Himes Consulting LLC

June 15, 2023
Reference No. 22-31

Arizona State Mine Inspector
Amanda Lothner, Reclamation Specialist
1700 W. Washington, Suite 403
Phoenix, AZ 85007-2805

Re: Reclamation Plan for Red Lake Properties, LLC Red Lake Material Source

Dear Ms. Lothner:

Enclosed please find one original and three copies of the Reclamation and Closure Plan for Red Lake Properties, LLC Red Lake Material Source, an existing aggregate mine north of Williams in Coconino County, AZ.

Cost estimate methodology follows the Reclamation Plan sample provided on the State Mine Inspector's website using contractor quotes. As each site is different, contractor quotes are much more accurate than using RS Means to price a small quantity of specific tasks. The production rates can be significant for a relatively small job and this will affect the unit prices since the contractor is responsible for the means & methods to perform the work. These are actual quotes to complete the work taking into account fluctuating gas prices and several other local economic factors.

Also enclosed is the $3,800 application fee. Please feel free to contact me in regards to any questions.

Sincerely,

Jill A. Himes

HIMES CONSULTING, LLC
Jill A. Himes

Cc: Mike Fann, Red Lake Properties, LLC

3301 W. Genoa Way • Chandler, AZ 85226 • Phone 480.899.5708 • Fax 480.659.4102 • jillhimes@cox.net

RECLAMATION AND CLOSURE PLAN

RED LAKE PROPERTIES, LLC

RED LAKE MATERIAL SOURCE

SUBMITTED TO THE STATE MINE INSPECTOR'S OFFICE FOR REVIEW AND APPROVAL IN ACCORDANCE WITH ARIZONA REVISED STATUTE TITLE 27 - CHAPTER 6 STATE MINE INSPECTOR AGGREGATE MINED LAND RECLAMATION

JUNE 2023

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1.0 ADMINISTRATIVE INFORMATION

Company:	Red Lake Properties, LLC
Contact:	Michael Fann Red Lake Properties, LLC P.O. Box 4356 Prescott, AZ 86302 (Office) 928-778-0170
Applicant:	Michael Fann Red Lake Properties, LLC P.O. Box 4356 Prescott, AZ 86302 (Office) 928-778-0170
Permit Technical Consultant:	Jill Himes, Himes Consulting LLC 3301West Genoa Way Chandler, AZ 85226 (480) 899-5708 (office) (602) 499-9253 (cell) jillhimes@cox.net
Landowner:	Red Lake Properties, LLC P.O. Box 4356 Prescott, AZ 86302 (Office) 928-778-0170
Parcel No:	500-04-010 & 500-04-002
Operator:	Fann Contracting, Inc.

2.0 INTRODUCTION

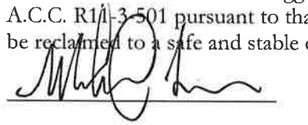
2.1 PURPOSE AND SCOPE

Red Lake Properties, LLC proposes to continue to conduct aggregate mining and processing at their property north of Red Lake in Coconino County, Arizona. The Red Lake Material Source is an existing aggregate mine located within Section 4, Township 24 North, Range 2 East, Gila and Salt River Meridian, Coconino County, Arizona.

The purpose of this Mine Reclamation and Closure Plan (MRCP) is to present the details of rehabilitation of the Red Lake Material Source in Coconino County, Arizona concurrent with or after mining operations have ceased in accordance with the Arizona Aggregate Mined Lands Act (AAMLRA) (Arizona Revised Statutes[A.R.S.] § 27-1201 as authorized by A.R.S. § 27-1204. This plan has been developed pursuant to the format and content prescribed in the Arizona Aggregate Mined Lands Reclamation Rules (Arizona Administrative Code {A.A.C}, R11-3-101, et seq.). The MRCP addresses environmental, technical and operational issues that are identified in those documents.

2.2 RECLAMATION STATEMENT OF RESPONSIBILITY

Red Lake Properties, LLC assumes responsibility for the reclamation of surface disturbances that are attributable to the aggregate mining unit consistent with A.R.S §. 27-1201 and A.C.C. R11-3-501 pursuant to that chapter. All areas that have been disturbed at the site will be reclaimed to a safe and stable condition when mine operations conclude.



