

STATE MINE INSPECTOR

NOV 08 2023



RECLAMATION PLAN
AZTEC AGGREGATE PIT
PERKINS AGGREGATES INC.
1950 E. ADAMS ST.
SHOW LOW, ARIZONA 85901
29 AUGUST 2023

Prepared for: Perkins Aggregates Inc.

1950 E. Adams St.

Show Low, Arizona 85901

Prepared by: Randall Hensley

1950 E. Adams St.

Show Low, Arizona 85901

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1.0 INTRODUCTION

This Reclamation Plan has been prepared for the Aztec Aggregate Pit located approximately 4.5 miles west of Taylor, Arizona. State law requires that a reclamation plan be submitted to the Arizona State Mine Inspector if it meets the Aggregate Mined Land Reclamation Act (AMLRA) and the Arizona Revised Statute (A.R.S.) 27-1202 et seq). This plan must be submitted to the Arizona State Mine Inspector (ASMI). New aggregate mining operations located on private land must have an approved reclamation plan before exceeding a cumulative disturbance area of 15 acres.

The Aztec Aggregate Pit meets that criteria.

2.0 RECLAMATION PLAN NARRATIVE

2.1 OWNER/OPERATOR INFORMATION

The Aztec Aggregate Pit is owned by Perkins Aggregates Inc. Perkins Aggregates is the responsible party for the reclamation obligations. The required owner and operator information is provided below.

2.1.1 Owner/Operator Name and Address

Owner/Operator: Perkins Aggregates Inc.
1950 E. Adams St. Suite C.
Show Low, Arizona 85901
Ph: 928-537-2008
E-Mail: pci@perkinscinders.com

2.1.2 Contact Person Name and Address

Operator's contact person (for regulatory contact)

Randall Hensley
1950 E. Adams St. Suite C.
Show Low, Arizona 85901
Ph: 928-242-7057
E-Mail: randy@perkinscinders.com

2.1.3 Responsible Party

Brandon Perkins of Perkins Aggregates Inc. is the responsible party for the reclamation described in this Reclamation Plan

Brandon Perkins

Signature

10-30-23

Date

BRANDON PERKINS

Name

GENERAL MANAGER

Title

2.2 CERTIFICATE OF DISCLOSURE

The certificate of disclosure required by A.R.S. 27-1205 will be submitted separately

2.3 CURRENT OPERATION

2.3.1 Description of Current Operations

The Site location is shown on Figure 1. Features of the Site include:

- 1 parcel of approximately 633 acres. The initial Reclamation Plan will encompass approximately 80 acres.
- The pit will be expanded in the future if it is economically feasible. If there is a significant modification of the pit footprint, a reclamation plan modification will be submitted prior to expansion.
- Existing operation includes exploration involving test pits at several areas within the 80 acre parcel.
- None of the 633 acres is within a floodplain.
- Current access is provided by traveling a short distance on Gene Taylor blvd. entering Perkins property through a gate and traveling approximately another mile on a private access road to the entrance of the 80 acre parcel which has a fence around the perimeter.

AZTEC PIT RECLAMATION PLAN

Figure 2 shows existing site conditions. The ground is relatively level approximately 5783 ft. above sea level on the northwest corner of the parcel, approximately 5771 ft. above sea level at the southwest corner of the parcel, approximately 5757 ft. above sea level at the northeast corner of the parcel and approximately 5757 ft. above sea level at the southeast corner of the parcel.

Currently there is no process equipment on the site. There is some mobile equipment on site to perform exploration activities and prepare the site for future mining. This equipment is working within the 80 acre footprint. The equipment includes:

- Excavator
- Trucks are being utilized on an as-needed basis to stockpile the topsoil and overburden.
- There is a water well located on Perkins property to the north of the parcel that is being used to control dust.

2.3.2 Current Licenses, Permits and Approvals

The Aztec Process site is permitted under the Arizona Department of Environmental Quality. (Permit no. 102).

2.3.3 Description of future disturbance

Initial mining and reclamation activities are scheduled to occur within the 80 acre portion of the property as soon as the reclamation plan is approved and the surety bond is accepted.

Depending on economic and feasibility considerations the reclamation plan will be modified to expand the footprint in the future.

