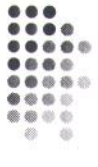
Molycorp Trustee Mtg

Nov. 9, 2006
Albuquerque, NM

Technical Group Update

- October 23rd Field Trip
  - Trustee and Molycorp technical personnel viewed each of the agreed upon restoration projects
  - Additional discussions occurred regarding placement, approach, monitoring, etc.
- Based on agreements reached in field, Chadwick et al. (GEI) developed draft detailed costs for each project

Agreed Upon Restoration Projects

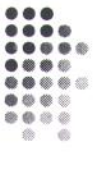


- Cabresto Creek Barrier & Restoration
- Columbine Creek Barrier
- Hatchery – Upstream Passage
- Fawn Lake Riparian Improvements
- Anderson Ranch Wetland Preservation

- $20 M for Bitter Creek Restoration

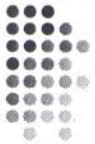
- $2.5 MM towards Questa WWTP

Timeline



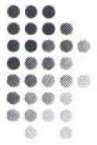
- February 1, 2007
  - Lodge consent decree
- November 30, 2006
  - Agreed upon costs
  - Proposed consent decree language
  - Identify contents of administrative record
  - Easement and access agreement drafted

Cabresto Creek Barrier & Restoration



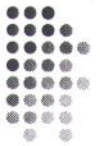
- Fish Passage Barrier
  - Located above Bonito Cyn, just onto USFS property
  - Engineering costs
    - Assume a conventional engineering and design development process will be used
    - Includes integration of hydrologic, geotechnical, structural, fish behavioral, and general civil engineering principles
  - Biological costs
    - Fish removal – 2 times/yr (July and Sept.) for 3 consecutive years
    - Fish monitoring in 5th, 8th, and 11th year
  - Permitting costs included for both the engineering and biological aspects of the project
- Upstream Restoration
  - Several enclosures and some bank stabilization
  - Costs as per George Long

Columbine Creek Barrier & Preservation



- Fish Passage Barrier
  - Located between Red River and lower culvert
  - Engineering costs
    - Assume a conventional engineering and design development process will be used
    - Includes integration of hydrologic, geotechnical, structural, fish behavioral, and general civil engineering principles
  - Biological costs
    - Fish removal – 2 times/yr (July and Sept.) for 3 consecutive years
    - Fish monitoring in 5th, 8th, and 11th year
  - Permitting costs included for both the engineering and biological aspects of the project

Red River Hatchery Fish Passage



- Dam and replacement of existing 2 cfs Fishing Pond Intake
  - Engineering costs include:
    - Concrete removal, soil placement, excavation of deeper thalweg, deposition of excavated material along shoreline, post demolition remobilization, etc.
  - Biological costs include monitoring in 4th, 7th, and 10th years after dam removal
  - Permitting costs included for both the engineering and biological aspects of the project

Fawn Lake Riparian Improvement

- Engineering & Biological costs
  - Removal of access ramp and asphalt pad
  - Restoration to natural grade and highway embankment gradient
  - Re-plant to natural vegetation
  - Guardrail at highway
  - Moving (and replanting) about 10 spruce trees to allow for excavation in primary and flood channels
  - Thinning small trees
  - Protection of power pole in floodplain
- Permitting costs included for both the engineering and biological aspects of the project

Anderson Ranch

- 225 acres of wetland and upland habitat
- Engineering costs
  - Site Investigations and Easement costs
  - Construction and maintenance of fence
  - Monitoring from 2010 to 2026
- Biological Costs
  - Baseline monitoring
  - Monitoring from 2010 through 2024 (total of 6 trips)

Other Projects

- $20,000 for restoration work in upper Bitter Creek
- $2,500,000 for Questa WWTP Upgrade