Close Out Plan Update and Reclamation Cost Estimate
Winston Zeolite Mine
Closeout Plan, Permit SI006RE

Prepared for the
New Mexico Mining and Minerals Division

by

St. Cloud Mining Company

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Introduction

Purpose

The subject Winston Zeolite Mine site in parts of Secs. 3, 4, 10, and 11, T. 12 S., R. 8 W., New Mexico Principal Baseline and Meridian (NMPM), Sierra County, NM, originally was permitted in 1995 and since has been in continuous operation under a permit through the New Mexico Energy, Minerals, and Natural Resources Department, Mining and Minerals Division (MMD). St. Cloud has reclaimed portions of the mine site concurrently with mining and has updated the cost estimates for reclamation of the site to keep up with the changing ground conditions and current economic considerations. These reclamation cost estimates support the amount of financial assurance currently posted for the Winston site.

In a February 2025 site visit, MMD requested a closeout plan for 2025. This document is provided to MMD in response to a MMD July request for consolidation and to meet the MMD February 2025 request. Here we describe our revised mining plans and revised reclamation cost estimate. This document describes the current conditions on the ground with reference to current maps, provides an updated cost estimate for reclamation of the site, and provides a proposal to adjust the amount of financial assurance.

Scope

This document relies on submittals to MMD in January 1995; May, June, and December 1998; September 14, 2007; ca. March 5, 2013; our March 31, 2014, response to MMD Technical Comments sent to us on August 21, 2013; a June 15, 2015, mine expansion amendment update; and the April 3, May 26, July 7, 2015, September 20, 2017, and Mod 20-1 April 20, 2020 updates. Included herein is a summary of the reclamation that has occurred since transformation of the site from a metal mine site to the current zeolite mine, a description of the facilities at the existing site, and a summary of the status of the ongoing reclamation that occurs concurrently with mining.

Our July 7, 2015, reclamation cost update included only the costs for reclamation of the proposed Zeolite East Pit - Phase 2, and in our Modification 20-1 dated April 20, 2020. In this document, we have consolidated and updated the reclamation cost estimates as shown on the attached spreadsheets to reflect the total costs for reclamation and closure of the entire site. For this update for the closure plan, we used a modified version of the same Microsoft EXCEL spreadsheet we have used since 1998. This spreadsheet contains many of the basic foundation assumptions for the 1998 and subsequent closure plans and updates, and these have changed very little through time. We address disposition and monitoring of wells under the existing ground water discharge permit DP-314, reclamation including revegetation and monitoring of the historic pits, reclamation and monitoring for the current and proposed pits, disposition and closure of the plant site, and post mine use for the site. Our reclamation cost estimate includes administrative and indirect costs that would be borne by the MMD if a contractor were hired for reclamation of the site.

The following is a detailed explanation of the data, assumptions, and logic used in the cost estimate. This explanation is organized to parallel the components of the cost estimate for reclamation of the site. A summary of the data appears below; however, all of the data, formulas, and calculations appear in the attached EXCEL spreadsheet (Attachment 2,3). This explanation is meant to be used in concert with the

EXCEL spreadsheet to give the reader a road map for the cost estimate. Supporting documentation and a summary of costs are included in the Appendices.

Figures are included after the text in this document for easy reference. Attached maps show the existing zeolite mine complex and permit area (Attachment 1; Permit Map) and the property boundaries and the permit design limits. The stormwater pollution prevention plan and an updated attendant map are included here to help consolidate the file (Attachment 4). The land tracts that support the proposed financial assurance for reclamation of the site are shown in Attachments 1 and 2 and in Figure 8, and documents that support this cost estimate and proposal for financial assurance are attached.

The major components of this cost estimate are our assumptions, earth material volume calculations, earthmoving costs, labor costs for operation of the equipment during reclamation, revegetation costs, costs for the disposal of plant equipment and reclamation for post mine use, and indirect costs.

Site Description and Summary of Historic Reclamation

Location

The Winston mine and plant site is located at approximately $33^0$17'30" N. Latitude, $107^0$37'35" W. Longitude. The site is located on the Winston, NM, U.S. Geological Survey 7.5' topographic quadrangle and encompasses parts of sections 3,4, 10, and 11, T. 12 S., R. 8 W., NMPM.

The Winston site can be reached by traveling south from Winston, NM, on Republic Road for about 0.5 miles, then south along Forest Road 157 about 1.0 mile, south along county road C007 for 3.0 miles, then turning northwest along the South Fork of Cuchillo Negro Creek on county roads C004 and C003A.

Site Description

The Winston site consists of a zeolite processing plant, fully reclaimed tailings impoundments from an historic metal mining operation, water supply wells and ground water monitoring wells, an impoundment used for storage of fines, a largely reclaimed historic zeolite pit (also known as the old main pit and shown on Attachment 1 as the Reclaimed Zeolite Old Pit), the Zeolite East Pit - Phase 1 (also known as the Yellowjacket Pit Phase I and formerly as the Bowman pit, shown on Attachment 1 as Zeolite West Pit Phase 1), and the Zeolite East Pit Phase 2 (also formerly known as the Yellowjacket Pit Phase II, now shown on Attachment 1 as Zeolite East Pit Phase 2) where mining has ceased and is in the process of reshaping the slope to (3H:1V). St. Cloud submitted modification 20-1 in April 20, 2020 to permit a new pit South Side 1, approved dated December 15,2020. The new South Side 1 Pit and sediment ponds are designed and located within the existing approved design limits, as indicated on Figure 3, and in other drawings and figures included within the PMP.

