

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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 :
 In re : Chapter 11
 :
 MOLYCORP, INC., *et al.*,¹ : Case No. 15-11357 (CSS)
 :
 Debtors. : (Jointly Administered)
 :
 -----X Docket Ref. No. 1581

DIRECTING
ORDER (I) ~~AUTHORIZING~~ THE UNITED STATES TRUSTEE TO APPOINT A CHAPTER 11 TRUSTEE FOR THE CHAPTER 11 CASES OF INDUSTRIAL MINERALS, LLC; MOLYCORP ADVANCED WATER TECHNOLOGIES, LLC; MOLYCORP MINERALS, LLC; PP IV MOUNTAIN PASS II, INC.; PP IV MOUNTAIN PASS INC.; AND RCF SPEEDWAGON INC., (II) AMENDING THE DEBTORS' JOINT ADMINISTRATION ORDER AND (III) GRANTING RELATED RELIEF

This matter ~~coming~~^{copy} before the Court on the Motion of Industrial Minerals, LLC, Molycorp Advanced Water Technologies, LLC, Molycorp Minerals, LLC, PP IV Mountain Pass II, Inc., PP IV Mountain Pass Inc., and RCF Speedwagon Inc. for an Order entry of an order (i) Converting each of the Molycorp Minerals Debtors' Chapter 11 Cases to Cases Under Chapter 7, (ii) Terminating the Services of Prime Clerk in the Molycorp Minerals Debtors' cases, (iii) Amending the Joint Administration Order and (iv) Granting Related Relief (the "Motion"),² filed by the Molycorp Minerals Debtors; and objections (the "Objections") being filed thereto by Westchester Fire Insurance Company ("Westchester Fire"), Ironshore Indemnity ("Ironshore"),

¹ The Debtors are the following 21 entities (the last four digits of their respective taxpayer identification numbers, if any, follow in parentheses): Molycorp, Inc. (1797); Industrial Minerals, LLC; Magnequench, Inc. (1833); Magnequench International, Inc. (7801); Magnequench Limited; Molycorp Advanced Water Technologies, LLC (1628); MCP Calco ULC; MCP Canada Holdings ULC; MCP Canada Limited Partnership; MCP Exchangeco Inc.; Molycorp Chemicals & Oxides, Inc. (8647); Molycorp Luxembourg Holdings S.à r.l.; Molycorp Metals & Alloys, Inc. (9242); Molycorp Minerals Canada ULC; Molycorp Minerals, LLC (4170); Molycorp Rare Metals Holdings, Inc. (4615); Molycorp Rare Metals (Utah), Inc. (7445); Neo International Corp.; PP IV Mountain Pass, Inc. (1205); PP IV Mountain Pass II, Inc. (5361); RCF IV Speedwagon Inc. (0845).

² Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

Inc., Lexon Insurance Co. ("Lexon") and Bond Safeguard Insurance Co. ("Bond") (collectively referred to as the "Sureties"), United States Trustee, California State Water Resources Control Board, California Regional Water Quality Control Board, Lahonton Region, California Department of Resources Recycling and Recovery, and the County of San Bernardino, the Court having reviewed the Motion and the Objections, and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court on the Motion (the "Hearing"), if any; and the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order, (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (iv) no trustee or examiner having yet been appointed in these chapter 11 cases and (v) notice of the Motion and the Hearing was sufficient under the circumstances; after due deliberation the Court having determined that certain of the relief requested in the Motion is in the best interests of the Molycorp Minerals Debtors, their estates and their creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The United States Trustee is ^{directed} ~~authorized~~ to appoint a chapter 11 trustee for the Molycorp Minerals Debtors pursuant to 11 USC § 1104(a)(2).

2. Subject to further order of the Court, the Order ^{approving the appointment of} ~~appointing~~ the chapter 11 trustee ~~may not be presented and~~ will not be entered by the Court until the first business day after Debtors' counsel files the Closing Certification (in consultation with counsel to Oaktree, the Creditors' Committee and the Ad Hoc 10% Noteholders).

The Molycorp Minerals Debtors shall remain Debtors - In - Possession until the entry of an order approving the appointment of the Chapter 11 Trustee.

3. The Molycorp Minerals Debtors' cases shall be withdrawn from, and shall no longer be administered jointly for procedural purposes with, the cases of the Plan Debtors under the docket of Molycorp, Inc., Case No. 15-11357 (CSS).

4. Parties in interest are directed to use the amended caption annexed hereto as Exhibit 1 when filing pleadings with the Court in the jointly administered cases of the Plan Debtors under the docket of "Molycorp, Inc., *et al.*"

5. An entry shall be made on the docket in the Molycorp, Inc., Case No. 15-11357 (CSS), substantially as follows:

An order has been entered in this case withdrawing the following cases from the procedural consolidation and joint administration under the docket of Molycorp, Inc., Case No. 15-11357 (CSS): Industrial Minerals, LLC (Case No. 15-11358), Molycorp Advanced Water Technologies, LLC (Case No. 15-11362), Molycorp Minerals, LLC (Case No. 15-11371), PP IV Mountain Pass II, Inc. (Case No. 15-11376), PP IV Mountain Pass Inc. (Case No. 15-11375), and RCF Speedwagon Inc. (Case No. 15-11377).

