MP MATERIALS

Second Quarter 2022 Results

August 4, 2022

Safe Harbor

This presentation contains certain statements that are not historical facts and are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “will,” “target,” or similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding the market for rare earth materials, future demand for electric vehicles and magnets, estimates and forecasts of our results of operations and other financial and performance metrics, and the Company’s Stage II and Stage III projects. Such statements are all subject to risks, uncertainties and changes in circumstances that could significantly affect the Company’s future financial results and business.

Accordingly, the Company cautions that the forward-looking statements contained herein are qualified by important factors that could cause actual results to differ materially from those reflected by such statements. These forward-looking statements are subject to a number of risks and uncertainties, including changes in domestic and foreign business, market, financial, political and legal conditions; changes in demand for NdFeB magnets; the effects of competition on the Company’s future business; risks related to the rollout of the Company’s business strategy, including Stage II and Stage III, and the timing of achieving expected business milestones; risks related to the Company’s long-term agreement with General Motors, including the Company’s ability to produce and supply NdFeB magnets; the impact of the global COVID-19 pandemic, on any of the foregoing risks; and those risk factors discussed in the Company’s filings with the Securities and Exchange Commission, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other documents filed by the Company with the Securities and Exchange Commission. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. The Company does not intend to update publicly any forward-looking statements except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this presentation may not occur.

Use of Non-GAAP Financial Measures

This presentation references certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Diluted EPS, Total Value Realized, Production Costs, Free Cash Flow, Normalized Stage I Free Cash Flow, and Adjusted Operating Cash Flow, which have not been prepared in accordance with generally accepted accounting principles in the United States ("GAAP").

We define Adjusted EBITDA as our GAAP net income before interest expense, net; income tax expense or benefit; and depreciation, depletion and amortization; further adjusted to eliminate the impact of stock-based compensation expense; transaction-related, start-up and other non-recurring costs; accretion of asset retirement and environmental obligations; gain or loss on sale or disposal of long-lived assets; write-downs of inventories; tariff rebates; and other income or loss. We define Adjusted EBITDA Margin as our Adjusted EBITDA divided by our total revenue adjusted for the impact of tariff rebates related to prior period sales (if any). Adjusted Net Income is defined as our GAAP net income excluding the impact of depletion; stock-based compensation expense; transaction-related, start-up and other non-recurring costs; gain or loss on sale or disposal of long-lived assets; write-downs of inventories; tariff rebates; and other items that we do not consider representative of our underlying operations; adjusted to give effect to the income tax impact of such adjustments. Adjusted Diluted EPS is defined as GAAP diluted earnings per share ("EPS") excluding the per share impact, using GAAP diluted weighted-average shares outstanding as the denominator, of depletion; stock-based compensation expense; transaction-related, start-up and other non-recurring costs; gain or loss on sale or disposal of long-lived assets; write-downs of inventories; tariff rebates; and other items that we do not consider representative of our underlying operations; adjusted to give effect to the income tax impact of such adjustments. Total Value Realized, which we use to calculate realized price per REO MT, is defined as our product sales adjusted for the revenue impact of tariff rebates related to prior period sales (if any). Realized price per REO MT is calculated as the quotient of: (i) our Total Value Realized for a given period and (ii) our REO sales volume for the same period. Production Costs, which we use to calculate production cost per REO MT, is defined as our cost of sales (excluding depreciation, depletion and amortization), less stock-based compensation expense included in cost of sales, shipping and freight costs, and costs attributable to certain other sales, for a given period. Production cost per REO MT is calculated as the quotient of: (i) our Production Costs for a given period and (ii) our REO sales volume for the same period. We define Free Cash Flow as net cash provided by operating activities less additions to property, plant and equipment, net of proceeds from government awards used for construction. Normalized Stage I Free Cash Flow is defined as Free Cash Flow plus (i) the non-cash portion of revenue from sales to Shenghe (i.e., Offtake Paydown), (ii) growth capital expenditures, and (iii) expenditures for transaction-related, start-up and other non-recurring costs. We define Adjusted Operating Cash Flow as net cash provided by operating activities plus the non-cash portion of revenue from sales to Shenghe. You can find the reconciliation of these measures to the most directly comparable GAAP measures in the Appendix.

MP Materials' management uses Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted EPS to compare MP Materials' performance to that of prior periods for trend analyses and for budgeting and planning purposes. MP Materials believes Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted EPS provide useful information to management and investors regarding certain financial and business trends relating to MP Materials' financial condition and results of operations. MP Materials believes that the use of Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted EPS provide an additional tool for investors to use in evaluating projected operating results and trends. MP Materials believes realized price per REO MT, which utilizes the non-GAAP financial measure, Total Value Realized, is an important measure of the market price of the Company's product. Furthermore, MP Materials believes production cost per REO MT sold, which utilizes the non-GAAP financial measure, Production Costs, is a key indicator of the Company's production efficiency. We believe Free Cash Flow, Normalized Stage I Free Cash Flow, and Adjusted Operating Cash Flow, are useful for comparing our ability to generate cash with that of our peers. Free Cash Flow is not meant to be considered in isolation or as an alternative to cash flows from operating activities and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. MP Materials' method of determining these non-GAAP measures may be different from other companies' methods and, therefore, may not be comparable to those used by other companies and MP Materials does not recommend the sole use of these non-GAAP measures to assess its financial performance. Management does not consider non-GAAP measures in isolation or as an alternative or to be superior to financial measures determined in accordance with GAAP. The principal limitation of non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in MP Materials' financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. In order to compensate for these limitations, management presents reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measures.