Plant Site

The plant site at the northwestern end of the permit area complex (Attachment 1) formerly housed a flotation mill in support of an historic metal mine; however, the flotation mill equipment was salvaged and sold before the plant was converted to support the zeolite operation. Now the zeolite processing facility consists of metal buildings with equipment, an equipment storage yard surrounding the processing plant, and two areas used for storage of product awaiting sale. The processing facility

structures consist of metal mine office buildings, storage buildings, and a plant where the zeolite products are crushed, screened, and bagged for sale. All the buildings are on solid concrete foundations. The plant equipment was refurbished and upgraded in 2015, and a 2015 inventory of equipment which reflects the equipment currently in use is shown in Appendix 1. The plant site is labeled "zeolite plant and mine office" on Attachment 1, and the map in Attachment 6 contains a detailed map of the plant site.

The plant site encompasses an area about 1,200 feet long by 500 feet wide, approximately 13.8 acres. An area used for product storage awaiting sale, immediately west of the plant site and east of the Z-1 containment dike (Attachment 1), encompasses approximately 1.7 acres.

Zeolite Fines Storage Impoundment

The zeolite fines storage area is shown in the northwestern part of the map in Attachment 1 and in Fig. 2. The fines impoundment lies about 300 feet north of the plant site. This site was formerly called impoundment #1 during the historic metal mining operation. It is used currently as a storage area for the storage of fines from the zeolite operation. These fines are periodically sold. Thus, the volume of product in the storage area varies depending on sales. Typically, the fines storage pile encompasses no more than approximately 0.5 acre and is piled no more than 20 feet high.

The fines storage area encompasses an area about 300 feet long by 250 feet wide or about 1.7 acres.

Within the fines storage area is a supplies and equipment storage yard. The supply and equipment storage area lies immediately east of the fines piles (Figs. 1 and 2). Supplies and equipment include:

One 5,000 gallon diesel tank
1,000 feet of 1 inch cable
16' x 16' x 20' baghouse
60' of 2' ducting for baghouse and fan
10 rolls of 6 x 50' chain-link fence
100 fence posts
3 racks for fuel tanks
10 truck tires used & usable
14 loader tires used & usable
One 500 gallon used oil container
10- 4' x 8' wood forms
misc. electrical boxes
Five 55 gallon labeled empty soap barrels
misc. sheet metal
Fifty used tires not useable
misc. steel pipe 8',4',2'
misc. PVC pipe 100'

The supplies and equipment are usable and relevant to the current zeolite operation, are used periodically in the operation, and are considered part of the zeolite plant supply and equipment store.

Historic Impoundments # 2, 3, and 4

Historic tailings impoundments #2, #3, and # 4 lie southeast of the plant site (labeled Closed Tailing 2 and Closed Tailings Impoundments 3, 4 on Attachment 1). These tailings piles have been completely reclaimed including re-establishment of vegetation. No orchard nor tree farm remains on the tailings impoundments.

Ground Water Wells

Six wells exist at the Winston Zeolite Mine Site and are shown on Attachment 1. They are:

RG-36763 (Office Well)
RG-36763-S2 (Unlabeled on Attachment 1, SE of plant on south side of S. Fork Cuchillo Creek)
RG-36763-S3 (Unlabeled on Attachment 1, immediately SE of plant site)
RG-36763-S4 (Monitor Well No. 2, middle well)
RG-36763-S5 (Monitor Well No. 1, NW well)
RG-36763-S6 (Monitor Well No. 3, SE well)

Detailed well records were provided to MMD in our March 31, 2014, update so they will not be repeated in this document. However, pertinent location and down hole information is shown in Table 1. The well records show how each of the wells was constructed. Each was drilled to a depth of about 100 feet. Four wells have 8 5/8 inch diameter perforated casing, and two wells have 6 inch diameter casing.

Of these wells, RG-36763, RG-36763-S2, and RG-36763-S3 currently are water production wells. RG-36763-S4, RG-36763-S5, and RG-36763-S6 will benefit the PMLU.

In our March 31, 2014, update, we reported that we would convert RG-36763-S5 and RG-36763-S6 to water production wells and retain them for the PMLU and plug and abandon RG-36763-S2 and RG-36763-S4. However, we now know that all the wells will benefit the PMLU (grazing and wildlife habitat), so we intend to retain all the wells as water production wells for future use.

Table 1. Ground water well information.

Well	Depth	Casing	Location	Elevation
MW-3 RG-36763-S6	100	8.75	N33 17.709 W107 39.936	5968
MW-2 RG-36763-S4	100	8.75	N33 17.793 W107 40.015	6032
RG-36763- S2	200	6	N33 17.839 W107 40.194	6046
RG-36763-S3 WAS RG-36763 S	594	8.75	N33 17.877 W107 40.245	6043
RG-36763 OFFICE WELL	100	6	N33 17.930 W107 40.366	6062
MW -1 RG-36763-S5	100	8.75	N33 18.040 W107 40.572	6088

Zeolite Old Pit (Old Main Pit)

The Zeolite Old Pit lies about one mile southeast of the plant site (Attachment 1). This pit is no longer active except for a one-acre area in the southwest central part of the pit that is used for explosive magazines. Earth work has been completed for the entire site except the explosive magazine area. Berms around the magazine area will need to be leveled and graded during final reclamation.