The mining and reclamation activities on the 80 acres will progress as follows:

- Excavation of a section of the planned pit from the north to the south. The excavation will be the width of the planned area with a setback of approximately 50 feet on the east side and approximately 150 to 200 feet long, from the north to the south.
- Maximum final depth of the mine will vary between 25 and 40 feet of depth depending on the limit of usable material.
- Pit walls on the east side of the pit will be mined out on the angle of repose and ramps will be maintained to access the floor of the mine. Pit walls on the west side of the pit will be more less

vertical depending on the material characteristics. An exit ramp will be maintained on the north side of the pit.

- The access road into the pit area is on Perkins Aggregates Inc. property and will be a permanent access to the mine pit area.

2.4 POSTAGGREGATE MINING USE

2.4.1 Description of Total Future Disturbance

The Postaggregate mining land use will be designated as open space and possible resumption of cattle grazing. The Aztec Mine was and will continue to be a cattle ranch. The active mine site is fenced and will continue to be fenced off from the surrounding ranch. In the event of expansion of the active mine site, the perimeter fence will be expanded to encompass the modified footprint of the mine to restrict access to the active mine site from non-employees.

Concurrent reclamation will allow for utilizing the reclaimed portions of the mine for resumption of cattle grazing. Support of the livestock will naturally enhance the possibility of future wildlife habitat. Stock ponds, supplemental feed and restriction of public access will make the area more hospitable to wildlife.

2.4.2 Surrounding Area Land Use

- The area to the east of the mine site is an active aggregate process site.
- The area to the west of the property is residential with small mini-ranch properties.
- The area to the north of the active mine site is owned by Perkins Aggregates Inc. and is being used as a buffer around the active mine and will be developed as an irrigated farm in the future.

2.5 POSTAGGREGATE MINING RE-GRADING AND EROSION CONTROL

2.5.1 Description of Final Topography

The final topography for the reclaimed mine site will include pit walls with slopes no steeper than 3H:1V.

Process material stockpiles that may remain on site at the conclusion of the active mining phase will be removed and relocated to other process sites.

2.5.2 Slope Stability Evaluation

The pit geology is made up of 5 different types of material:

1. The top layer of material is sparsely vegetated soil with some native grass, indigenous weed and a few small cedar trees.
2. The 2nd layer is non-seed bearing material approximately 1 foot in depth comprised of small rock, sand and silt material.

AZTEC PIT RECLAMATION PLAN

3. The 3rd layer is comprised of approximately 4 to 6 feet of river rock, sand and some composite (caliche) type material.
4. The 4th layer is a bentonite type clay material approximately 4 feet in depth.
5. The 5th layer of material is another course of gravelly rock, sand and silt approximately 1 to 3 feet in depth.
6. The bottom of the pit is a sandstone cap.

Because of the depth of the excavation, slope stability in relation to fractures or slip failures will not be a factor.

2.5.3 Erosion Control Plan

The overburden (2nd layer) of material will be stockpiled around 3 sides of the perimeter of the active mine footprint.

Because of the levelness of the surrounding topography, storm events will not be an erosion factor. Run off will be naturally dissipated and absorbed into the ground or evaporated prior to any significant erosion.

2.6 POSTAGGREGATE MINING PLAN FOR STRUCTURES AND EQUIPMENT

2.6.1 Structures to be Removed

The site will have no permanent structures. Portable equipment that may be on site on an interim basis include:

- Impact Crusher
- Mobile Screen
- Excavator(s)
- Front End Loader(s)
- Haul Trucks
- Water Truck(s)
- Track Type Tractor

All equipment will be removed at the end of the reclamation project and will be utilized at other Perkins Aggregates Inc. properties.

2.6.2 Facilities, Wells and Improvements to be Reclaimed

The facilities for the Aztec mine are located off site and are permanent facilities apart from the mine site. This includes material storage, scales, dispatch office and mechanical/maintenance facility. The well located to the north of the mine site will be utilized for farming activities during and after reclamation is complete.

2.6.3 Access Restriction /Public Safety

The entire property has a perimeter fence with a locked gate located at the Northwest end of the property.

