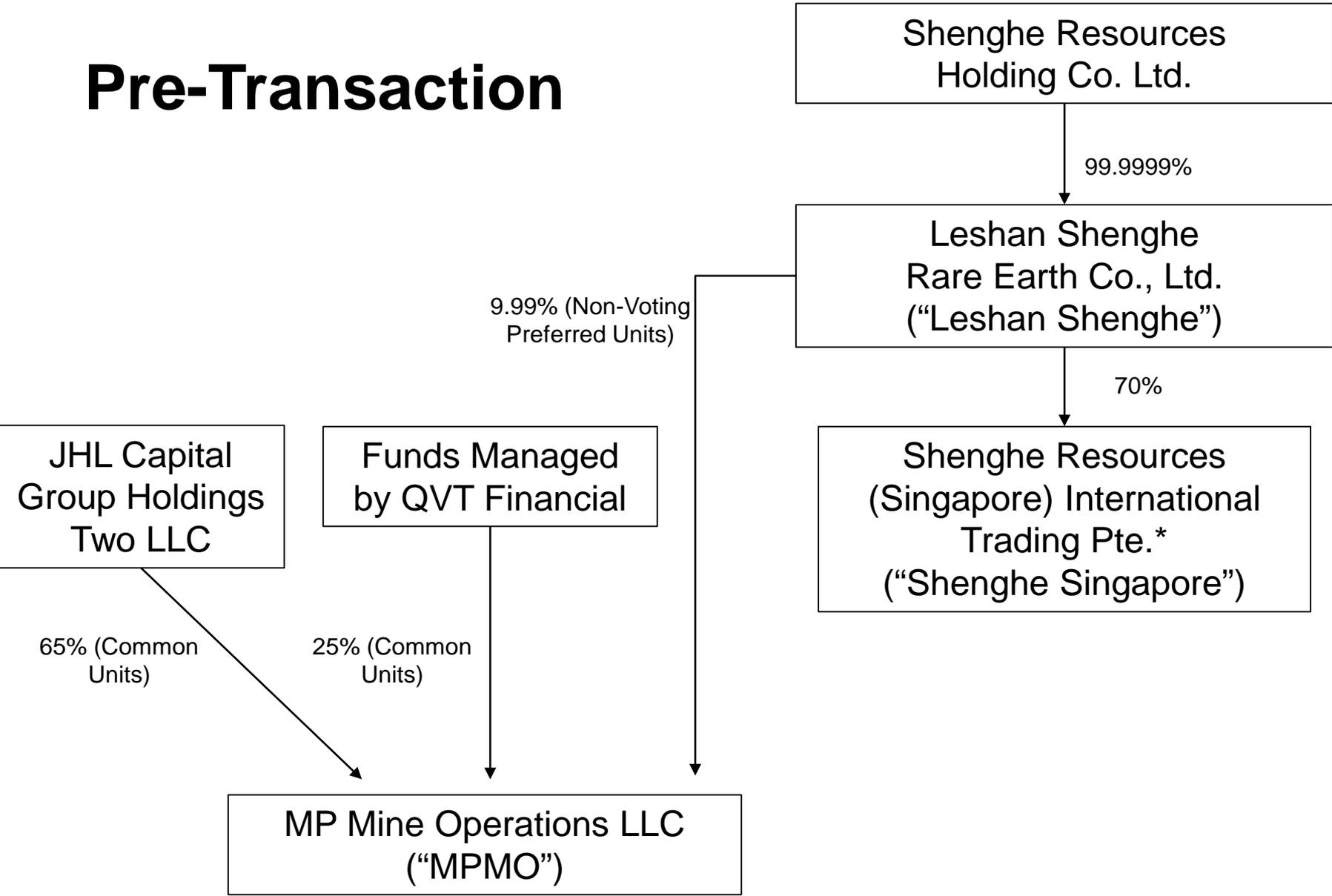
The precise level of the Shenghe entities' collective equity interest is uncertain, as the existing public shareholders in the special purpose acquisition company (Fortress Value Acquisition Corp. or "FVAC") that is combining with MPMO may elect for their shares in FVAC to be redeemed prior to the closing of the FVAC-MPMO merger. If all of the existing FVAC public shareholders were to exercise their redemption rights, then the Shenghe entities' collective equity interest will be towards the higher end of the 8-11% range. Although we can provide no assurances, we currently believe that it is likely that the Shenghe entities' collective equity ownership in MP Materials Corp. will decrease from the current 9.24% level.

**6. What impact will Shenghe Resources Holding Co. Ltd have on MP Mine Operations, if any? Will Shenghe Resources Holding Co. Ltd have ownership in the newly created MP Materials Corporation?**

Through the ownership interests held directly by Leshan Shenghe and Shenghe Singapore, Shenghe Resources Holding Co. Ltd. will essentially be a passive, indirect minority owner in MP Materials Corp. As indicated in the organizational charts, Leshan Shenghe and Shenghe Singapore will, collectively, own between 8-11% of the voting common stock of MP Materials Corp., which will in turn own 100% of MPMO. That small, indirect voting interest will not afford Shenghe Resources Holding Co. Ltd. or any of its affiliates the ability to control MPMO's operations.