The area in and around the Zeolite Old Pit has been reseeded, and vegetation monitoring is ongoing.

Zeolite East Pit - Phase 1 (Yellowjacket Pit Phase I,2)

The Zeolite East Pit - Phase 1 lies about 2,000 feet southeast of the old main pit (Attachments 1). It was continuously mind for approximately the last ten years but saleable Zeolite has been effectively depleted and mining has been discontinued. We have re-sloped the highwalls to a 3H:1V and have filled in the pit. Phase 2 mining has also ceased and the re-sloping of highwalls to a 3H:1V grade is in process.

We have reclaimed a portion of the Zeolite East Pit - Phase 1, Phase 2. Earthwork has been completed for about 23 acres, and earthwork remains for about twelve acres (Attachment 1). Zeolite stockpiles have been removed.

Zeolite South Side 1.

The South Side Pit is located across the South Fork Creek south from the Zeolite East Pit- Phase 1,2

The proposed mining methods are similar to those currently used in the Zeolite East Pit - Phase 1,2. Mining has begun in the western part of the proposed pit area, and the mine face will progress to the south. The south high wall will be benched with 25-foot benches to maintain slope stability as mining progresses to the east. Then mining will progress to the east along the length of the pit to retrieve zeolite tuff product.

Overburden will be placed along the west side to the proposed pit area where possible to await regrade. The disturbed area north the pit is shown in Fig. 3. Waste material (interburden tuff) will be placed in mined out areas in the pit and at the southwestern corner of the proposed pit as shown in Fig. 3.

Access Roads

Main access roads used in the Winston operation are county roads. County road C007 provides access to the southeastern corner of the permit area, and county road C004, which turns into county road C003A, provides access along the South Fork of Cuchillo Negro Creek to the plant site (Attachment 1). A two-track road (866 feet X 10 feet) provides access to the northern, upper side of the Zeolite East Pit - Phase 1 has been ripped and will be seeded in the coming spring 2026). County road Co04 will not be affected during operation of the Zeolite South Side 1 mining activities. The access road to the South Side 1 Project mining operations spur off of the existing Hermosa Road, County Road Co03. The new road will be left in place during reclamation to allow access during reclamation operations.

Reclamation Plan

General

Reclamation at the Winston Zeolite Mine site has been ongoing since the site was converted to zeolite production in the late 1990s. Facilities from the historic metal mining and milling operation have been reclaimed or converted to the current zeolite operation.

In general, all mined, disturbed areas will be regraded to a 3 horizontal: 1 vertical slope. Also, all the disturbed areas will be reseeded with the acceptable seed mix and monitored to ensure regrowth of native vegetation. Our vision for the post mining land use PLMU for the mine and plant sites has not changed. We formally proposed in our March 31, 2014, update that the mine site be used for grazing or wildlife habitat and that the plant site be used for industrial purposes. The plant site buildings most likely will be used for barns, storage, and support facilities in an expanded grazing operation or for an aggregate or other industrial operation. Consequently, all utility hook ups will remain in place.

The plant site will be converted to the appropriate industrial or agricultural use after mining ceases. All equipment and supplies at the plant site will be salvaged along with any mining equipment and sold on the open, used equipment market. Buildings and infrastructure at the plant site, including water supply wells, will be left in place for the PMLU.

Operations and reclamation at the site will be conducted in accordance with applicable permits and regulations as shown in Table 2.

Table 2. Winston Mine Site environmental permits related to the closeout plan.

Permit Name	Permit Number	Issuance Date	Issued By	Contact Information
National Pollution Discharge Elimination System (NPDES) Storm Water Pollution Prevention Plan (SWPPP)	NMR00A058	3-21-2013	Region 6, U.S. Environmental Protection Agency (EPA)	1445 Ross Avenue Dallas, TX 75202 241-665-6424
Air Quality Permit	NSR Permit No. 0522-M4-R1 GCP-2-5510 GCP-5-5022	3-17-2006 2-3-2014 4-22-2013	New Mexico Environment Department (NMED), Air Quality Bureau (AQB)	2048 Galisteo Street Santa Fe, NM 87505 505-827-1494

We provided signature pages for issuance of each permit in our March 31, update, so they are not repeated here.

The reclamation status of reclaimed areas, a description of intended reclamation for areas that still need to be reclaimed, and a description of reclamation for areas proposed for continued mining appear below.

Plant site

The plant site consists of permanent structures with utilities, a fenced storage yard with equipment and supplies, and the crusher-screen-conveyor complex. All buildings and facilities meet county building and safety codes. We provided a building inspection report in Appendix 7 of our March 31, 2014, update to the closure plan, so it is not repeated here.
Equipment and supplies in the plant yard and inside the buildings are portable. Thus, reclamation for the PMLU would entail removal of the portable equipment and supplies and cleaning out the buildings to accommodate the PMLU industrial application.

Earthwork

No earthwork reclamation of the plant site will be required. The existing grade will be used for the PMLU industrial operation. However, the product storage area immediately west of the plant site will be ripped and seeded to promote moisture penetration and retention and revegetation.