Second quarter highlights

- **Stage I operational execution continues**
  - Production remained consistent YoY
  - Sales volumes continued to closely track production
  - Bi-annual plant shutdown and timing of shipments impacts sequential quarter comparisons
- **Financial performance remains strong**
  - Higher realized prices and Stage I cost discipline resulted in strong YoY revenue and profit growth
  - Significant cash generated from operations while investing in growth capex
- **Downstream expansion advancing and on track**
  - Stage II mechanical completion expected by year end; hiring accelerating; pre-commissioning of several critical circuits is underway
  - Construction of initial Stage III facility going vertical; hiring continues

Operations and Financial Overview

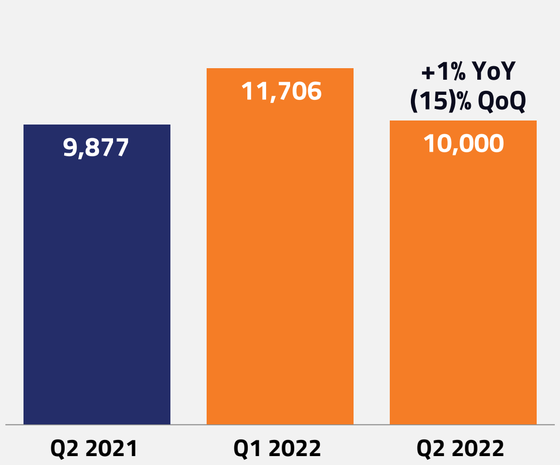
Continued operational execution

2021 2022

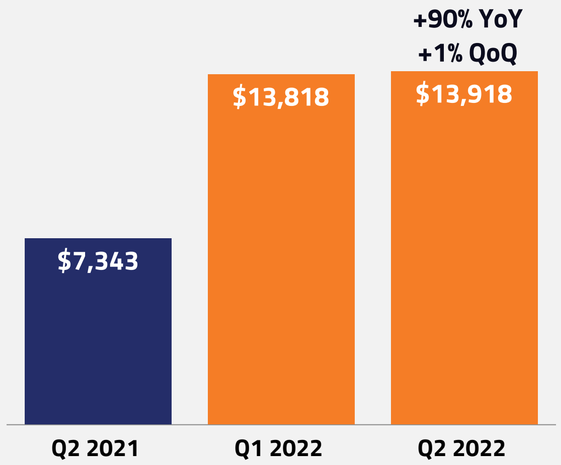
Stage II Related

- **YoY production unchanged; QoQ comparison reflects planned Q2 maintenance turnaround**
- **Sales volumes remained robust with production and timing of shipments impacting sales QoQ and YoY**
- **Realized pricing driven by strong demand for NdPr in concentrate**
- **Production costs impacted by Stage II related hiring and recommissioning of combined heat and power plant**

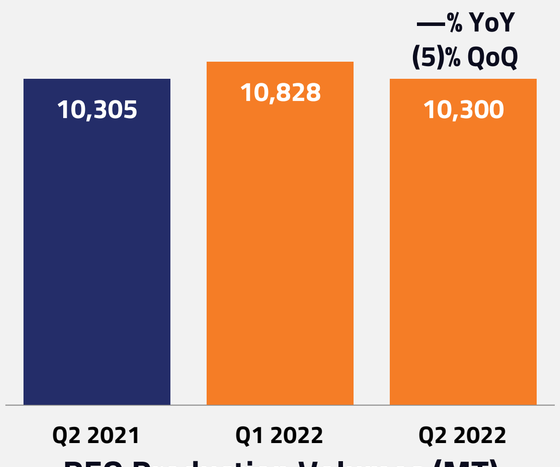
Comparable Operational Metrics—Sequential and Year-over-Year



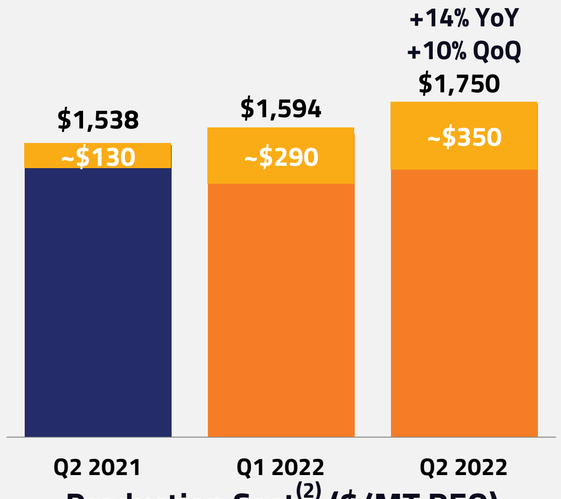
REO Sales Volumes (MT)



Realized Price[1] ($/MT REO)



REO Production Volumes (MT)



Production Cost[2] ($/MT REO)

MP MATERIALS

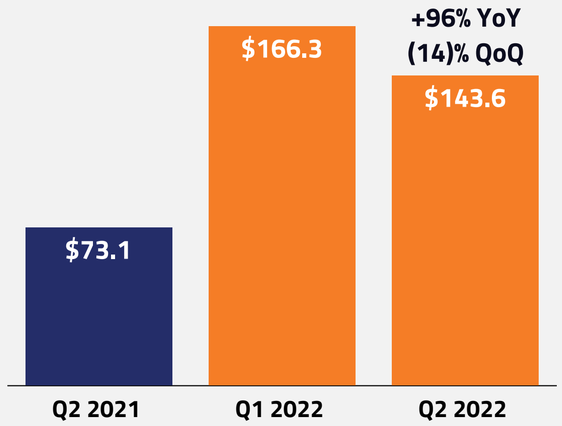
1. See Appendix for calculation of realized price per REO MT, which includes the non-GAAP financial measure, Total Value Realized. See Appendix for a reconciliation of Total Value Realized (non-GAAP) to Product sales (GAAP).
2. See Appendix for calculation of production cost per REO MT, which includes the non-GAAP financial measure, Production Costs. See Appendix for a reconciliation of Production Costs (non-GAAP) to Cost of sales (GAAP).