AZTEC PIT RECLAMATION PLAN

The active mining area has an additional fence around the perimeter of the 80 acre parcel to further restrict access.

There are signs at the entrance to the property and at the active mining area designating active mining and do not enter advisements. The sign at the entrance to the property further outlines dangers, hazards and restrictions to the mine site.

2.7 POSTAGGREGATE MINING ROAD RECLAMATION

2.7.1 Road Description

The mine currently has an unpaved road that leaves the Gene Taylor Blvd enters through the property gate and extends approximately $\frac{3}{4}$ of a mile into the pit area.

Post mining, the access road will be maintained for use in the farming/ranching activities.

In pit roads will be incorporated into the pit reclamation.

There will be negligible erosion from the road onto the property. The farm will prevent undue erosion.

The reclaimed pit will absorb the stormwater and the lower elevation of the pit area will eliminate off site run off.

2.8 SOIL CONSERVATION AND RE-VEGETATION

2.8.1 Topsoil Conservation Plan

The topsoil will be stored in a berm around the perimeter of the pit area, it will be segregated from the overburden as it is stored.

The overburden will be stockpiled around the edge of the pit area to be used for construction of the 3H:1V slopes.

The topsoil will be spread over the slopes and floor of the mined out portion as part of concurrent reclamation.

Care and maintenance of the reclaimed mine site will include annual inspections and monitoring of the integrity of the perimeter fencing.

2.9 CONCEPTUAL SCHEDULE FOR DISTURBANCE AND RECLAMATION

The conceptual schedule includes:

- Disturbance operations (exploration) are ongoing;
- Mining operations are anticipated to continue through approximately 2035.
- Reclamation activities will be concurrent with mining activities as the mining modules are completed.
- Reclamation of the final mined areas will be initiated immediately upon completion of the final mining module. The final reclamation is estimated to take approximately 30 days. Final reclamation should be completed within 2 months (60 days) of the start date.

- Final reclamation will be considered complete when ASMI has verified that the owner/operator has fulfilled the requirements of the approved reclamation plan.

2.10 PROBABLE FUTURE CONDITIONS

Operation of the aggregate pit will be based on several factors including economic viability, amount and quality of the resources, site-specific conditions and changing permitting constraints.

Changes to any of these factors may impact the mine profitability and can require modification of the mine plan which may require expansion, contraction or temporary cessation of mining activities.

The means and methods described in this Plan are based on the application of currently-available technologies and practices. Those technologies and practices may change, materials may become obsolete and not cost effective which would make the continued mining effort impracticable.

Factors affecting profitable operation or changes of means and methods may vary due to unanticipated or unknown future conditions, therefore the operator of the facility described in this Plan reserves the right to adapt their operations or plans to these changing, un-anticipated, or unknown future conditions to the extent that these operational changes do not cause substantial non-compliance with existing permits or authorizations.

2.11 ESTIMATED RECLAMATION COST

The unit costs developed for this Reclamation Plan are based on historical costs and estimates from a local civil contractor. The costs are for current equipment, manpower and material costs. These costs reflect the current cost of reclamation if the owner/operator could not or would not complete the required reclamation in house. The Contractor's Cost Estimate is included with the Estimated Reclamation Cost.

Material volumes and surfaces have been calculated using topographical maps and aerial topographical surveys. Material volumes were calculated using proprietary software and BCE (trimble estimating software). Surface areas were defined by planned projection of the outlined areas.

The estimated costs developed for this Reclamation Plan include:

- Earthwork and re-grading
- Removal of the mobile equipment
- Care and maintenance

A summary of the estimated reclamation costs is listed in Table 1 at the end of this section. The Contractor estimate of reclamation costs are detailed in Table 2. The Contractor's breakdown of the estimate is detailed in Table 3.

2.11.1 Pit walls Re-grading Cost

Pit walls will be backfilled with inert (overburden) material to the final reclaimed slope of 3H:1V as part of the concurrent reclamation plan. Postaggregate mining pit wall reclamation will consist of re-grading the last portion of the mine.

The total cost of the postaggregate mining pit wall reclamation is approximately: \$27,770.00.

2.11.2 Stockpile, Dumps and Fines Area Cost

Aggregate stockpiles are expected to be removed by the end of operations. No permanent rock or overburden dumps are expected on the Site after mining operations cease. The fines storage area reclamation will not require financial assurance.