Buildings

The plant site and buildings would be sold with the land to a willing buyer. The foundations, buildings, and utility hook ups will all be left in place. We have an expression of interest from the adjacent land owner, Paul Petrerson, of Black Range Enterprises, to acquire the plant site and its buildings. According to a December 2025 letter from Mr. Peterson to St. Cloud, Black Range Enterprises intends to use the buildings for offices, shops, and residences to support Black Range Enterprises. We provided this correspondence (letters of intent) between St. Cloud and Black Range Enterprises, in this cost estimate update in support (Figure 7).

Equipment and Supplies

Equipment and supplies in and around the plant site are portable (Appendix 1). After mining ceases, the equipment and supplies will be sold in the open, used equipment market for fair market value similar to salvage for the heavy mining equipment and any support equipment and vehicles. The plant site was refurbished in 2015 with equipment upgrades. We estimate the current value of equipment and supplies at the plant site at $3.5 million.

Equipment and supplies in the store yard in the fines storage area also will be sold in the used equipment market.

Zeolite Fines Storage Impoundment

Material in the fines storage impoundment and impoundment dams will be leveled with a bulldozer. The impoundment will then be backfilled with material that resides around the margins of the impoundment. As shown in Figs. 1 and 2, the fines storage area lies immediately north of the Winston processing plant. Historically, fines were placed in an area approximately 200' by 250' but currently are placed in area approximately 150' by 150'. In the event of reclamation, fines will be covered with material that lies immediately east of the white, light colored area in Fig. 1., an area now used as a storage yard.

The total area encompassed by the zeolite fines in the fines storage area is approximately 1.25 acres. The volume can vary when fines are placed in or sold from the impoundment; however, the current volume is approximately 20,000 cubic yards (1.25 acres about 10 feet deep). This is the approximate volume that would be covered during reclamation if reclamation were to occur today.

For reclamation, the high walls of the storage area will be pulled in, and the piles of zeolite fines in the impoundment would be leveled. The fines would then be capped with about 3.0 feet of native soil material. A 3.0-foot cap would require about 6,000 cubic yards (1.25 acres about 3 feet deep) of material. Material would be taken from immediately east of fines storage area from the area that is now used as a storage yard. This area is approximately 250 feet by 200 feet. Stripping about 3.5 feet of this overburden pile would yield enough material (about 6,400 cubic yards) for a 3.0 foot cap on the fines. Leveling the fines in the pit and covering the fines with overburden would result in moving about 8,000 cubic yards of material, a volume that is reflected in the cost estimate for reclamation of this site. The volume of earth to move has remained relatively constant since 2007, so the volumes calculated in 2007 were used for subsequent cost estimates. The earth work volumes are reflected in the materials tab 2 of the EXCEL spread sheet in Attachment 2.

The covered fines, the bench to the east from which the overburden will be removed, and the slopes above the fines storage area would be shaped to a 3:1 slope at the same time that the any remaining fines piles would be covered. Typically, the material push would be from 100 to 200 feet. Maximum push from the slopes may approach 300 feet locally, but the typical push is much less. Push distance and grades are relatively unchanged from our earlier estimates. Similar to earlier estimates and for this reclamation cost calculation, we used a push distance of 300 feet to be conservative for the cost of the fines storage area.

For simplicity, we used a D9T in our explanation for the reclamation of the fines storage area because it could be used to effectively cover any fines left in the bottom of the storage area and reshape the slopes at the same time to create a bowl shaped basin with 3:1 slopes. A front end loader could be used to move material, but a loader would not be as effective in moving the more consolidated material that occurs on the bench nor as effective in reshaping the slopes above the fines storage area. Rather than estimating earth moving and costs for multiple pieces of equipment and operators, we chose to estimate reclamation with the most versatile, single piece of equipment with a moderately experienced operator that could effectively accomplish the job, the D9T.

The native soil material in the storage yard is equivalent to the overburden at the site. It consists of thin beds of silty mudstone interbedded with weakly indurated sandstone and clast supported, sandy, pebble and cobble conglomerates. This native soil makes up the small hills surrounding the fines storage area and supports a healthy population of native grasses, shrubs, and trees (Fig. 2).

The capped fines pile would be graded to minimize erosion. Drainages above the fines storage area will be diverted around the capped fines pile to avoid erosion from water flow during heavy rains.

Historic Impoundments # 2, 3, and 4

A description of the closure of Impoundments # 2, # 3, and # 4 appears in the Closure Plan, Cover Placement and Surface Shaping section, item 2., of the GWQB Discharge Permit, DP-314, Termination which is attached in its entirety in Attachment 7.

No additional reclamation work is needed for the historic impoundments. Vegetation has been established and erosion controls are in place.

Ground Water Wells

All of the ground water production wells and the monitoring wells will be retained for water production for PMLU. Thus, no reclamation costs are attributed to any of the wells.

Zeolite Old Pit (Old Main Pit)

We have reclaimed and reseeded the entire Zeolite Old Pit except for one acre currently used as a magazine for the storage of explosives. Vegetation has been reestablished on approximately 11 acres but will continue to be monitored to ensure effective establishment.

When the magazine storage area is no longer needed in the current operation, the berms will be regraded to conform with existing 3:1 slopes and the area reseeded. This regrading, seeding, and monitoring is reflected in the cost estimate below in Attachment 2 and Appendix 2.

Zeolite East Pit - Phase 1,2 (Yellowjacket Pit Phase I,2)

Mining has ceased in the Zeolite East Pit - Phase 1,2 and approximately 23 acres of the pit has been regraded. Approximately 12 acres remain to be regraded (Attachments 1 and 2). The eastern part of the pit will be reclaimed last, then the area in the west-central portion of pit will be seeded. The entire 35 plus-acre site will be seeded in the next growing season following regrading.