6/6/23

Signature Date

MANAGING MEMBER

Title

2.3 RECLAMATION APPROACH

Red Lake Properties, LLC will reclaim areas surrounding and within the excavated areas necessary to accomplish the post-mining land use of open space. The goals of the mine plan and reclamation measures are to provide for a safe, stable, and sustainable site once mining has ceased. Reclamation will take place concurrently to the degree possible, but no later than the cessation of mining activities.

2.4 CURRENT OWNERSHIP AND LAND USE INCLUDED IN THE AGGREGATE MINING UNIT

Red Lake Properties, LLC is conducting aggregate mining and processing operations for commercial use at the Red Lake Material Source. The site boundary consists of 247 acres, and includes disturbed and undisturbed areas as shown in Table 1 below, and in Figure 3. The extraction/processing operation consists of mining to remove aggregate material as described in A.R.S. § 27-441. At the Red Lake Material Source, material is excavated, stockpiled, and processed onsite. Processing operations include a crusher, screen, and hot plant. Operations include excavation, stockpiling, loading, hauling, and processing. Access is from State Route 64 via an existing access road. Land use is currently open space and mining. A cell tower does occur within the property. Red Lake Properties, LLC has estimated the removal of up to 5.2 million cubic yards over a period of 30 years.

The project vicinity lies within the Great Basin Conifer Woodland vegetation community as described by Brown (1994). Vegetation is dominated by juniper (*Juniperus monosperma*) with shrub live oak (*Quercus turbinella*), pinyon pine (*Pinus edulis*), rabbitbrush (*Chrysothamnus nauseousus*), globe mallow (*Sphaeralcea ambigua*), and blue grama grass (*Bouteloua gracilis*) common. Russian thistle (*Salsola kali*) is also common.

The project site is not located within an Arizona Game and Fish Department Game Management Unit; however, the site is located immediately east of Game Management Unit 7W in the Flagstaff Regional District. This unit is managed for antelope, black bear, elk, Merriam's turkey, and mule deer. Wildlife and/or wildlife sign observed in the project vicinity include mourning dove (*Zenaida macroura*), common raven (*Corvus corax*), great-tailed grackle (*Quiscalus mexicanus*), and elk (*Cervus canadensis*).

Table 1
Existing Surface Disturbance

Feature	Acres
Access Roads	0.7
Truck Scales	0.5
Mining	40.6
Staging (Equipment/Parking)	13.1
Undisturbed	186.1
Total	241.0

2.5 PROPOSED POST-AGGREGATE MINING LAND USE

Proposed post-aggregate mining land use of the site is open space. Current nearby use is open space, railroad, and grazing.

2.6 DESCRIPTION OF THE AGGREGATE MINING UNIT AND PROPOSED SURFACE DISTURBANCES

Currently the site includes a pit area, existing access, mobile truck scales, and a staging area. The mobile crusher and hot plant are located within the pit area. Proposed surface disturbances include increasing the aggregate mining to a final disturbance of approximately 136.4 acres. The mining areas will extend to the north, east, and west over the life of the mine, as shown in Figure 4, with 3H:1V slopes incorporated into their mining plan. Stockpiles, the crusher area, fuel tanks, and hot plant are mobile and will move around within the pit area. Proposed surface disturbances are shown in Table 2 below. An existing cell tower does occur within the property; however the lease is not planned to be renewed, and it will be removed by the cell tower company.

Table 2
Proposed Final Surface Disturbance

Feature	Acres
Access Roads	0.7
Truck Scales	0.5
Mining Area	136.4
Staging Area (Equipment/Parking)	13.1
Undisturbed	90.3
Total	241.0

2.7 EXISTING AND PROPOSED FINAL TOPOGRAPHY

Existing topography and survey information is provided in Figure 3 attached. Existing elevations range from approximately 6,100 ft above mean sea level (msl) on the southern end of the site to approximately 6,160 ft above msl in the northern portion of the site. Proposed final elevations are shown in Figure 4 attached. Proposed final topography of the slopes will have an overall 3H:1V slope to provide a safe slope at the end of mine life.