There is no cost for this category.

2.11.3 Road Reclamation Cost

The in pit roads will be reclaimed along with the pit walls and floor, it will be concurrent reclamation and the cost will be included with the pit wall re-grading and reclamation cost.

2.11.4 Care and Maintenance Cost

Care and maintenance for the reclamation effort at this operation will consist of:

- Annual inspection of the Site.
- Preparation of the required annual report describing the site conditions.
- Trash removal if required.

Approximately 2 to 3 annual inspections are anticipated before the Site is released by the Arizona State Mine Inspector.

The cost of care and maintenance is estimated at \$3,000.00.

2.11.5 Construction Cost

There will be no construction on the active mine site. Any process equipment that will be on site will be portable and will require no construction efforts to install or remove.

2.11.6 Plant Removal Cost

The estimated costs for demobilizing the portable equipment will include transport costs for the following equipment:

- One impact crusher
- One portable screen

The cost of demobilization is estimated at \$2,500.00

2.11.7 Cost Adjustment

Cost Adjustment will be adjusted to adjust from 2023 pricing to estimated 2025 pricing on operating and material costs. The index factor supplied is the Consumer Price Index for the period 2023 through August 2025.

- CPI=1.05

The basis for adjustment is 2023=1.000. The factor indicates the prices (on average) will increase approximately 5% in the estimated 2 years of mine life on the 80 acre mine site. The (CPI) adjustment will not be added to the Administrative costs because it will be a fixed percentage of the operating and material costs.

Approximate cost of Cost Adjustment \$1,000.00.

** The Cost Adjustment is rounded up to simplify bond requirements.

2.11.8 Administrative Cost

The estimated administrative cost includes:

- Contingency;
- Mobilization/demobilization;
- Indirect costs;
- Contractor profit; and
- Contract administrative costs

The total estimated administrative cost is \$4,000.00

2.11.9 Total Reclamation Cost

The total estimated reclamation cost for this reclamation plan is \$38,270.00

TABLE 1. ESTIMATED RECLAMATION COST SUMMARY

SECTION	RECLAMATION ITEM	COST
2.11.1	Pit Walls Re-grading	\$27,770.00
2.11.2	Dumps and fine areas cost	Included
2.11.3	Road reclamation cost	Included
2.11.4	Care and Maintenance Cost	\$3,000.00
2.11.5	Construction Cost	0
2.11.6	Plant Removal Cost	\$2,500.00
2.11.7	Cost Adjustment	\$1,000.00
2.11.8	Administrative Cost	\$4,000.00
2.11.9	Total Reclamation Cost	\$38,270.00

TABLE 2: CONTRACTOR COST ESTIMATE

L AND E GRADE LLC
 HIGHWAY 180 A
 CONCHO, ARIZONA 85901

EQUIPMENT	UNIT	COST/UNIT	QTY/UNIT	SUBTOTAL	EST. HRS	LINE TOTAL
END DUMP	HOUR	\$ 180.00	3	\$ 554.00	22	\$ 11,880.00
FRONT END LOADER	HOUR	\$ 250.00	1	\$ 250.00	22	\$ 5,500.00
MOTOR GRADER	HOUR	\$ 185.00	1	\$ 185.00	4	\$ 740.00
WATER TRUCK	HOUR	\$ 135.00	1	\$ 185.00	22	\$ 4,400.00
SUPPORT VEHICLE	HOUR	\$ 75.00	1	\$ 75.00	22	\$ 1,650.00
CREW VEHICLE	HOUR	\$ 50.00	1	\$ 50.00	22	\$ 1,100.00
MOBILIZATION/DEMOBILIZATION	EACH	\$ 2,500.00	1	\$ 2,500.00	1	\$ 2,500.00
TOTAL						\$ 27,770.00

1. COST ESTIMATE APPLIES TO WORK REQUIRED TO COMPLY WITH ARIZONA STATE MINE INSPECTOR APPROVED RECLAMATION PLAN

2. COST ESTIMATE INCLUDES PROFIT, OVERHEAD AND ADMINISTRATIVE COSTS FOR L AND E GRADE LLC.

3. ESTIMATE OF HOURS REQUIRED IS BASED ON L AND E GRADE LLC. COMPLETING SLOPING, GRADING, LAY DOWN OF OVERBURDEN AND TOPSOIL IN THE PORTION OF THE AGGREGATE PIT THAT MAY NOT BE COMPLETED BY THE OWNER.