Rapid revenue & earnings growth

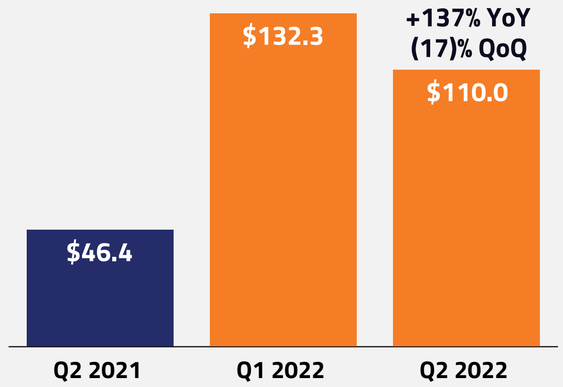
2021 2022

- **Revenue growth driven by higher realized pricing**
- **Adjusted EBITDA growth driven by higher profit per metric ton of REO**
- **Margin growth demonstrates the leverage in the business model from strong NdPr pricing and cost control**

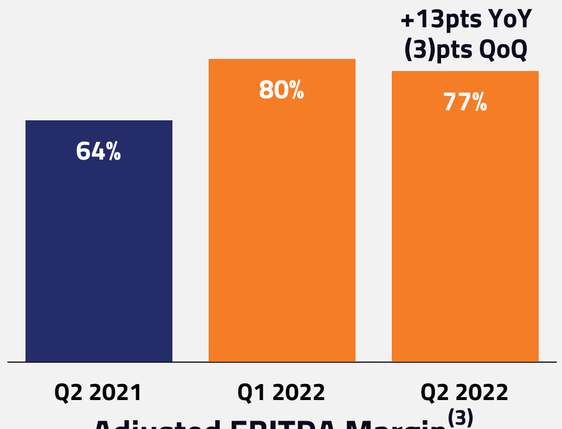
Comparable Financial Metrics—Sequential and Year-over-Year[1]



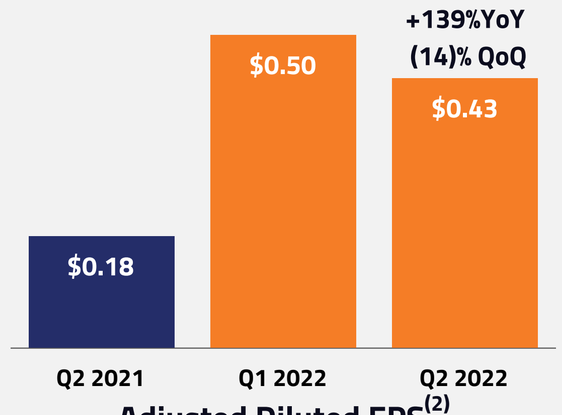
Revenue



Adjusted EBITDA[2]



Adjusted EBITDA Margin[3]



Adjusted Diluted EPS[2]

