

**PERMIT MODIFICATION 07-1 TO PERMIT NO. TA001RE
QUESTA MINE AND MILL FACILITY
EXISTING MINING OPERATION**

**MINING AND MINERALS DIVISION
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

Permit Modification 07-1 to Permit No. TA001RE is issued by the Director of the Mining and Minerals Division (MMD) of the New Mexico Energy, Minerals and Natural Resources Department to:

Molycorp, Inc.

whose correct address is:

**P.O. Box 469,
Questa, NM 87556**

(Permittee) for the Questa Mine and Mill Facility Taos County, New Mexico.

This permit modification changes the Guarantor of the Third Party Guarantee from Unocal Corporation to the Chevron Corporation. This modification replaces the Third Party Guarantee documents that were approved September 5, 2002 and amended on March 4, 2005 for the amount of \$117,752,599.

The new Third Party Guarantee document package titled *Molycorp Inc. – Permit No. TA001RE (Rev. 96-2); Replacement of Third Party Guarantee for Mine and Mill Facility*, dated April 4, 2007 is hereby approved. The Third Party Guarantee amount of \$117,752,599 remains unchanged.

The following sections of Permit No. TA001RE are added or revised to read as follows:

Section 5. FINDINGS OF FACT

- U. The Permittee has submitted the \$500 permit modification fee as required by §19.10.2.201.H of the New Mexico Mining Act Rules (Rules).

- V. The application for permit modification has been reviewed in accordance with §505 of the Rules. The application for permit modification is complete, accurate, and complies with the requirements for permit modifications and revisions of the New Mexico Mining Act (Act) and §505 of the Rules.

- W. The proposed changes will not result in any change to the amount of financial assurance approved for this permit.

- X. This modification does not represent a significant change from the nature or scale of the approved closeout plan.

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AGREEMENT BY OPERATOR:

Agreement by Operator:

The foregoing instrument is agreed upon as shown below by signatures of authorized representatives.

David W Partridge
Signature of Authorized Agent of Operator

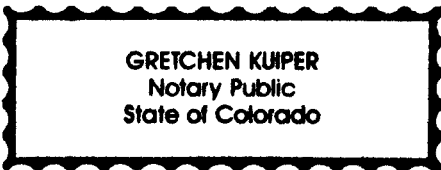
David W Partridge VP OE & Tech Services
Printed Name and Title of Authorized Agent of Operator

Acknowledgment of Authorized Agent of the Operator:

State of Colorado } ss.
County of Arapahoe }

On this day 4th of May, 2007, before me appeared David W. Partridge to me personally known, who, being by me duly sworn, did depose and say that he/she signed the attached Agreement and acknowledged said Agreement to be a free act and deed.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Gretchen Kuiper
Notary Public

My commission expires 11/15/08

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ORDER

PERMIT MODIFICATION 07-1 TO PERMIT NO. TA001RE QUESTA MINE AND MILL
FACILITY EXISTING MINING OPERATION

NOW THEREFORE, IT IS HEREBY ORDERED that Permit Modification 07-1 to the Questa Mine and Mill Facility Permit No. TA001RE, located in Taos County, New Mexico; is approved. Molycorp, Inc. may continue mining, exploration, or reclamation operations in accordance with the permit.

By Order of the Director, Mining and Minerals Division, Energy, Minerals and Natural Resources Department, of the State of New Mexico.

Mining and Minerals Division

The State of New Mexico

By:



Bill Brancard, Director
Mining and Minerals Division
Energy, Minerals and Natural Resources Department

DATED: May 11, 2007