THIS ESTIMATE IS BASED ON CURRENT PRICES AND IS GOOD FOR 6 MONTHS AFTER ACCEPTANCE OF PROPOSAL, IF RECLAMATION IS REQUIRED AFTER THE 6 MONTHS THE CONTRACTOR RESERVES THE RIGHT TO ADJUST THE HOURLY COSTS TO ADAPT TO CHANGES IN ECONOMIC FACTORS.

TABLE 3

L AND E GRADE LLC

AZTEC RECLAMATION COST BREAK DOWN

OVERBURDEN BACK FILL TO CONSTRUCT 3H:1V RECLAIMED SLOPE

EQUIPMENT	CAPACITY CYDS	HRLY PRODUCTION	ESTIMATED QTY.	REQD HRS	COST/HR	SUBTOTAL COST
END DUMP	14	140	2389	18	\$ 180.00	\$3,240.00
END DUMP2	14	140	2389	18	\$ 180.00	\$3,240.00
END DUMP 3	14	140	2389	18	\$ 180.00	\$3,240.00
FRONT END LOADER	6	280	7168	18	\$250.00	\$4,500.00
WATER TRUCK	5000 GAL.	N/A	N/A	18	\$200.00	\$3,600.00

TOPSOIL BACKFILL

EQUIPMENT	CAPACITY CYDS	HRLY PRODUCTION	ESTIMATED QTY.	REQD HRS	COST/HR	SUBTOTAL COST
END DUMP 1	14	140	554	4	\$180.00	\$720.00
END DUMP 2	14	140	554	4	\$180.00	\$720.00
END DUMP 3	14	140	554	4	\$180.00	\$720.00
FRONT END LOADER	6	280	1663	4	\$250.00	\$1,000.00
MOTOR GRADER	N/A	280	1663	4	\$185.00	\$740.00
WATER TRUCK	5000 GAL.	N/A	N/A	4	\$200.00	\$800.00
SUPPORT VEHICLE	N/A	N/A	N/A	22	\$75.00	\$1,650.00
CREW VEHICLE	N/A	N/A	N/A	22	\$50.00	\$1,100.00
MOB/DE-MOB	N/A	N/A	N/A	N/A	N/A	\$2,500.00
TOTAL ESTIMATED COST						\$27,770.00

** FRONT END LOADER PRODUCTIVITY IS LIMITED BY TRUCK QUANTITY

**MOTOR GRADER PRODUCTION IS LIMITED BY TRUCK QUANTITY

3.0 FEES

The Reclamation Plan submittal fees is \$3,800.00 for Arizona State Mine Inspector submittal fees. A check covering this fee was submitted with the first submittal of this Plan.

4.0 FINANCIAL ASSURANCE

A surety bond will be the Financial Assurance Mechanism used to cover the estimated reclamation cost. The required bond insurance information needed to satisfy the requirements will be submitted under separate correspondence within 60 days of the Reclamation Plan being approved.

5.0 REFERENCES

Arizona Administrative Code, Title 11-Mines, Chapter 3. State Mine Inspector Aggregate Mined Land Reclamation, Articles 1-8

Arizona Revised Statutes, Title 27-Minerals, Oil and Gas, Aggregate Mined Land Reclamation, Articles 1-6