2.8 A NARRATIVE DESCRIPTION OF ROADS

Existing roadways include a pre-existing private access from SR 64 through Sands Motor Company to access the parcel. The access splits into to entrance/exit access roads to the active operations. No change is planned to these access roads, as shown in Figures 3 and 4. Interior pit access may change over time as mining progresses.

2.9 ACREAGE AFFECTED BY EACH TYPE OF SURFACE DISTURBANCE

Area Descriptions:

2.9.1 Mining Area

Proposed surface disturbances include increasing the aggregate mining to a final disturbance of approximately 136.4 acres. The mining areas will extend to the north, east, and west over the life of the mine, as shown in Figure 4, with 3H:1V slopes incorporated into their mining plan. Stockpiles, the crusher area, fuel tanks, and hot plant are mobile and will move around within the pit area. Final build-out is shown in Figure 4. Stockpiles are planned to be sold by the end of mine life. All mobile equipment is used at multiple sites and will be removed at the end of each project.

2.9.2 Access Roads/Truck Scales

Existing roadways include a pre-existing private access from SR 64 through Sands Motor Company to access the parcel. The access splits into to entrance/exit access roads to the active operations. No change is planned to these access roads, as shown in Figures 3 and 4. Interior pit access may change over time as mining progresses. The truck scales along the roadway are mobile and would be removed for use at other sites prior to closure.

2.9.3 Staging Area (Equipment/Parking)

The staging area is located on the south side of the property and includes employee vehicle parking, equipment staging, and temporary parking for haul trucks when in use. A camp for employees (trailers) occurs on the west side of the staging area. This area is not proposed to increase in size and is currently approximately 13.1 acres (excluding access roads and the truck scale).

3.0 RECLAMATION

3.1 EQUIPMENT AND STRUCTURE REMOVAL

There are no permanent structures onsite – mobile equipment including the crusher, hot plant, screens, and fuel tanks are used at multiple sites and removed at the end of each project. The haul trucks are kept off-site apart from temporary parking when in use. There are no buildings or structures proposed to be located on the site.

3.2 ROADS, POWER LINES, WATERLINES AND FENCES

Access roads will be retained for use, as shown in Figure 4. There are no powerlines that occur within the site. There are no waterlines within the site. Existing fencing is limited to the SR 64 right of way fence; however, as no hazardous conditions will remain at the end of reclamation, additional fencing is not proposed per landowner request. Boulders will be placed at the mining entrance at the end of mine life to prevent vehicular access, as is done when the mine is not in use.

3.3 AREA PREPARATION

Post-mining, the disturbed areas will be re-graded and scarified to promote natural revegetation, as shown in Figure 5. These areas include the mining area and slopes and staging area, including roads.

3.4 SLOPE STABILIZATION

Mining incorporates 3H:1V slopes or flatter to result in stability for the area. No additional physical stabilization will be necessary after mining.

3.5 SOIL CONSERVATION

Natural revegetation on previously disturbed areas in the vicinity has been previously successful. Natural revegetation of the disturbed areas is therefore reasonably expected to be successful without soil amendments. Due to the hilly terrain, very little topsoil occurs.

3.6 REVEGETATION

To promote natural revegetation, scarification will be conducted within the disturbed areas to support the open space land use of the site. Since these areas are not proposed to support grazing, fish or wildlife habitat, forestry or recreation post-mining land uses, proposed

measures to encourage fish and wildlife habitat are not required to be described further in accordance with A.R.S. §27-1271 (B)(9d).

3.7 THE PROPOSED RECLAMATION MEASURES TO ACHIEVE POST MINE LAND USE AND PUBLIC SAFETY

A. What measures will restrict public access to pits or other hazardous surface features?

As the mined slopes are proposed at 3H:1V, no hazardous surface features are anticipated to remain after reclamation. Fencing is not proposed per landowner request. In addition, all scrap metal, wood, trash and other debris that pose a threat to public safety or create a public nuisance will be removed from the project site.