The volume of material to be moved during reclamation in the Zeolite East Pit - Phase 2 is provided in our Close out plan, closure plan updates.

Access Roads

County road C004 will be rerouted during preparation of the Zeolite East Pit -Phase 2 for mining as shown in Fig. 3. The new road will be left in place during reclamation. Bar ditches along the road will be used to ensure that no fugitive waste or erodible material can make it to the South Fork of Cuchillo Negro Creek. Waste and overburden piles during mining will be separated from the road surface with bar ditches that divert any runoff back to the B-1 and B-3 containment ponds. Diversion dike B-4 will divert runoff to containment pond B-3 and prevent runoff to the east of the proposed Zeolite East Pit -

Phase 2 (see Attachment 1). Diversion structures and containment ponds will be retained during final reclamation and graded with 3:1 slopes to prevent eroded material from entering the South Fork Cuchillo Negro Creek. The reclamation costs for grading and revegetation of the diversion and containment structures is included in the cost estimate for earthwork shown below and in the attached EXCEL spreadsheet (Attachment 3).

The two-track road northwest of the Zeolite East Pit -Phase 1 will be ripped and seeded for reclamation. These costs also are reflected below and in the attached EXCEL spreadsheet (Attachment 3).

Zeolite South Side Pit 1

Zeolite is being mined from South Side 1 using similar methods currently in use in the Zeolite East Pit - Phase 1,2 . The zeolite occurs in beds of variable thickness which pinch and swell horizontally along strike and down dip. The zeolite beds are interbedded with mudstone, sandstone, non-zeolite or poor quality zeolite tuff, and conglomerate and are overlain by a weakly indurated, interbedded mudstone, sandstone, and sandy, pebble to cobble conglomerate.

During mining, the topmost beds, comprised of the overlying mudstone, sandstone, and sandy, pebble to cobble conglomerate, are considered overburden (cf. for example Figs. 2. The overburden is removed during mining and stockpiled for final reclamation (Fig. 3). Beds of high quality zeolite tuff are extracted from the intervening strata and transported to the plant for processing. This constitutes the ore. Interbeds of mudstone, sandstone, low quality zeolite tuff, and conglomerate that are displaced during mining but left behind are considered waste material and known as interburden. This material is moved out of the way in the pit during mining or removed from the pit and placed in a stockpile (Fig. 3 April 28, 2020) to be used to fill the pit during reclamation to 3H: 1V slopes. Cross sections that show the strata and relative volumes of material to be moved during mining and reclamation are shown in Figs. 4, 5, 6.

The overlying overburden and interbeds of non-ore mudstone, sandstone, and tuff makes the best growth medium for revegetation. Thus, during mining, most of the overburden will be removed and stockpiled along the northern pit margin between the pit high wall and the permit boundary, although some will be placed in a stockpile labeled overburden stockpile in Fig. 3. The topmost overburden will be stockpiled along the north edge of the proposed pit to reduce reclamation costs (shorter push and downhill). The overburden and interbed waste both make an effective re-growth mixture that is used to fill the pit to a regraded 3:1 slope. Overburden beds are shown in cross sections in Figs.4,5,6

For this estimate of volumes for the South Side 1, we used standard mining industry techniques. Basic assumptions were derived from earlier estimates for closeout plans and updates completed for the Winston site (most recently March 31, 2014, updated June 15, 2015, and May 26, 2017) and from updated information provided by St. Cloud Mining Company. Changes in the proposed boundary required significant changes from our May 26, 2017, volume estimation. Geologic data was derived from existing St. Cloud information and our own observations. Elevation information is from the Google Earth web program (March 2017), U.S. Geological Survey topographic maps, from hand held global positioning system data supplied by Audie Padilla, Winston Mine Manager, and from recent topographic mapping of site, a portion of which is shown in Fig. 3. Volume estimate calculations were performed using the Microsoft spreadsheet EXCEL program. The volume estimation spreadsheet for the Zeolite East Pit -Phase 2 is under tab 9, Vol Calcs, in the attached EXCEL spreadsheet (Attachment 3).

Revegetation

Seed will be broadcast by hand on all graded and disturbed areas at a rate of 21 pounds live seed / acre with the seed mix shown in Table 3:

We will broadcast the seed in the first growing season after regrade. Straw will be applied on top the native seed, and the straw will be crimped with a bulldozer. Vegetation growth will be monitored for a 12 year span following the year in which the disturbed area was seeded.

Table 3. Winston Zeolite Mine reclamation seed mix.

Species	Lbs. PLS/Acre	Seed/lbs.	Seed/ft.sq.	Seasonality
Blue Grama	.05	825000	9.47	Warm
SideOats Grama	.05	191000	2.19	Warm
Alkali sacaton	.05	1750000	20.09	Warm
Big sacaton	.05	200000	2.3	Warm
Western Wheatgrass	.05	110000	1.26	Cool
Bottlebrush Squirreltail	3	192000	13.22	Cool
Desert Globemallow	1	500000	11.48	Forb
Red Mexican hat	0.6	737000	10.15	Forb
Wand-boom penstemon	1	500000	11.48	Forb
Fourwing Saltbrush	2	52000	2.39	Shrub
Apache Plume	0.4	420000	3.86	Shrub
Total	10.5		87.89	

***Drilled Seed Rates (double if broadcasted).**

Reclamation Schedule

Reclamation of the Winston site is ongoing in concert with the current mining operation. We will complete the required earthwork for the magazine area in the Zeolite Old Pit, the required reclamation at the fines storage area, and reclamation of the plant site and storage area after mining ceases. We will reclaim the Zeolite East Pit - Phase 1,2 in 2026 and begin reclamation in the Zeolite East Pit - Phase 2 as soon as portions of the pit are regraded.