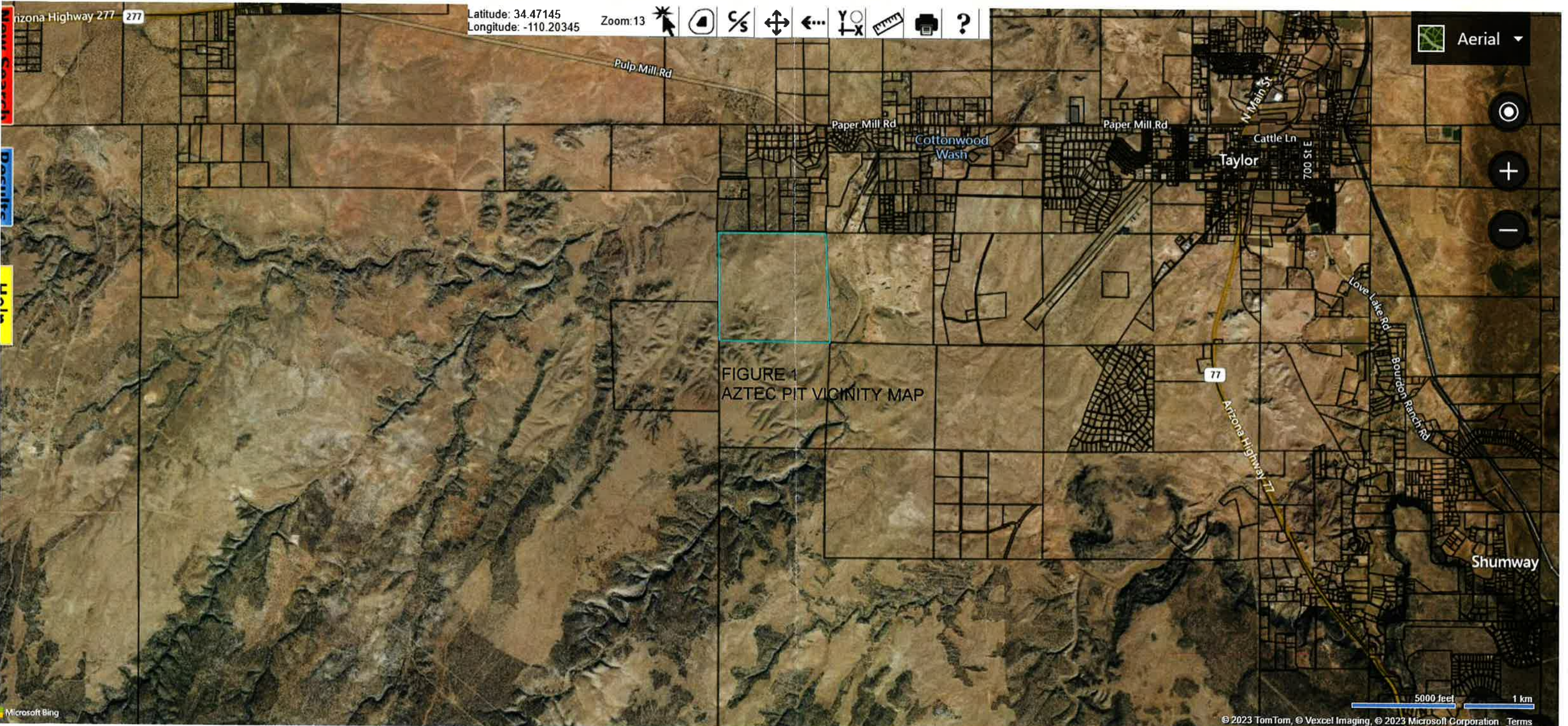
Navajo County Property Information Search website.

Wikipedia

Figure 1
Aztec Vicinity Map
(SEE ATTACHED MAP)

Property Information Search

View Full Screen Home Back to Search Page



Disclaimer: This is not a legal document, no liability assumed. Map prepared from available data, for information only.

Figure 2
EXISTING SITE CONTOURS
(SEE ATTACHED MAP)

NOTE

The **Gila and Salt River Meridian** intersects the initial point on the south side of the Gila River, opposite the mouth of Salt River, at latitude 33° 22' 37.82733" north, longitude 112° 18' 21.99931" west from Greenwich based on NAD 83, and governs the surveys in the territory of Arizona. The attached maps are based on NAD 83 Arizona East (ft).