B. What measures will be taken to address erosion control and stability?

Site-specific grading shall be conducted, as necessary, to address erosion. No permanent piles of mined material or overburden will remain. Slope stability at a 3H:1V slope is incorporated into the mining plan.

C. What measures will be taken to address revegetation, conservation, and the care and monitoring of revegetated areas?

Scarification would promote natural revegetation which occurs in the region. As revegetation is not proposed, monitoring of revegetated areas is not required.

3.8 TIMELINE AND PHASING OF RECLAMATION

Mining will begin immediately upon approval. In accordance with A.R.S. § 27-926, reclamation & monitoring will be completed within one year of cessation of mining. Proposed tentative schedule includes:

- Mining operations are anticipated to continue for 30 years until 2053.
- Reclamation will commence immediately upon completion of mining operations and is estimated to be completed within one year (estimated 2054).
- Year 1 includes grading, fill, scarification to promote natural revegetation, placement of boulders, and annual monitoring (trash removal, natural revegetation monitoring).
- Reclamation will be deemed complete once the reclaimed surfaces have been regraded to a safe and stable condition, scarification has been conducted, and ASMI verifies that the owner or operator has fulfilled the requirements of the approved reclamation plan.

3.9 RECLAMATION COSTS – FINANCIAL ASSURANCE

All reclamation costs will be wholly born by the applicant. Financial surety will be obtained by bonding.

4.0 MINE CLOSURE

4.1 MINING AREAS

Reclamation of the mining area will commence immediately upon closure of mining operations. There will be no substantial period between operation and reclamation.

4.2 PROCESSING AND OTHER AREAS

Stockpile areas will be removed by the end of mine life. Mobile processing units are frequently moved to other off-site locations and will be removed prior to closure. Reclamation will commence immediately upon completion of mining operations. There will be no substantial period between operation and reclamation.

4.3 PERSONNEL

Personnel employed at this site will be re-assigned to other job sites if possible or assigned to assist with the reclamation process and then re-assigned.

4.4 MONITORING

The closure of operations at this site will be monitored in accordance with the approved conditions of this plan in accordance with the Arizona State Mine Inspector's Office. During reclamation, monitoring will occur annually to remove trash and conduct a general inspection.