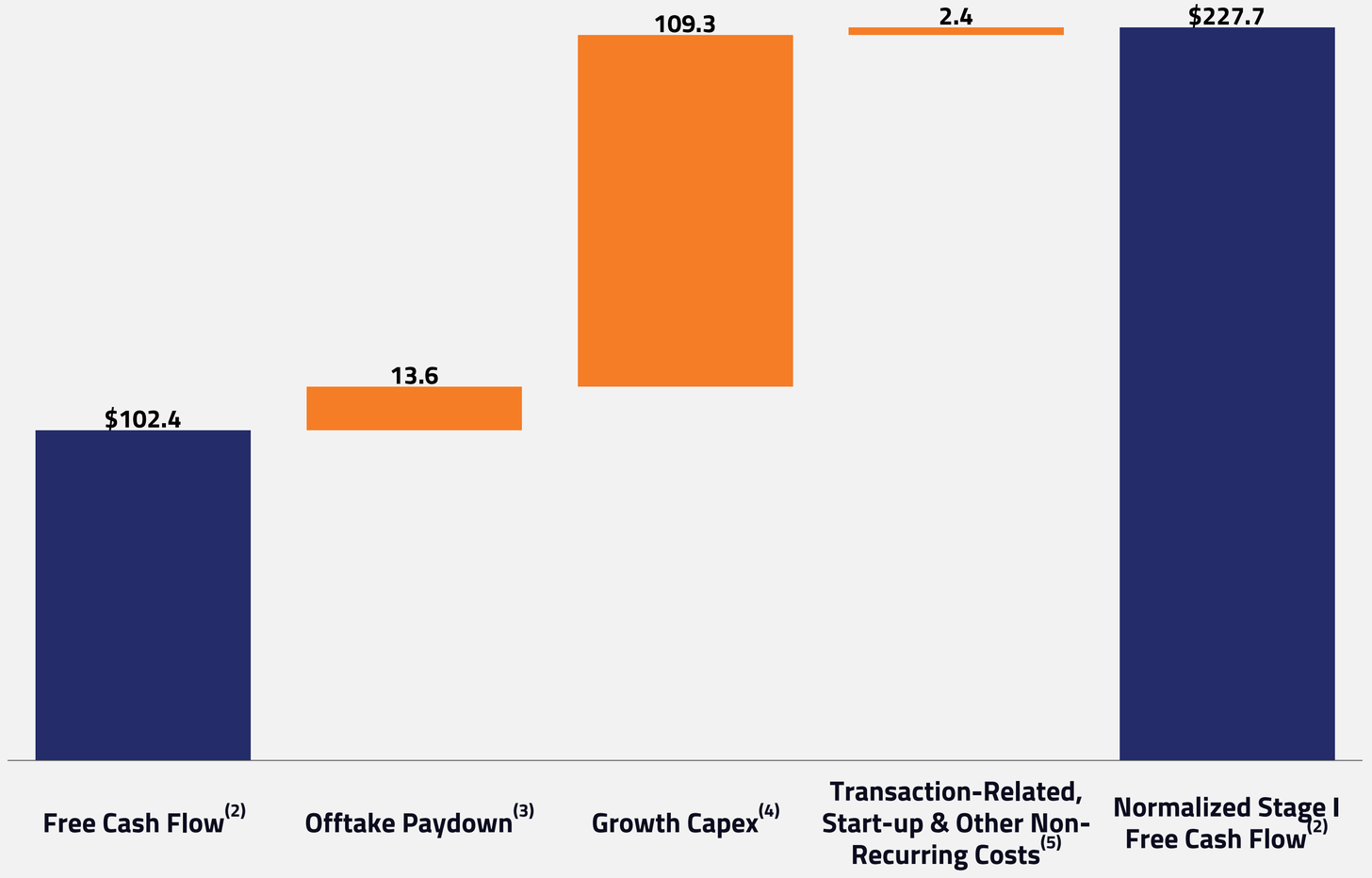
MP MATERIALS

1. All figures in millions except for margins and per share amounts
2. See Appendix for reconciliation of Adjusted EBITDA and Adjusted Diluted EPS to the most directly comparable financial measure prepared in accordance with U.S. GAAP
3. Adjusted EBITDA Margin, which is a non-GAAP financial measure, is calculated as our Adjusted EBITDA divided by our total revenue adjusted for the impact of tariff rebates related to prior period sales (if any). There were no tariff rebates received in any of the periods presented.

Significant Stage I normalized free cash flow

- **Normalized Stage I Free Cash Flow of $227.7M or 73.5% of YTD revenue**
- **Offtake Agreement completed in Q1 2022; $13.6M paydown was reflected as a reduction of GAAP operating cash flows**
- **YTD total capex of $117.5M and growth capex of $109.3M**
- **Capex spend expected to accelerate through the remainder of the year**

YTD 2022 Reported Free Cash Flow to Normalized Stage I Free Cash Flow Bridge[1]



MP MATERIALS

1. All figures in millions. May not recompute as presented due to rounding.
2. See Appendix for reconciliation of Free Cash Flow and Normalized Stage I Free Cash Flow to the most directly comparable financial measure prepared in accordance with U.S. GAAP.
3. Reflects the reduction in the Shenghe Offtake balance, which is now complete. See Appendix for further details on the U.S. GAAP cash flow treatment of the offtake paydown.
4. Growth capex consists primarily of capitalized costs for Stage II, Stage III, recommissioning and other growth-related projects. YTD total capex and growth capex are net of $5.1 million of government reimbursements.
5. Relates principally to start-up costs that do not qualify for capitalization, which relate to the restart of our CHP plant as well as certain costs associated with our Stage III initiatives. Excludes items that were accrued but not yet paid.

Stage II and Stage III Updates

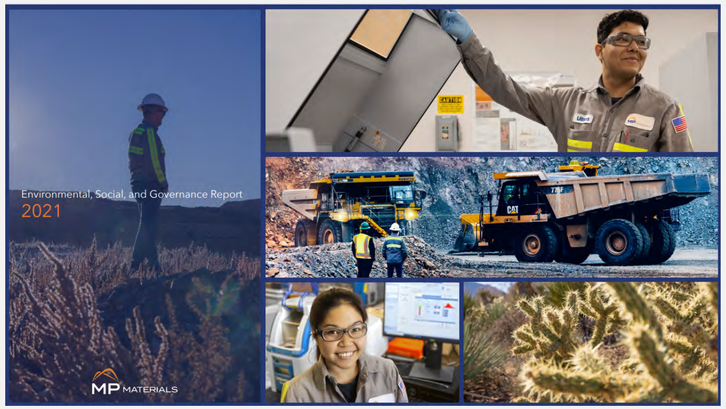
Stage II - Concentrate dryer and calciner



Stage III - Fort Worth magnetics facility



Inaugural ESG report published



- **Electrifying a sustainable future**
  - Ensuring a Western supply of sustainably sourced raw materials critical to electrifying the world
  - Improving processes and inputs to reduce energy consumption and greenhouse gas emissions
  - Piloting recycling of end-of-life magnets and magnetic production scrap
- **Environmental stewardship**
  - Only rare earth plant with dry tailings process that virtually eliminates ground water contamination risk
  - Closed-loop recycling processes meet approximately 95% of Mountain Pass water demand
  - Zero-discharge facility with no process water disposed of offsite or to the ground
- **Empowering people**
  - Developing a talented and diverse workforce
  - Instilling owner-operator culture with significant opportunity for professional growth
  - Creating ~300 new jobs through 2024