AZTEC MINE EXISTING CONTOURS
FIGURE 2

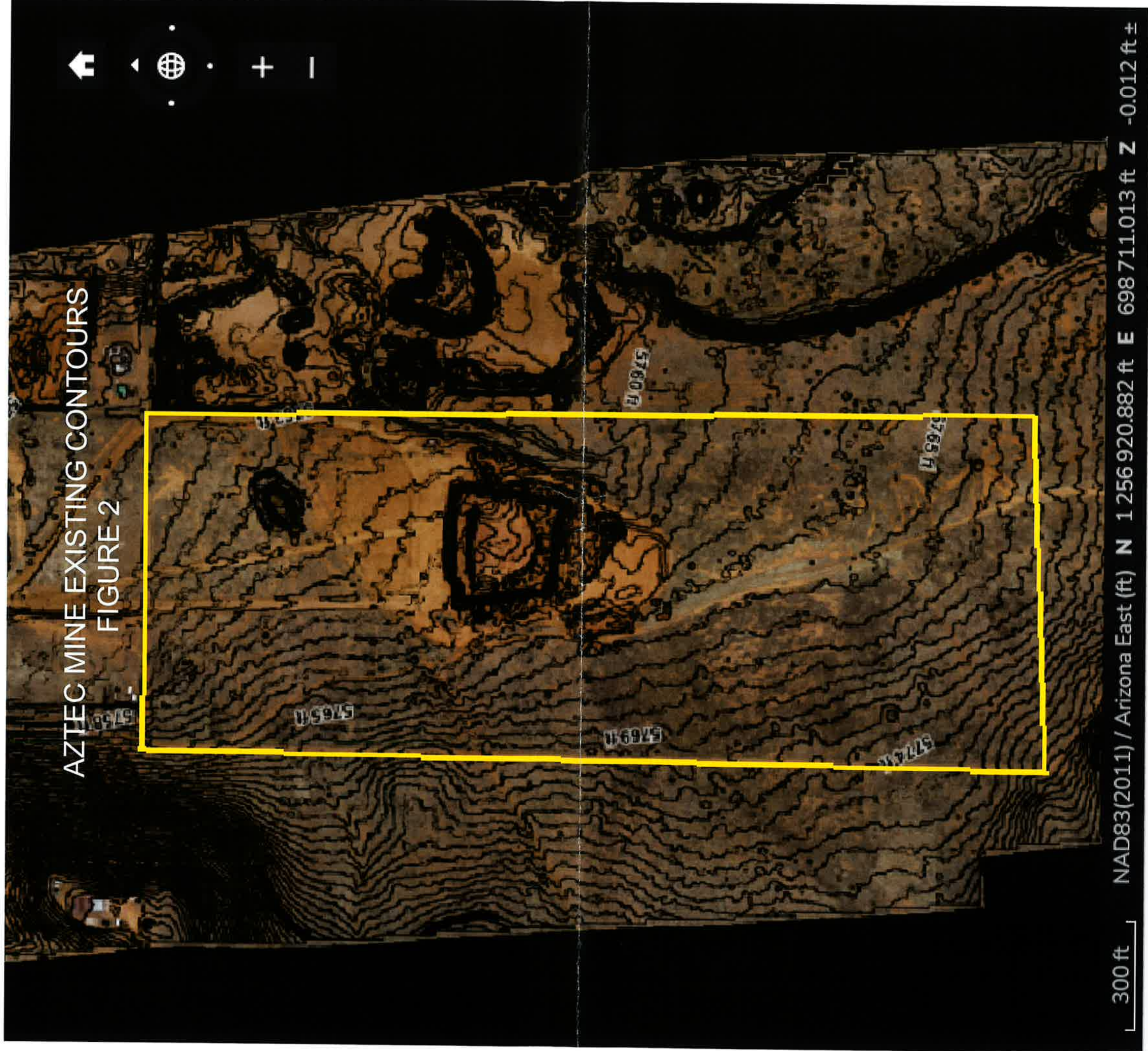


FIGURE 3
EXISTING SITE CONDITIONS
(SEE ATTACHED MAP)

AZTEC AGGREGATE PIT
EXISTING SITE CONDITIONS

1. No fish or wildlife habitats will be disturbed.



FIGURE 3

300 ft NAD83(2011) / Arizona East (ft) N 1 256 451.712 ft E 698 694.994 ft Z -0.012 ft

Figure 4
POSTAGGREGATE MINING CONTOURS
AND POST AGGREGATE MINE PLAN
(SEE ATTACHED MAP)