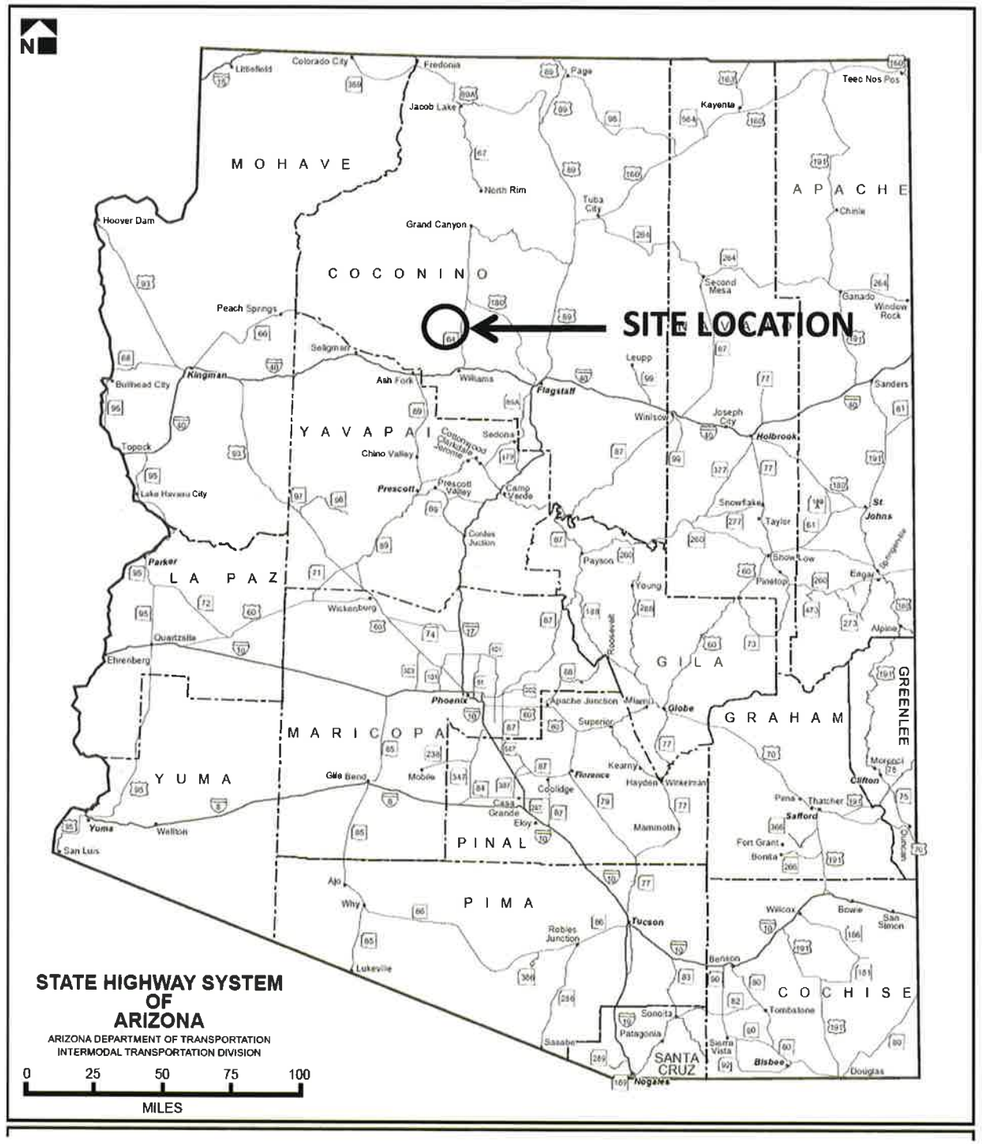


Figure 1. State Map.
Red Lake Material Source.
Coconino County, AZ.