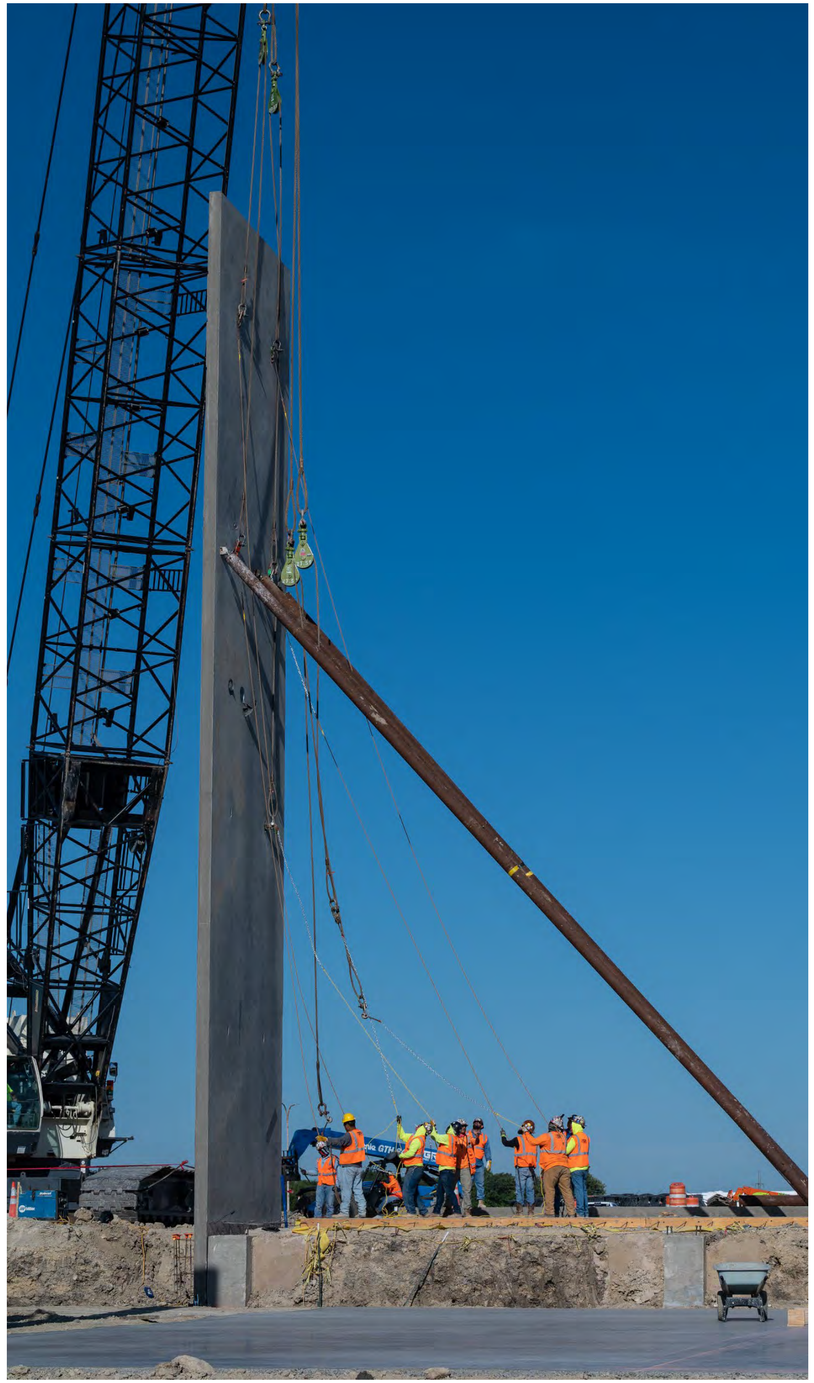
MP MATERIALS

Additional Photos

Magnetics facility wall raising







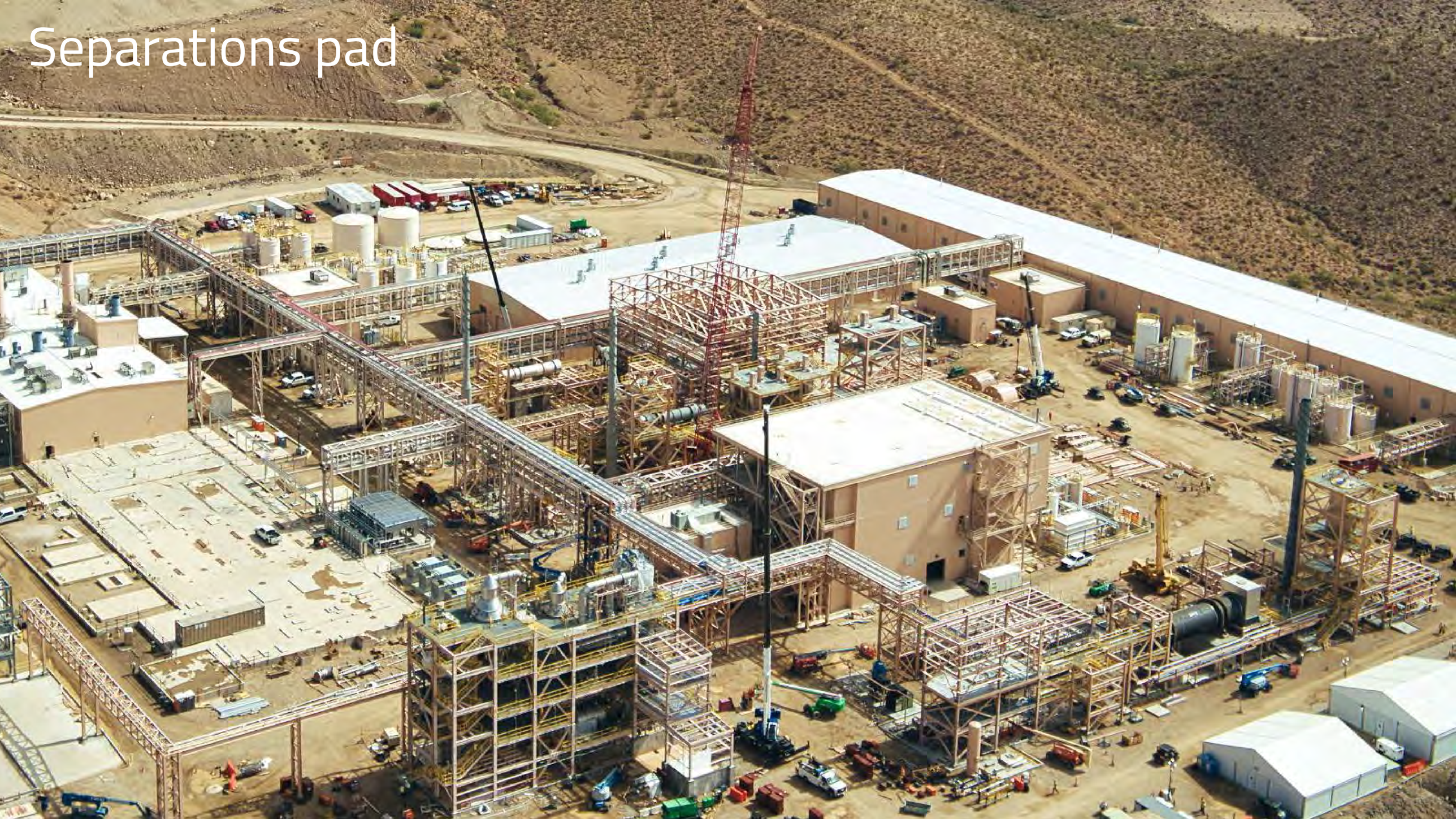
Mill pad



Salt crystallizer and brine concentrator



Separations pad



Appendix

Summary
P&L

MP MATERIALS CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share data, unaudited)	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the three months ended March 31, 2022
Revenue:			
Product sales	$ 139,183	$ 72,522	$ 161,755
Other sales	4,379	596	4,503
Total revenue	143,562	73,118	166,258
Operating costs and expenses:			
Cost of sales (excluding depreciation, depletion and amortization)	22,092	17,955	23,173
Selling, general and administrative	18,222	12,647	20,565
Advanced projects, development and other	1,668	984	1,818
Depreciation, depletion and amortization	5,407	6,666	5,260
Accretion of asset retirement and environmental obligations	419	592	418
Write-down of inventories	—	1,809	—
Total operating costs and expenses	47,808	40,653	51,234
Operating income	95,754	32,465	115,024
Interest expense, net	(1,326)	(2,639)	(1,905)
Other income	2,212	3,504	194
Income before income taxes	96,640	33,330	113,313
Income tax expense	(23,371)	(6,164)	(27,762)
Net income	$ 73,269	$ 27,166	$ 85,551
Earnings per share:			
Basic	$ 0.42	$ 0.16	$ 0.49
Diluted	$ 0.38	$ 0.15	$ 0.45
Weighted-average shares outstanding:			
Basic	176,527,570	172,677,923	176,355,566
Diluted	193,414,563	193,145,644	193,490,330

Reconciliation
Net Income to Adjusted EBITDA

(in thousands, unaudited)	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the three months ended March 31, 2022
Net income	$ 73,269	$ 27,166	$ 85,551
Adjusted for:			
Depreciation, depletion and amortization	5,407	6,666	5,260
Interest expense, net	1,326	2,639	1,905
Income tax expense	23,371	6,164	27,762
Stock-based compensation expense[(1)]	7,440	4,498	9,773