Reclamation tasks and schedule for reclamation are shown in Table 4.

Table 4. Winston site reclamation tasks and schedule.

Reclamation Task	Scheduled Date For Task Completion
Demolition and reclamation of zeolite plant facility.	Equipment will be salvaged and sold. Plant buildings and facilities will be left and sold for post mine land use.
Backfill impoundment #1 - Backfill using existing zeolite fines and overburden.	Will be done after cessation of mining.

Grade impoundment #1 - Grade slopes to 3H: 1V. Cap with overburden.	Will be done after cessation of mining.
Reclamation of impoundments 2, 3, and 4.	Done. Terminated August 6, 2020
Grade Zeolite Old Pit magazine area - Grade slopes to 3H: 1V and cap with overburden.	Will be done when explosive magazines no longer needed at cessation of mining.
Backfill remaining acreage in Zeolite East Pit - Phase 1 (Yellowjacket / Bowman Pit) - Backfill using existing zeolite waste and overburden.	Ongoing. Backfill will be completed during 2026.
Grade Zeolite East Pit - Phase 1 (Yellowjacket I Pit) - Grade slopes to 3H: 1V or to match existing terrain and cap with overburden and interbed material.	Grading and overburden cap will be done in 2026.
Backfill Zeolite East Pit - Phase 2 (Yellowjacket II Pit) - Backfill using existing zeolite waste and overburden.	Backfill will be completed and begin seeding in 2026
Grade Zeolite East Pit - Phase 2 (Yellowjacket II Pit) - Grade slopes to 3H: 1V and cap with overburden.	Grading will be completed after backfill. And begin seeding 2026
South Side pit 1 Grade to 3H: 1V and cap with overburden.	Ongoing will be done after cessation of mining Zeolite
South Side ripping road and regrading	Will be done after the cessation of mining
Rip storage area immediately west of plant site.	Reclamation will be completed after mining ceases.
Rip 866 feet of perimeter access roads.	Will be done after cessation of mining in Zeolite East Pit - Phase 1, when no longer needed.
Reseed all disturbed areas except plant site and the reclaimed impoundments.	All areas graded and capped with overburden will be seeded the next spring and monitored for success.

Reclamation Cost Estimate

General

This update of the reclamation cost estimate is in response to the site visit in February 2025, request to Audie Padilla, Winston Mine Manager, to update and consolidate a reclamation cost estimate for the Winston closure plan Mod 20-1 December 15, 2020, and Mod 13-1 March 7, 2018.

For this estimate, we used standard mining industry techniques. Basic assumptions were derived from earlier estimates for closeout plans completed for the Winston site (most recently Mod 20-1 December 15, 2020, updated June 15, 2015, and May 26, 2017). The cost estimate for earthmoving was completed using EXCEL, but, for consistency, the specific cost spreadsheet was modified from the same used for each of the closeout plans completed by St. Cloud beginning in 1998. This spreadsheet contains many of the basic foundation assumptions for the 1998 cost estimate, and these have not changed through time. The attached spreadsheet (Attachment 3) shows a proposed bond calculation in addition to earth material volumes and costs.

Although cost information included here is based on actual costs incurred at the mine site, our cost estimate has been adjusted to reflect the costs by a third-party contractor to complete reclamation in the event of default by St. Cloud. In this case, we've chosen to estimate the direct costs of the actual reclamation work at the mine and plant site based on the existing on-site conditions, modify them to reflect a contractor cost, then add also the third-party contractor mobilization and demobilization and profit and overhead costs as indirect costs. This technique provides a more realistic cost estimate than using the more generalized published cost estimate tools like RS Means and Equipment Watch because it reflects the costs attributed to actual equipment working at an actual site with actual, measurable ground conditions.

We've estimated the costs of reclamation using only a bull dozer to keep the reclamation plan and estimate simple and to keep contracting simple if reclamation needed to be done by the State of New Mexico. This is consistent with earlier closure plans and updates for the site. Bulldozer productivity is estimated using the Caterpillar Performance Handbook method.

The following is a detailed explanation of the data, assumptions, and logic used in the cost estimate. Some data appears below; however, all of the data, formulas, and calculations appear in the attached cost estimation EXCEL spreadsheet (Attachment 2, 3). This explanation is meant to be used in concert with the EXCEL spreadsheet to give the reader a road map for the volume and cost estimate for moving dirt during reclamation of the proposed Winston Mine site. This explanation is organized to parallel the components of the estimates for reclamation. The major components of the cost estimate are earth material volume estimates needed for regrade, the cost for moving the material to backfill the pit and regrade the slopes to 3H:1V, cost of ripping roads and storage areas, cost for seeding of native vegetation, vegetation growth monitoring, and cost for monitoring ground water near the old impoundments. Summaries of these components appear below, and pertinent parts of the estimate are shown in Appendix 2. Assumptions used in the estimate appear below.

