RESPONSES TO ADEQUACY REVIEW #4

Exhibit L – Reclamation Costs

1. Figure 4-1 shows that the upper section of the lower pit will be regraded entirely using cut/fill material, rather than backfilled as described in the Reclamation Plan. Please clarify that highwalls can be regraded using cut/fill method to a 3H: 1V slope without increasing the existing affected lands boundary. (An increase to the affected acreage would require an amendment to the permit, per Rule 1.1(6))
   (RESPONSE) Through correspondence with DRMS of 10/31/2024, the approach is to bond cut/fill even if it would expand the affected land boundary. The current bonding estimate covers the cost and volume to regrade the lower pit entirely using cut/fill material in the event of unplanned cessation of operations and bond forfeiture, as opposed to backfilled material generated in ongoing operations as described in the Reclamation Plan.

2. Based on Figures 1-1, 4-1 through 4-4, it appears that the topsoil stockpile and waste dump area to the west of the Lower Pit and the waste dump to the east of the Upper Pit is not proposed to be revegetated. Please clarify that these areas will be revegetated, and their acreage is included in the revegetation costs.
   (RESPONSE) Figures 1-1, 4-1 through 4-4 depict existing areas where revegetation efforts have occurred. The maps are brought forward from the existing Plan of Operations to portray the individual highwall locations within the Upper and Lower pits. Disturbed areas that have yet to undergo revegetation are included within the current bonding estimate.

Exhibit E – Reclamation Plan

3. The Reclamation Plan 3.0 states “Culverts would be removed and native drainage channels would be re-established at pre construction grades” However culverts on the bonding spreadsheet are noted as being capped with concrete on either end and backfilled. Please clarify which method will be utilized and update Exhibits accordingly.
   (RESPONSE) The approach included within the current bonding estimate is to concrete cap and backfill the culverts, clarifying verbiage is added to Exhibit L.

4. The Reclamation Plan 3.2 states that each of the three pits will be backfilled using overburden or interburden from other pits. Similar phrasing is also present in section 3.3. This appears to be inconsistent with how Exhibit L is calculated. Backfilling would require transporting material to the pit or having a stockpile placed above the highwall that could be pushed down. Neither of these scenarios currently exist. Please revise either Exhibit E or Exhibit L to provide consistency in how reclamation will be achieved on site.
   (RESPONSE) Clarification added to the introduction section of Exhibit L to state that costs provided represent the most expeditious way to close the site if mining immediately ceased. However, the reclamation plan is the intended way reclamation will occur over 40+ years. This explains why the two exhibits are different.

5. The Reclamation Plan 3.2 states “haul roads would be regraded using cut-to-fill methods” however Exhibit L 4.3 and the bonding spreadsheet state “n/a, no regrading of roadways” and only have ripping, topsoiling and revegetation. Please either revise the Reclamation

Plan or provide input data and costs for contouring of roadways, ensuring consistency between Exhibits E and L.

(RESPONSE) Upper Pit Road is the only existing road that exceeds the reclamation slope requirement and regrading is included within the bonding estimate for this area. Additional clarification comments are added to the estimate sheet and Exhibit L.

6. Section 3.7 states seeding methods will be hydroseeding. However, the bonding spreadsheets state drill seeding. Please clarify which method will be utilized and update exhibits accordingly.
    a. Are the seeding rates provided in Table 3.2 for drill seed or hydroseed? Note that all methods other than drill seeding shall be at double the drill seeding rate.

(RESPONSE) Titling of the activity for reseeding is corrected. Hydroseeding is utilized within the bonding estimate and the seeding rates are representative for such. Utilized rates reflect hydroseeding.

Bonding Spreadsheet

7. Exhibit L - Table 2.1 references using a CAT 815F compactor for compacting topsoil however the bonding spreadsheet states: “scope is included with grading”. Only a D10 is used for grading topsoil. Please include a task for compacting topsoil as stated in Exhibit L and Section 3.6 of Exhibit E.

(RESPONSE) Topsoil will be track-walk compacted by the D10 dozer. CAT 815F is now excluded from Table 2.1 and the estimate.

8. For task A1001 no contouring has been included prior to the application of topsoil. The number of cubic yards to be graded in the topsoil task A1004 does not account for additional grading as indicated in the Summary Notes section. Slopes for the Stockpile Staging Area are greater than 2.5H: 1V and require grading. Please provide data (create task(s)) to address this area.

(RESPONSE) After reviewing the topography data, it appears that the slopes for the stockpile staging area are within the reclamation limitations. After further discussions with DRMS on 12/02/2024, a general approach to include a recontouring allowance to smooth/blend the topography of this area is recommended. An allowance of 3,000 CY has been added to the estimate within task A1001.

9. Task A1003 hauling topsoil for the Stockpile Staging Area. 13,000 CY of topsoil is to be hauled. 4.9 ac at 6” deep is only 3,952 CY. In the additional 9,048 CY of material hauled actually overburden for grading? If so, please create a separate task A1000 for the hauling of overburden with its own unique inputs.
    a. Task A1001 for grading of this material should also be created.

(RESPONSE) Currently there is 13,000 CY of topsoil stockpiled onsite. The area utilization breakout of the stockpiled volume is the following: Stockpile Staging Area (1,988 CY), Main Haul Rd (7,248 CY), and the Lower Pit Rd (3,764 CY). Each area has an associated hauling topsoil task incorporated into the estimate, therefore the stated 9,048 CY of additional material to be hauled is found in the Main Haul Rd and Lower Pit Rd associated tasks. In addition, topsoil will follow the 50:50 blend with overburden material, therefore stockpile quantities are halved for an area (i.e. Stockpile Staging Area Topsoil @ 4.9 ac at 6” deep is

approximately 1,988 CY, opposed to 3,952 CY). Grading/Reveg tasks included for the Stockpile Staging Area.

10. Task A1004 is only grading 1,988 CY of topsoil while 13,000 CY was transported. There is no support dozer on the trucking task therefore the full transported volume would need to be graded. Please justify why a lesser volume is proposed to be graded or adjust the task accordingly.
    (RESPONSE) Agreed. Broken links within the estimate are corrected.

11. What is the unit cost for topsoil material by CY delivered to the site? Please provide documentation of the quoted amount.
    (RESPONSE) A revised quote was received that sources the material closer to the site, a pdf of the correspondence is included. Topsoil price: $70/CY.

12. Except for Task A1003 and A1004, 3" of topsoil is to be imported from a 3rd party. However, this task does not address grading and blending of the other 3" of material sourced on site to create the 6" of topsoil as required by the Reclamation Plan.
    a. If stockpiles are not immediately adjacent there should be a truck hauling task for the 3" of on-site topsoil material.

    (RESPONSE) Haulage tasks have been included within the estimate for the on-site topsoil material.

13. Task A4003 states "n/a, topsoil sourced 3rd party, delivered within 100' of final placement" however a cost of $3,564.19 is attributed to transporting 7,248 CY of material. Please clarify.
    (RESPONSE) Comment was outdated and removed from the estimate.

14. The total for task D1002 does not include all task items listed on the tab. The total should be $221,325 rather than $29,700.
    (RESPONSE) Linked calculation corrected within the estimate.

15. Similarly on Task D1002 the total task hours is less than the total. Explain the rationale for not accounting for the total of the task hours.
    (RESPONSE) Linked calculation corrected within the estimate.