6. The Molycorp Minerals Debtors' cases shall be consolidated for procedural purposes only and shall be administered jointly. The Clerk of the Court shall maintain one file and one docket for all of these jointly administered cases, which file and docket for each respective case shall be the file and docket for Molycorp Minerals, LLC (the "Molycorp Minerals Parent Case"), Case No. 15-11371 (CSS).

7. In the event that the Closing Certification is not filed by April 15, 2016, then on April 18, 2016, Westchester shall advance \$250,000 and Lexon, Ironshore and Bond collectively shall advance \$250,000 for a total of \$500,000 (the "Funding Amount") to fund expenses to be incurred by the Molycorp Minerals Debtors for the care and maintenance of the Molycorp Minerals Debtors' assets for a period beginning on April 16, 2016 and ending on the earlier of April 29, 2016 and the entry of an order appointing the Chapter 11 Trustee in

accordance with paragraph ² ~~4~~ above (the "Funding Period") out of the Sureties' cash collateral (the "Sureties' Advance"). The Sureties' Advance shall, to the extent agreed by obligees/regulators, be designated as a dollar-for-dollar reduction in the penal sums of the applicable bonds issued by each Surety, provided that to the extent the obligees/regulators do not agree to treat the Sureties' Advance as a dollar-for-dollar reduction in the penal sums of the applicable bonds, the Sureties' Advance shall be repaid from the Minerals Wind-Down Expense Reserve (as such term is defined in the 10% Noteholder Group Settlement (D.I. 1495)), which amount shall be treated as cash collateral for the Sureties. *subject to the filing of the Closing Certification.*

8. ~~Upon filing of the Closing Certification,~~ ^Q any portion of the Sureties' Advance not used or required for ~~accrued~~ expenses shall be returned to the Sureties within 3 business days and such returned amounts shall retain their character as cash collateral for the Sureties, as applicable, ^{↳ accrued during the Funding Period} and the balance of the Funding Amount shall be funded from the Minerals Wind-Down Expense Reserve. ^{upon the filing of the Closing Certification,} No amounts in excess of the Funding Amount shall be funded from the Minerals Wind-Down Expense Reserve absent the consent of the Ad Hoc 10% Noteholders and Oaktree.

9. Oaktree and the 10% Noteholders shall allow the use of all property, plant and equipment owned by the Debtors and Oaktree shall allow the use of all equipment owned by Oaktree that is located at Mountain Pass without cost for the Funding Period.

10. Nothing herein shall be deemed as consent to the use or sale of any cash, property, plant or equipment located at Mountain Pass except as expressly set forth herein.

11. Each Surety reserves all rights and defenses that exist pursuant to the Bonds for any other sums demanded or claims made beyond the funds outlined in this order.

12. This Order shall be entered on the dockets of both Molycorp, Inc., Case No. 15-11357 (CSS) and Molycorp Minerals, LLC, Case No. 15-11371 (CSS) and shall be immediately effective upon entry.

13. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: April 13, 2016
Wilmington, Delaware



CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Amended Plan Debtors Caption

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----X
In re : Chapter 11
MOLYCORN, INC., *et al.*,¹ : Case No. 15-11357 (CSS)
Debtors. : (Jointly Administered)
-----X

¹ The Debtors are the following 15 entities (the last four digits of their respective taxpayer identification numbers, if any, follow in parentheses): Molycorp, Inc. (1797); Magnequench, Inc. (1833); Magnequench International, Inc. (7801); Magnequench Limited; MCP Callco ULC; MCP Canada Holdings ULC; MCP Canada Limited Partnership; MCP Exchangeco Inc.; Molycorp Chemicals & Oxides, Inc. (8647); Molycorp Luxembourg Holdings S.à r.l.; Molycorp Metals & Alloys, Inc. (9242); Molycorp Minerals Canada ULC; Molycorp Rare Metals Holdings, Inc. (4615); Molycorp Rare Metals (Utah), Inc. (7445); Neo International Corp.

EXHIBIT 2

Proposed Molycorp Minerals Debtors Caption

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----X
In re : Chapter 7
MOLYCORP MINERALS, LLC, *et al.*,¹ : Case No. 15-11371 (CSS)
Debtors. : (Jointly Administered)
-----X

¹ The Debtors are the following 6 entities (the last four digits of their respective taxpayer identification numbers, if any, follow in parentheses): Industrial Minerals, LLC; Molycorp Advanced Water Technologies, LLC (1628); Molycorp Minerals, LLC (4170); PP IV Mountain Pass, Inc. (1205); PP IV Mountain Pass II, Inc. (5361); and RCF IV Speedwagon Inc. (0845).