Assumptions

We used the following assumptions for this cost estimate:

1) This estimate shows the costs for a third party contracted by the MMD to implement and complete the current close out plan.

2) All disturbed areas will be graded to blend with the pre-mining topography and seeded with a native seed mixture. Reclaimed slopes will be graded to 3H: 1V.

3) Equipment in the plant site would be sold in the event of default. Facilities at the plant site and the site itself would be sold and used by a new owner.

4) Conditions of fines storage impoundment #1 have not changed since 2014, so necessary reclamation work and dirt work volumes for the fines storage area impoundment #1 remain the same as the 2014 estimate.

5) Historic impoundments #2, 3, and 4 have been reclaimed. Monitoring requirements of the impoundments has been terminated by NMED. Ground Water Quality Bureau August 6. 2020.

6) A swell factor of 20% is used throughout this estimate for conversion from bank cubic yards (bcy) to loose cubic yards (lcy). This number is based on existing data from mining at the site.

7) All reclamation dirt work can be accomplished with a bull dozer without the aid of scrapers or other excavation equipment. A Caterpillar D9T bull dozer was chosen for this cost estimate because, based on experience at the mine site, a D9T is considered the most capable and efficient machine to handle the subject material.

8) Indirect cost proportion and distribution is based on current requirements from the MMD as outlined in a July 17, 2017, letter from the MMD to St. Cloud Mining Company.

9) Costs from earlier years (e.g., cost of ground water monitoring) and the escalation factor for this estimate are adjusted using the U.S. Bureau of Labor Statistics published consumer price index for all urban users (CPI-U) available from https://www.bls.gov/cpi/detailed-report.htm.

Earthmoving Costs

Earthmoving at the Winston site would be accomplished with a bulldozer.

The bulldozer cost estimate consists of two components, the average hourly production for the amount of material that can be moved by the bulldozer and the cost per hour for the bulldozer.

Bulldozer Productivity

For this cost estimate, we assumed that a caterpillar D9T bulldozer or equivalent with a hydraulic-controlled semi-universal blade and direct drive transmission would be used for reclamation. This is consistent with the 1998, 2007, 2013, 2014, 2015, 2018, and 2020 cost estimate updates.

We calculated bull dozer productivity using the Caterpillar Performance Handbook method shown on pages 19-52 and 19-55 of Caterpillar Performance Handbook No. 47 (HB 47). We used the Caterpillar Performance Handbook method rather than an Equipment Watch cost reference guide because it allows adjustments with known cost data (from our own data base) rather than generalizations based on uncertain factors. We recognize that the productivity rate and costs for this estimate should reflect the productivity and costs for contractor work doing reclamation on behalf of MMD; however, we believe our adjustments based on known data are superior to averages skewed by high risk work in hard rock or other terrains. It turns out as described below that the productivity and costs estimated using the Cat Performance Handbook and Equipment Watch are comparable. However, we have more confidence in the Caterpillar Performance method.

Bull dozer production is given by applying the average dozing distance to a production curve, then modifying the maximum production by a series of correction factors. The factors that are applied include a material factor, grade correction, soil weight correction, cut method factor, operator experience factor, job efficiency factor, visibility factor, and elevation factor. The correction factors reflect on-site conditions at the mine site.

For this estimate, we assumed good visibility conditions at an elevation of 6,000 feet above mean sea level, so the visibility factor and elevation factor did not vary from 1.0. We assumed an average experience operator for each of the estimates. We estimated the weight of the material to be moved to be a combination of overburden gravels, overburden and waste tuff, and zeolite tuff. We calculated a weighted average based on the proportion of each type of material that would be moved during reclamation and our current density data (bank bulk density from Ken Santini, Geologist, St. Cloud Mining Company, personal communication, October 17, 2017, except overburden clay and gravels which was estimated from the U.S. Bureau of Land Management, Mineral Examiners Handbook, 1989, Appendix IV-B); the weighted average for loose material is 2,615 pounds / loose cubic yard (cost spreadsheet, tab 9; cf. earlier cost estimates that used 2,550 pounds / loose cubic yard). All other job condition factors were estimated specific to each pile of material that had to be moved in the pit.

The material factor correction, cut method factor correction, operator experience correction, job efficiency factor, and grade correction are given in a table and graph on page 19-55 in HB 47. These were included in each of the tables under the dozer tab 3 in the cost estimate EXCEL spreadsheet for each dozer cut.

So, productivity was calculated with HB 47 and calculated in loose cubic yards per hour. Material volume was divided by the loose cubic yards per hour to arrive at the number of hours required to move the material in the pit given the cost estimate assumptions.

Bulldozer Owning and Operating Costs

A D9T bull dozer was chosen for consistency because a D9 was used in our 1998 reclamation estimate and carried through every estimate since. We now own and use a D9T bulldozer at the Winston Mine site, and we have built a database for actual costs. We recognize that our actual costs for the Winston site may be lower than the average costs that could be expected for a contractor for reclamation. However, our costs provide a solid foundation for estimation for bull dozer work.

Total owning and operating costs.

Current April 2025 owning operating cost for the D9T which yielded and ownership and operating cost estimated of $291.70 with labor at 34.79 per hour.