Transaction-related, start-up and other non-recurring costs[(2)]	931	247	1,525
Accretion of asset retirement and environmental obligations	419	592	418
Loss on sale or disposal of long-lived assets[(3)]	1	170	257
Write-down of inventories[(4)]	—	1,809	—
Other income[(5)]	(2,212)	(3,504)	(194)
Adjusted EBITDA	$ 109,952	$ 46,447	$ 132,257

1. Principally included in "Selling, general and administrative" within our unaudited Condensed Consolidated Statements of Operations.
2. Amounts for the three months ended June 30, 2022, and March 31, 2022 are principally comprised of start-up costs that do not qualify for capitalization, which relate to the restart of our CHP plant as well as certain costs associated with our Stage II optimization project and Stage III initiatives. Start-up costs are included in "Advanced projects, development and other" within our unaudited Condensed Consolidated Statements of Operations. Amount for the three months ended June 30, 2021, relates to advisory, consulting, accounting and legal expenses pertaining to non-recurring transactions, and are primarily included in "Selling, general and administrative" within our unaudited Condensed Consolidated Statements of Operations.
3. Included in "Selling, general and administrative" within our unaudited Condensed Consolidated Statements of Operations.
4. Represents a non-cash write-down of a portion of our legacy low-grade stockpile inventory during the second quarter of 2021.
5. Amount for the three months ended June 30, 2022, is principally comprised of interest and investment income earned on short-term investments that were purchased during the second quarter of 2022. Amount for the three months ended June 30, 2021, principally represents a non-cash gain recognized as a result of the Small Business Administration's approval to forgive the Paycheck Protection Loan.

