

APR 05 2024



Himes Consulting LLC

April 2, 2024
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 two copies of the revised cost estimate for the Reclamation and Closure Plan for the Red Lake Material Source in response to your January 8, 2024 Technical Comments. The cost estimate has been updated to use the ARPA rates in response to comments.

Please feel free to contact me in regards to any questions.

Sincerely,

A handwritten signature in cursive script that reads "Jill A. Himes".

HIMES CONSULTING, LLC
Jill A. Himes

Cc: Michael Fann, Red Lake Properties, LLC

TABLE 2

STATE MINE INSPECTOR

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Reclamation Cost Estimate
RED LAKE MATERIAL SOURCE

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

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

Proposed Reclamation Cost Estimation Summary - WorkSheet

Reclamation Item	Units	Description	Suggested Cost	Number of Units	Reclamation Cost
Pit Walls and Floor					
	Cu. Yd.	Re-Grading and Topsoiling Costs	0.53		\$ -
	Acre	Revegetation Cost (Disc)	728.40	136.4	\$ 99,400
	Acre	Revegetation Cost (Hydro-seed)	1,410.00	-	\$ -
	Each	Containerized Trees and Shrubs	12.00	-	\$ -
Processing and Stockpile Area					
	Acre	Re-Grading and leveling	728.40		\$ -
	Acre	Revegetation Cost (Disc) *	728.40	-	\$ -
	Acre	Revegetation Cost (Hydro-seed)	1,410.00	-	\$ -
	Each	Containerized Trees and Shrubs	12.00	-	\$ -
Roads (Access & Parking)					
(Roads with Side Slope < 30%)	Linear Ft.	Re-Grading and Topsoiling Costs	2.04		\$ -
(Roads with Side Slope >30%)	Linear Ft.	Re-Grading and Topsoiling Costs	3.12		\$ -
	Acre	Regrading - Ripping	728.40	14.3	\$ 10,400
	Acre	Revegetation Cost (Hydro-seed)	1,410.00		\$ -
Structures					
(Break-up and bury Slab)	Sq. Ft.	Demolition & Removal - Metal Building	4.08		\$ -
(Break-up and bury Slab)	Sq. Ft.	Demolition & Removal - Masonry Block Building	4.20		\$ -
(Break-up and bury Slab)	Sq. Ft.	Demolition & Removal - Concrete Building	19.03		\$ -
	Linear Mile	Powerline Removal (Single Pole Utility)	12,000.00		\$ -
	each	Transformer Removal	6,000.00		\$ -
	Linear Ft.	Demolition - Chain Link Fencing	4.16		\$ -
	Linear Ft.	Demolition - Barb Wire Fencing (3 strand)	2.33		\$ -
	Linear Ft.	Removal - 15" Culvert	12.35		\$ -
	Linear Ft.	Removal - 36" Culvert	20.58		\$ -
(Break-up and remove)	Sq. Ft.	Demolition - Concrete Pads/Roads 12" Thickness	8.14		\$ -
Construction					
	Linear Ft.	Construction - Barb Wire Fencing (3 strand)	2.26		\$ -
	Sq. Yard	Install Rip Rap Erosion Lining	28.50		\$ -
Material Haulage for Backfill					
Miscellaneous Leveling	Cu. Yard	Truck and Loader - 2000Ft. One Way	1.24	3,300	\$ 4,100
	Cu. Yard	Dozer and Scraper - 1000Ft. One Way	0.86		\$ -
Cnre and Maintenance					
	Ton	Trash Disposal	72.00	2	\$ 100
	Annual	Site Monitor and Reporting	2,400.00	1	\$ 2,400

Estimated Reclamation Operating and Material (O&M) Cost Sub-Total = \$ 116,400

Administrative Costs					
% of O&M Cost		Contingency	10%		\$ 11,600
% of O&M Cost		General Mobilization / De-Mobilization	4%		\$ 4,700
% of O&M Cost		Indirect costs	2%		\$ 2,300
% of O&M Cost		Contractor Profit	10%		\$ 11,600
% of O&M Cost		Contract Administration	10%		\$ 11,600

Total Estimated Financial Assurance Amount = \$ 158,200

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**Aggregate Mining Unit Operation
Proposed Reclamation Cost Estimation Summary**