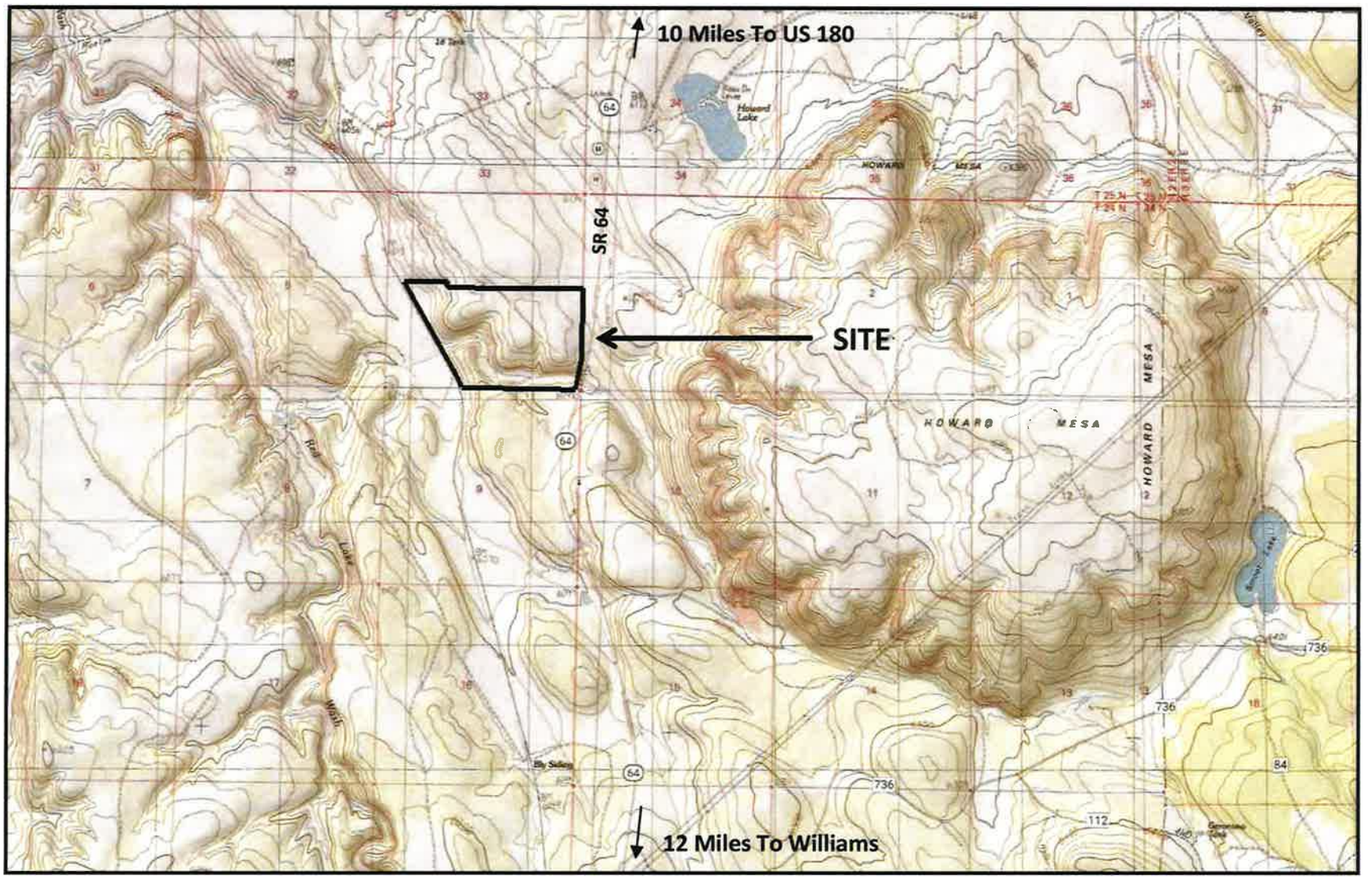


Figure 2. Project Vicinity Map.
Red Lake Material Source.
Coconino County, AZ.

0 1 Mile

Base Maps: USGS 7.5-Minute Quad Map: Howard Mesa, AZ and Howard Lake, AZ..

RED LAKE MATERIAL SOURCE

Existing Cell tower

APN 500-04-002

Existing Condition

APN 500-04-010

Existing RoW fence

Great Basin Conifer Woodland

Crusher Area
Hot Plant area
Fuel Storage
Stockpile area.
Truck Scales
Access roads

0 ft 500 ft 1000 ft 1500 ft

Pit Floor

Current Disturbance Area

Staging & Parking

Existing Disturbed Area.

Access

Pre-existing Access

To Williams

Part of S. ½ Sec. 4
Twp. 24 N. & Range 2 E
G. & S. R. B. & M.

Figure 3

RED LAKE PROPERTIES, LLC

By Greg Gentsch, P.E.
June 12, 2023

RED LAKE MATERIAL SOURCE

Cell tower – lease will not be renewed & tower to be removed

APN 500-04-002

APN 500-04-010

Proposed Condition

Pit Floor

Existing Disturbed Area – 14.3 ac.

3H:1V

3H:1V

3H:1V

3H:1V

Existing RoW fence

Pre-existing Access

To Williams

Grand Canyon Rd. 6120 ft

6180 ft

6150 ft

6120 ft

6100 ft

6090 ft

6070 ft

6060 ft

6050 ft

6040 ft

6030 ft

64

roadway

N

Great Basin Conifer Woodland

Crusher Area
Hot Plant area
Fuel Storage
Stockpile area.
Truck Scales
Access roads

500 ft 1000 ft 1500 ft

Part of S. ½ Sec. 4
Twp. 24 N. & Range 2 E
G. & S. R. B. & M.

Figure 4

RED LAKE PROPERTIES, LLC

By Greg Gentsch, P.E.
June 12, 2023

RED LAKE MATERIAL SOURCE

APN 500-04-002

APN 500-04-010

Total Area of Disturbance = 150.7 acres

Final Reclamation

3H:1V

3H:1V

3H:1V

3H:1V

Pit Floor

Flat area to be scarified

Existing RoW fence

Block access to pit with boulders

Regraded & Scarified Area

Pre-existing Access

To Williams

Great Basin Conifer Woodland

Part of S. ½ Sec. 4
Twp. 24 N. & Range 2 E
G. & S. R. B. & M.