Reconciliation
Net Income to Adjusted Net Income

(in thousands, unaudited)	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the three months ended March 31, 2022
Net income	$ 73,269	$ 27,166	$ 85,551
Adjusted for:			
Depletion[1]	3,075	4,686	3,069
Stock-based compensation expense[2]	7,440	4,498	9,773
Transaction-related, start-up and other non-recurring costs[3]	931	247	1,525
Loss on sale or disposal of long-lived assets[4]	1	170	257
Write-down of inventories[5]	—	1,809	—
Other[6]	(30)	(3,504)	(194)
Tax impact of adjustments above[7]	(2,745)	(1,632)	(3,644)
Adjusted Net Income	$ 81,941	$ 33,440	$ 96,337

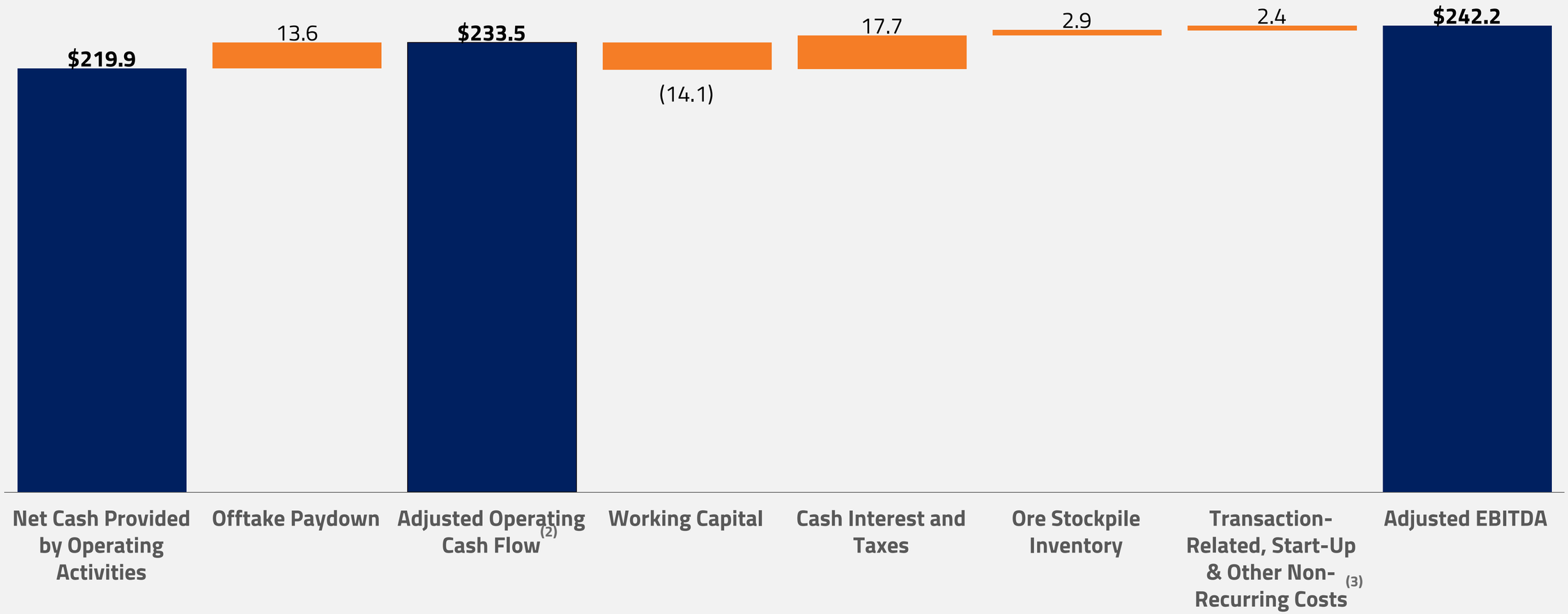
1. Represents the depletion associated with the mineral rights for the rare earth ores contained in the Company's mine.
2. Principally included in "Selling, general and administrative" within our unaudited Condensed Consolidated Statements of Operations.
3. Amounts for the three months ended June 30, 2022, and March 31, 2021, are principally comprised of start-up costs that do not qualify for capitalization, which relate to the restart of our CHP plant as well as certain costs associated with our Stage II optimization project and Stage III initiatives. Start-up costs are included in "Advanced projects, development and other" within our unaudited Condensed Consolidated Statements of Operations. Amount for the three months ended June 30, 2021, relates to advisory, consulting, accounting and legal expenses pertaining to non-recurring transactions, and are primarily included in "Selling, general and administrative" within our unaudited Condensed Consolidated Statements of Operations.
4. Included in "Selling, general and administrative" within our unaudited Condensed Consolidated Statements of Operations.
5. Represents a non-cash write-down of a portion of our legacy low-grade stockpile inventory during the second quarter of 2021.
6. Amount for the three months ended June 30, 2021, principally represent a non-cash gain recognized as a result of the Small Business Administration's approval to forgive the Paycheck Protection Loan, which is included in "Other income" within our unaudited Condensed Consolidated Statements of Operations.
7. Tax impact of adjustments is calculated using an adjusted effective tax rate, excluding the impact of discrete tax costs and benefits, to each adjustment. The adjusted effective tax rates were 24.0%, 20.6%, and 25.3% for the three months ended June 30, 2022 and 2021 and for the three months ended March 31, 2022, respectively.