AZTEC MINE POST AGGREGATE MINE CONTOURS

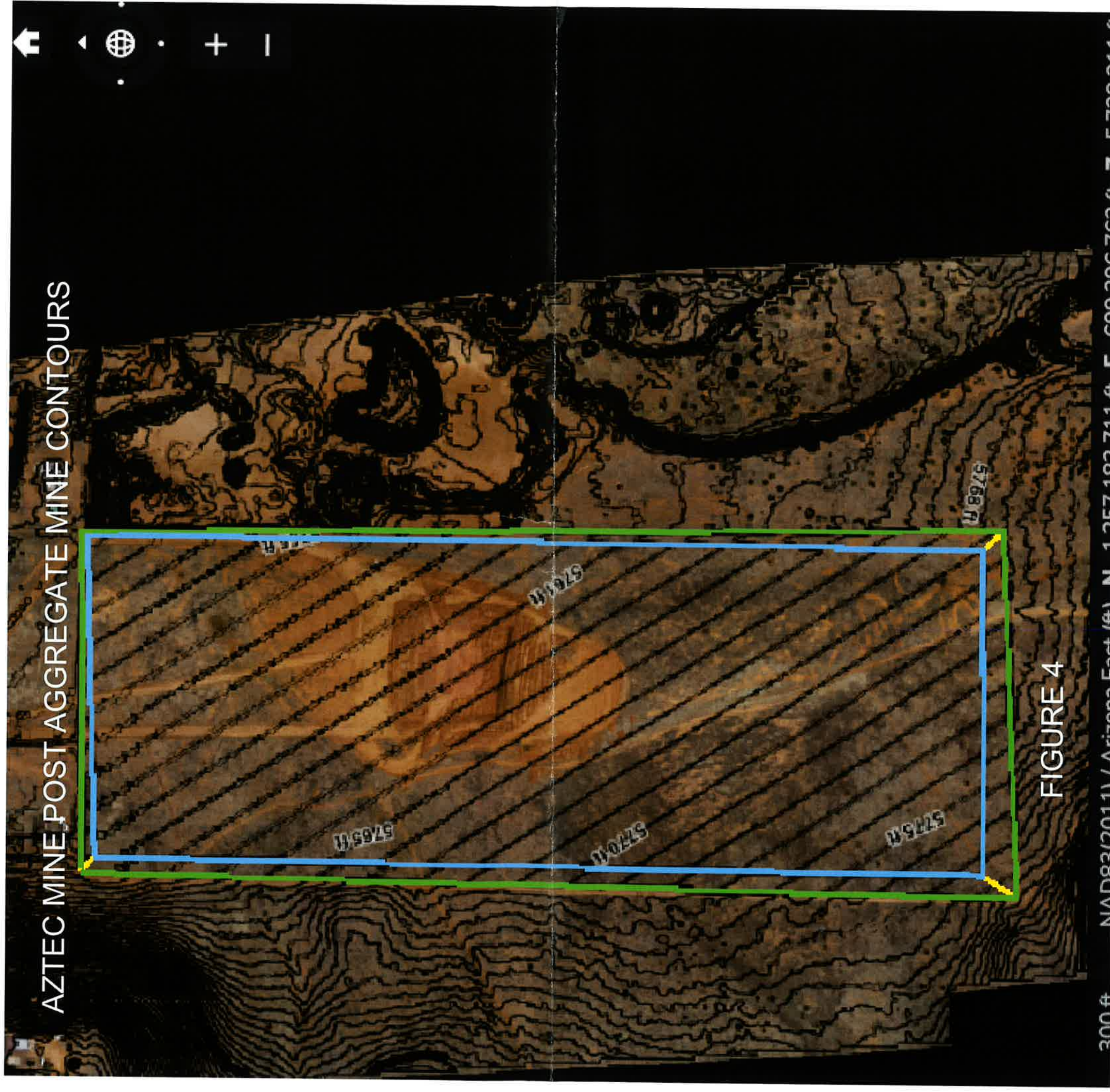


FIGURE 4

300 # NAD83(2011) / Arizona East (#) N 1257183.711 ft E 699296.763 ft 7 5728211 #

Figure 5
PIT MATERIAL/SLOPE MAKE UP