Inflation 20%

Reclamation Item	Units	Description	2006 Typical Cost Range	Recommended Cost	2024 Typical Cost Range	Recommended Cost
Pit Walls						
	Cu. Yd.	Re-Grading and Topsoiling Costs	\$ 0.39 - \$ 0.55	\$ 0.44	\$ 0.47 - \$ 0.66	\$ 0.53
	Acre	Revegetation Cost (Disc)	\$ 600 - \$ 900	\$ 607	\$ 720.00 - \$ 1,080.00	\$ 728.40
	Acre	Revegetation Cost (Hydro-seed)	\$ 1,175 - \$ 1,372	\$ 1,175	\$ 1,410.00 - \$ 1,646.40	\$ 1,410.00
	Each	Containerized Trees and Shrubs	\$ 5 - \$ 30	\$ 10	\$ 6.00 - \$ 36.00	\$ 12.00
Stockpiles, Overburden or Fines Areas						
	Cu. Yd.	Re-Grading and Topsoiling Costs	\$ 0.39 - \$ 0.55	\$ 0.44	\$ 0.47 - \$ 0.66	\$ 0.53
	Acre	Revegetation Cost (Disc)	\$ 600 - \$ 900	\$ 607	\$ 720.00 - \$ 1,080.00	\$ 728.40
	Acre	Revegetation Cost (Hydro-seed)	\$ 1,175 - \$ 1,372	\$ 1,175	\$ 1,410.00 - \$ 1,646.40	\$ 1,410.00
	Each	Containerized Trees and Shrubs	\$ 5 - \$ 30	\$ 10	\$ 6.00 - \$ 36.00	\$ 12.00
Roads (Access)						
(Roads with Side Slope < 30%)	Linear Ft.	Re-Grading and Topsoiling Costs	\$ 1.21 - \$ 1.70	\$ 1.70	\$ 1.45 - \$ 2.04	\$ 2.04
(Roads with Side Slope > 30%)	Linear Ft.	Re-Grading and Topsoiling Costs	\$ 2.55 - \$ 5.42	\$ 2.60	\$ 3.06 - \$ 6.50	\$ 3.12
	Acre	Revegetation Cost (Disc)	\$ 600 - \$ 900	\$ 607	\$ 720.00 - \$ 1,080.00	\$ 728.40
	Acre	Revegetation Cost (Hydro-seed)	\$ 1,175 - \$ 1,372	\$ 1,175	\$ 1,410.00 - \$ 1,646.40	\$ 1,410.00
Structures						
(Break-up and bury Slab)	Sq. Ft.	Demolition & Removal - Metal Building	\$ 3.03 - \$ 3.40	\$ 3.40	\$ 3.64 - \$ 4.08	\$ 4.08
(Break-up and bury Slab)	Sq. Ft.	Demolition & Removal - Masonry Block Building	\$ 3.50 - \$ 6.06	\$ 3.50	\$ 4.20 - \$ 7.27	\$ 4.20
(Break-up and bury Slab)	Sq. Ft.	Demolition & Removal - Concrete Building	\$ 15.86 - \$ 87.34	\$ 15.86	\$ 19.03 - \$ 104.81	\$ 19.03
	Linear Mile	Powerline Removal (Single Pole Utility)	\$ 10,000 -	\$ 10,000	\$ 12,000.00 -	\$ 12,000.00
	each	Transformer Removal	\$ 5,000 -	\$ 5,000	\$ 6,000.00 -	\$ 6,000.00
	Linear Ft.	Demolition - Chain Link Fencing	\$ 3.47 -	\$ 3.47	\$ 4.16 -	\$ 4.16
	Linear Ft.	Demolition - Barb Wire Fencing (3 strand)	\$ 1.94 - \$ 1.96	\$ 1.94	\$ 2.33 - \$ 2.35	\$ 2.33
	Linear Ft.	Removal - 15" Culvert	\$ 10.29 -	\$ 10.29	\$ 12.35 -	\$ 12.35
	Linear Ft.	Removal - 36" Culvert	\$ 17.15 -	\$ 17.15	\$ 20.58 -	\$ 20.58
(Break-up and bury)	Sq. Ft.	Demolition - Concrete Pads/Roads 12" Thickness	6.78 -	\$ 6.78	\$ 8.14 -	\$ 8.14
Construction						
	Linear Ft.	Construction - Barb Wire Fencing (3 strand)	\$ 1.88 - \$ 4.51	\$ 1.88	\$ 2.26 - \$ 5.41	\$ 2.26
	Sq. Yard	Install Rip Rap Erosion Lining	\$ 23.75 - \$ 54.69	\$ 23.75	\$ 28.50 - \$ 65.63	\$ 28.50
Material Haulage for Backfill						
	Cu. Yard	Truck and Loader - 2000Ft. One Way	\$ 1.03 - \$ 1.12	\$ 1.03	\$ 1.24 - \$ 1.34	\$ 1.24
	Cu. Yard	Dozer and Scraper - 1000Ft. One Way	\$ 0.50 - \$ 0.72	\$ 0.72	\$ 0.60 - \$ 0.86	\$ 0.86
Care and Maintenance						
	Ton	Trash Disposal	\$ 55.00 - \$ 65.00	\$ 60.00	\$ 66.00 - \$ 78.00	\$ 72.00
	Each	Site Monitor and Reporting	\$ 1,500 - \$ 3,000	\$ 2,000	\$ 1,800.00 - \$ 3,600.00	\$ 2,400.00

Estimated Reclamation Operating and Material (O&M) Cost Sub-Total

Est. Reclamation Operating & Material (O&M) Cost Sub-Total

Administrative Costs			
% of O&M Cost	Contingency	7% - 20%	10%
% of O&M Cost	General Mobilization / De-Mobilization	1% - 5%	4%
% of O&M Cost	Indirect costs	2% - 30%	2%
% of O&M Cost	Contractor Profit	9% - 12%	10%
% of O&M Cost	Contract Administration	10% - 18%	10%

7% - 20%	10%
1% - 5%	4%
2% - 30%	2%
9% - 12%	10%
10% - 18%	10%

Total Estimated Financial Assurance Amount

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