Reconciliation
Diluted EPS to Adjusted Diluted EPS

(unaudited)	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the three months ended March 31, 2022
Diluted EPS	$ 0.38	$ 0.15	$ 0.45
Adjusted for:			
Depletion[1]	0.02	0.03	0.01
Stock-based compensation expense	0.04	0.02	0.05
Transaction-related, start-up and other non-recurring costs[2]	0.00	0.00	0.01
Loss on sale or disposal of long-lived assets	0.00	0.00	0.00
Write-down of inventories[3]	0.00	0.01	0.00
Other[4]	0.00	(0.02)	0.00
Tax impact of adjustments above[5]	(0.01)	(0.01)	(0.02)
Adjusted Diluted EPS	$ 0.43	$ 0.18	$ 0.50
Diluted weighted-average shares outstanding	193,414,563	193,145,644	193,490,330

1. Represents the depletion associated with the mineral rights for the rare earth ores contained in the Company's mine.
2. Amounts for the three months ended June 30, 2022, and March 31, 2022, are principally comprised of start-up costs that do not qualify for capitalization, which relate to the restart of our CHP plant as well as certain costs associated with our Stage II optimization project and Stage III initiatives. Amounts for the three months ended June 30, 2021, relate to advisory, consulting, accounting and legal expenses pertaining to non-recurring transactions.
3. Represents a non-cash write-down of a portion of our legacy low-grade stockpile inventory during the second quarter of 2021.
4. Amount for the three months ended June 30, 2021, principally represents a non-cash gain recognized as a result of the Small Business Administration's approval to forgive the Paycheck Protection Loan.
5. Tax impact of adjustments is calculated using an adjusted effective tax rate, excluding the impact of discrete tax costs and benefits, to each adjustment. The adjusted effective tax rates were 24.0%, 20.6%, and 25.3% for the three months ended June 30, 2022 and 2021 and for the three months ended March 31, 2022, respectively.

YTD 2022 Cash Flow Bridge[1]



1. All figures in millions. May not recompute as presented due to rounding.
2. See "Use of Non-GAAP Financial Measures" for definition and further information. See next slide for a reconciliation to the most comparable metric prepared in accordance with U.S. GAAP.
3. Principally comprised of start-up costs that do not qualify for capitalization, which relate to the restart of our CHP plant as well as certain costs associated with our Stage III initiatives. Excludes items that were accrued but not yet paid.

Reconciliations

Net Cash Provided by Operating Activities to Non-GAAP Financial Measures

(in thousands, unaudited)	For the six months ended June 30, 2022
Net cash provided by operating activities	$ 219,862
Additions to property, plant and equipment, net[1]	(117,454)
Free Cash Flow	102,408
Adjusted for:	
Revenue recognized in exchange for debt principal reduction[2]	13,566
Growth capital expenditures[1]	109,315
Transaction-related, start-up and other non-recurring costs[3]	2,370
Normalized Stage I Free Cash Flow	$ 227,659
Net cash provided by operating activities	$ 219,862
Revenue recognized in exchange for debt principal reduction[2]	13,566
Adjusted Operating Cash Flow	$ 233,428

1. Amount is net of $5.1 million in proceeds from government awards used for construction, specifically, our Stage II optimization project.
2. Referred to previously as Offtake Paydown. Under the terms of the A&R Offtake Agreement and pursuant to the accounting treatment thereof, we recognized $13.6 million of non-cash revenue during the six months ended June 30, 2022, which was retained by Shenghe to reduce our outstanding debt obligation. Accordingly, such amount is excluded from operating cash flows under GAAP.
3. Excludes items that were accrued but not yet paid.

KPI – Realized Price
Reconciliation and Calculation

(in thousands, unless otherwise stated, unaudited)	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the three months ended March 31, 2022
Product sales[1]	$ 139,183	$ 72,522	$ 161,755
Total Value Realized[1][2]	139,183	72,522	161,755
Divided by:			
REO sales volume (in MTs)	10,000	9,877	11,706
Realized price per REO MT (in dollars)[3]	$ 13,918	$ 7,343	$ 13,818

1. There were no adjustments made to GAAP products sales in arriving at Non-GAAP Total Value Realized in any of the periods presented in the table.
2. See "Use of Non-GAAP Financial Measures" for definition and further information.
3. May not recompute as presented due to rounding.

KPI – Production Cost
Reconciliation and Calculation

(in thousands, unless otherwise stated, unaudited)	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the three months ended March 31, 2022
Cost of sales[1]	$ 22,092	$ 17,955	$ 23,173
Adjusted for:			
Stock-based compensation expense[2]	(506)	(578)	(715)
Shipping and freight[3]	(3,508)	(2,183)	(3,244)
Other[4]	(580)	(6)	(556)
Production Costs[5]	17,498	15,188	18,658
Divided by:			
REO sales volume (in MTs)	10,000	9,877	11,706
Production cost per REO MT (in dollars)[6]	$ 1,750	$ 1,538	$ 1,594

1. Excluding depreciation, depletion and amortization.
2. Pertains only to the amount of stock-based compensation expense included in cost of sales.
3. Amounts for the three months ended June 30, 2022, and March 31, 2022, include $0.7 million and $0.6 million, respectively, of shipping and freight costs associated with sales of REF stockpiles.
4. Pertains primarily to costs (excluding shipping and freight) attributable to sales of REF stockpiles.
5. See “Use of Non-GAAP Financial Measures” for definition and further information.
6. May not recompute as presented due to rounding.