



For Immediate Release

**Molycorp, Inc. Receives Court Approval for Interim Financing;
Company Has \$22 Million in New Funds to Support Operations**

Next Court Hearing to Review Final DIP Financing Set for July 20, 2015

Greenwood Village, Col. (July 2, 2015) – Molycorp, Inc. (OTC: MCPIQ), (“Molycorp” or the “Company”) the only global, vertically-integrated producer of rare earth products used in many electronic, transportation, industrial and clean energy applications, reported today that it had received approval from the U.S. Bankruptcy Court on \$22 million in interim debtor-in-possession (DIP) financing provided by an affiliate of Oaktree Capital Management. The new funds will support operations going forward for an interim period while the Company continues to negotiate with Oaktree and a group representing the secured 10% noteholders, both of which represent secured creditors that have presented competing DIP lending proposals.

The Court acknowledged that the DIP financing was essential to the entire Company’s operations, and it approved the interim order and the accompanying lending facility. The Court approved the facility solely on an interim basis, and scheduled a final hearing regarding DIP financing for July 20, 2015. Between now and the July 20, 2015 hearing, parties may provide improved and competing proposals for the financing, and both groups of lenders expressed their desire to provide financing on a final basis.

The Company now has the funds to continue its operations and to move forward on releasing funds to pay post-petition suppliers and some pre-petition essential suppliers, as previously approved by the Court. Employees will continue to work their usual schedules, and purchasing of goods and services can move forward to ensure Molycorp’s customers can be serviced. Between now and the final hearing, the Mountain Pass facility will continue to run in an orderly and controlled way.

Molycorp filed its voluntary petitions under Chapter 11 on June 25, 2015. The Company is being advised by the investment banking firm of Miller Buckfire & Co. and is receiving financial advice from AlixPartners, LLP. Jones Day and Young, Conaway, Stargatt & Taylor LLP act as legal counsel to the Company in this process.

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

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About Molycorp, Inc.

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

Molycorp, Inc. Caution Concerning Forward-Looking Statements

SAFE HARBOR STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to: Molycorp's ability to to maintain its listing on a stock exchange, including its ability to cure any non-compliance with such listing standards; the need to secure additional capital to implement Molycorp's business plans, and Molycorp's ability to successfully secure any such capital; Molycorp's ability to make interest payments on its existing debt; Molycorp's ability to repay its debt, whether at maturity, pursuant to any acceleration, or otherwise; Molycorp's ability to successfully restructure its debt; Molycorp's ability to obtain sufficient debtor-in-possession financing during its bankruptcy proceedings; Molycorp's ability to continue to operate its Mountain Pass rare earth mine and processing, which we refer to as the Mountain Pass facility; Molycorp's ability to optimize and ramp up production at the Mountain Pass facility and the ability to develop internal and external demand for REO and other downstream products, including the ability to operate at commercial production rates and competitive cash production costs, in each case within the projected time frame; Molycorp's ability to economically produce chemical reagents from waste water at the Mountain Pass facility on a consistent basis; the success of Molycorp's cost mitigation efforts in connection with the optimization and ramp up of the Mountain Pass facility, which, if unsuccessful, might cause its costs to exceed budget; the final costs of Molycorp's planned capital projects, which may differ from

estimated costs; Molycorp's ability to implement its vertical integration strategy; Molycorp's ability to achieve fully the strategic and financial objectives related to its acquisitions, including in respect of Molycorp's financial condition and results of operations; risks and uncertainties associated with intangible assets, including any future goodwill impairment charges and the ability to develop and protect intellectual property related to products and operations; risks associated with Molycorp's ability to protect its intellectual property, including the infringement of intellectual property of third parties; market conditions, including prices and demand for Molycorp's products; Molycorp's ability to control its working capital needs; foreign exchange rate fluctuations; the development and commercialization of new products; unexpected actions of domestic and foreign governments; various events which could disrupt operations, including natural events and other risks; uncertainties associated with Molycorp's reserve estimates and non-reserve deposit information, including estimated mine life and annual production; uncertainties related to feasibility and other studies that provide estimates of expected or anticipated costs, expenditures and economic returns, REO prices, production costs and other expenses for operations, which are subject to fluctuation; uncertainties regarding global supply and demand for rare earths materials; uncertainties regarding the results of Molycorp's exploration programs; Molycorp's ability to enter into definitive agreements with its customers, its ability to supply such customers, and its ability to maintain customer relationships; Molycorp's ability to maintain appropriate relations with unions and employees; Molycorp's ability to attract and retain employees with the necessary experience, skills and training; Molycorp's ability to successfully implement its vertical integration strategy; environmental laws, regulations and permits affecting Molycorp's business, directly and indirectly, including, among others, those relating to mine reclamation and restoration, climate change, emissions to the air and water and human exposure to hazardous substances used, released or disposed of by Molycorp; and uncertainties associated with unanticipated geological conditions related to mining; and the outcome of the current stockholder class action litigation and derivative litigation, including any actions taken by government agencies in connection therewith.

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

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