Shenghe will have no representation on the board of MPMO or MP Materials Corp. and no physical presence at the mine, will not provide technical services to MPMO, and will have no right in profit sharing (other than through its 8-11% equity interest). MPMO will maintain full control over where it may sell products, subject to using the proceeds of its sales to pay down certain funding advances provided by Shenghe Singapore under pre-existing commercial arrangements.

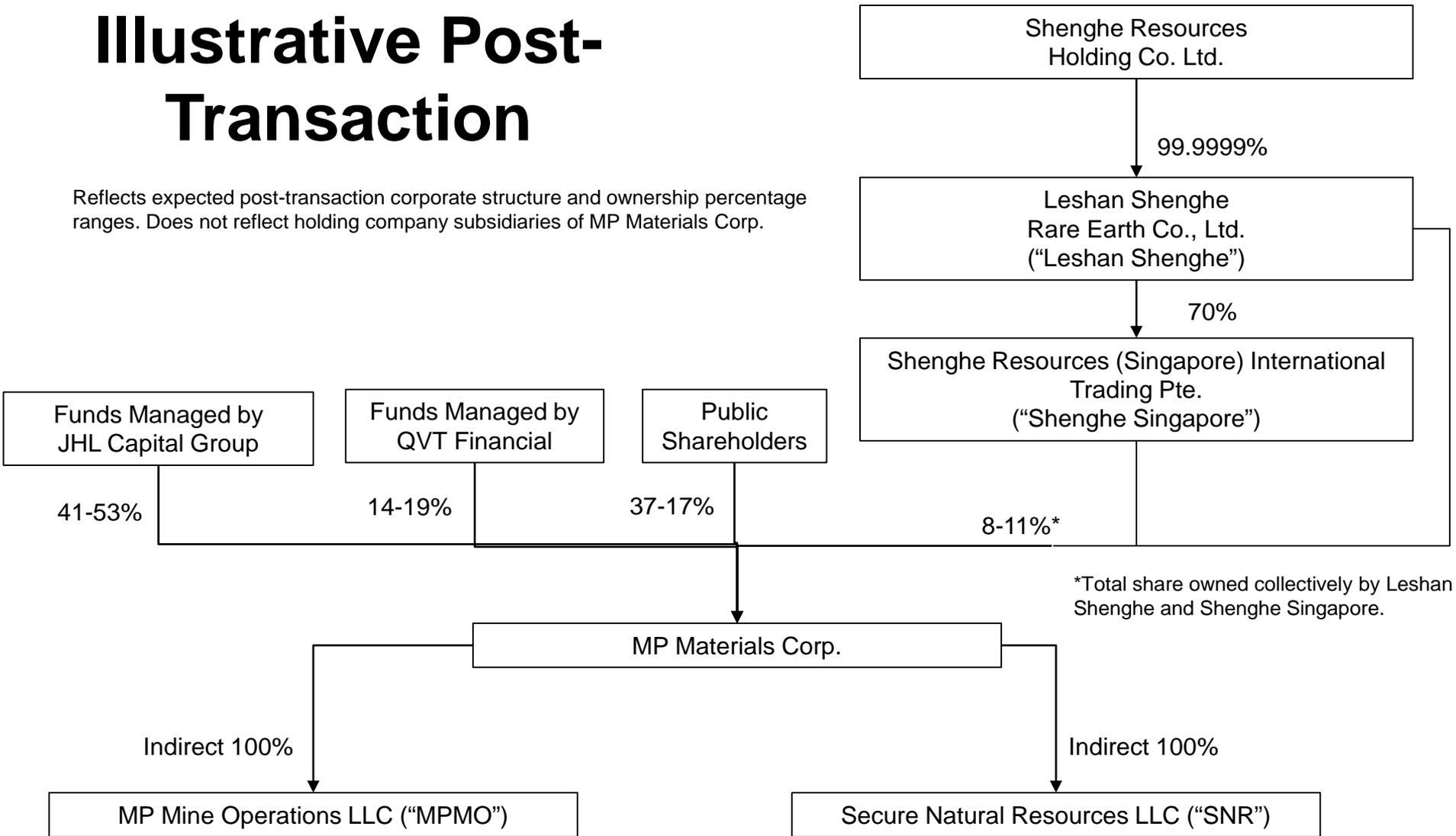
# Pre-Transaction



\* Holds a warrant exercisable for Non-Voting Preferred Units.

# Illustrative Post-Transaction

Reflects expected post-transaction corporate structure and ownership percentage ranges. Does not reflect holding company subsidiaries of MP Materials Corp.



\*Total share owned collectively by Leshan Shenghe and Shenghe Singapore.