6180 ft
6150 ft
6120 ft
6100 ft
6090 ft
6080 ft
6060 ft
6050 ft
6040 ft
6030 ft
6200 ft
6180 ft

Grand Canyon Rim 6120 ft

64 roadway

N

500 ft 1000 ft 1500 ft

Figure 5

RED LAKE PROPERTIES, LLC

By Greg Gentsch, P.E.
June 12, 2023

APPENDIX 1

RECLAMATION COST ESTIMATE

RED LAKE MATERIALSOURCE
Reclamation Construction Estimate

6/12/2023

Red Lake Material Source - S 1/2 of Section 4, T 24 N, R 2 E, G&SRB&M, Coconino County, Arizona

Excavation areas will be graded and scarified.

As there are no concrete pads or infrastructure at the site, no removals will be needed.

Unit price quotes are provided by Total Maintenance Erosion Control, LLC; TMEC is a DBE Contractor on several State projects in Phoenix & Northern AZ.

Proposed Reclamation Cost Estimation Summary - WorkSheet

Reclamation Item	Units	Description	Suggested Cost	Number of Units	Reclamation Cost	Reference
Mining Area						
	Acre	Grading & Scarifying	$ 715	136.4	$ 97,526	TMEC Quote
	Acre	Revegetation Cost (Disc)			$ -	
	Acre	Revegetation Cost (Hydro-seed)			$ -	
	Each	Containerized Trees and Shrubs			$ -	
Roads & Parking Areas						
(Roads with Side Slope < 30%)	Linear Ft.	Re-Grading and Topsoiling Costs			$ -	
(Roads with Side Slope >30%)	Linear Ft.	Re-Grading and Topsoiling Costs			$ -	
	Acre	Grading & Scarifying	$ 715	14.3	$ 10,220	TMEC Quote
	Acre	Revegetation Cost (Hydro-seed)			$ -	
Structures						
(Break-up and bury Slab)	Sq. Ft.	Demolition & Removal - Metal Building			$ -	
(Break-up and bury Slab)	Sq. Ft.	Demolition & Removal - Masonry Block Building			$ -	
(Break-up and bury Slab)	Sq. Ft.	Demolition & Removal - Concrete Building			$ -	
	Linear Mile	Powerline Removal (Single Pole Utility)			$ -	
	each	Transformer Removal			$ -	
	Linear Ft.	Demolition - Chain Link Fencing			$ -	
	Linear Ft.	Demolition - Barb Wire Fencing (3 strand)			$ -	
	Linear Ft.	Removal - 15" Culvert			$ -	
	Linear Ft.	Removal - 36" Culvert			$ -	
	Each	Processing Equipment Removal			$ -	
Construction						
	Linear Ft.	Construction - Fencing			$ -	
	Sq. Yard	Install Berm and/or Rock Barrier	$ 40.00	200.0	$ 8,000	TMEC Quote
Material Haulage for Backfill						
	Cu. Yard	Truck and Loader - 2000Ft. One Way			$ -	
	Cu. Yard	Dozer and Scraper - 1000Ft. One Way			$ -	
Care and Maintenance						
*includes fuel storage area	Each	Processing Area Cleanup	$ 2,500.00	1.0	$ 2,500	TMEC Quote
	Annual	Site Monitor and Reporting	$ 750	1.0	$ 750	P.E. estimate
		Estimated Reclamation Operating and Material (O&M) Cost Sub-Total =			$ 118,996	
Administrative Costs						
	% of O&M Cost	Contingency	10%		$ 11,900	
	% of O&M Cost	General Mobilization / De-Mobilization	4%		$ 4,760	
	% of O&M Cost	Indirect costs	2%		$ 2,380	
	% of O&M Cost	Contractor Profit	10%		$ 11,900	
	% of O&M Cost	Contract Administation	10%		$ 11,900	
		Total Estimated Financial Assurance Amount =			$ 161,835	

PREPARED BY: Greg Gentsch, P.E.