In our September 20, 2017, update, we utilized the caterpillar performance cost estimation method and applied a market ownership insurance rate for a D9T which yielded an ownership and operating cost estimate of $155.44 / hour (based on 1,700 annual hours of operation). If the 2015 Equipment Watch estimate provided by MMD at that time is adjusted with a current fuel price, it would be $184.13 / hour. However, the 2015 Equipment Watch estimate was based on 1,400 hours of operation during a year. Annual operation would cost about $257,782. Although it is not an exact comparison, if this annual cost were spread over 1,700 hours instead, the cost per hour would be about $151.64. If the 2016 Equipment Watch estimate provided by MMD is adjusted with a current fuel price, it would be $207.84 / hour. This would be an annual ownership and operating cost of about $311,760 for approximately 1,500 hours of operation. If this were spread over 1,700 hours instead, it would be an hourly operating cost of

about $183.39. The Equipment Watch publication is not clear exactly how many hours were included to derive the 2016 cost.

Wagner Equipment rentals quoted a cost of $250.80/ hour for rental of a D9T ($37,290 / month, based on a 176 hour month; Eric Davisong, Rental Coordinator, Wagner Equipment Rentals, Las Cruces, NM, personal communication, February 11,2025). Wagner adds a 16% insurance surcharge if the client does not have insurance. Thus, without fuel, the market rate to rent an insured D9T would be $290.93. The rate with fuel at the current price would be about $320.47. This rental cost can be used as an indicator of the high end market ownership and operating costs for a bull dozer.

MMD requested that we use the average of the rental rates for this cost estimate. Thus, this update includes a bull dozer owning and operating cost of $291.70 / hour, consistent with the average rental rates and consistent with current estimates used by Equipment Watch.

Bulldozer Labor Costs

Labor cost for a bulldozer operator was estimated from U.S. Department of Labor Davis-Bacon Act information (www.beta.SAM.gov), obtained April18, 2025, lists a rate of $34.17/hr. for Sierra County, New Mexico, (Zone 4: Extending more than 30 miles beyond Zone 1, shall receive 26% above Zone 1 rate ($22.07/hr. + $5.05 Fringe = $27.12/hr. + 26% = $34.17/hr.), including burden and benefits.

Grading

Grading is the final contouring and smoothing of slopes to meet the slope specifications. Grading costs consists of three components, the grading production, cost of the bulldozer, and cost of the operator.

Grading Production

For this cost estimate, we used the same assumptions used in our cost updates since 2020. Since grading is moving dirt to smooth a slope, the production was calculated by estimating the amount of time it would take for a bulldozer to push a small amount of dirt over the expanse of the acreage to be graded.

For calculations in this update, we assumed a speed of two miles per hour for the bulldozer, a 50 minute operating hour, and a blade width of 14.2 feet. We assumed one pass over the graded area would be sufficient. We multiplied the miles per hour by 5,280 feet per mile by 14.2 feet blade width by 1 acre per 43,560 square feet, then applied material, grade, soil, blade, visibility, elevation, and operator factors to the calculation. All the factors are insignificant (i.e., they are a factor of one) except for the soil, operator experience, and grade factors. For a moderately experienced operator, we used a factor of 0.75. For soil, we used the same weighted average rock and soil weight of 2,514 pounds per loose cubic yard that is used for all material estimates in this reclamation cost estimation. Grade is variable throughout the areas that would need to be graded, but most of the grading is downhill at about 30% grade with a few areas near the pit bottom at 5% uphill or downhill. Thus, we used a grade factor of 1.4.

Thus, the amount of time it would take for a bulldozer with a 14.2 foot blade to cover an acre of land was calculated to be 0.36 hours, or 2.76 acres could be graded in one hour. We used the total acreage to be graded of approximately 34.7 acres to arrive at the total hours for grading. The 34.7 acre figure

came from a measurement of polygons surrounding the disturbed areas, overburden piles, and reclaimed slopes. Measurements were made using Google Earth Pro. Grading and ripping calculations are shown in the attached cost estimate spreadsheet under tab 4, Grading and Ripping (Attachment 2).

Grading Bulldozer and Operator Costs

The owning and operating and labor costs of the bulldozer for grading are the same costs as bulldozer work for earthmoving. So, bulldozer costs for grading are estimated at $291.70 / hour, and labor costs for the bulldozer work are estimated at $34.17 / hour.

The total cost for grading was calculated by multiplying the cost of the bulldozer per hour by the total hours for grading, then adding the cost of the bulldozer operator.

Ripping

Ripping costs consists of three components, the production rate for ripping, the cost of the bulldozer per hour, and the cost for an operator.

Production Rate for Ripping

We used the HB 47 methodology to estimate ripper production. An example of a ripper production calculation is given on page 19-73 of HB 47. We used a hydraulically variable pitch multi-shank ripper with shank width set at 5 feet.

Two areas will need to be ripped during reclamation of the Winston site., a two-track access road around the west side of the Zeolite East Pit - Phase 1, measured to be about 866 feet in length and about 10 feet wide, and a product storage area immediately west of the plant site that encompasses 1.7 acres.

We assumed that a ripper with an effective width of five feet would be used for the ripping operation with a 1.5 feet penetration depth. Based on the ground conditions where the soil to be ripped is a loosely indurated gravel and St. Cloud experience, we estimated the speed of ripping to be at least 1.0 miles per hour or about 88 ft / min. Given a turn-around time of 0.25 minutes and the ripping distance or area, we calculated the minutes per cycle. Given the minutes per cycle and an assumed 50 minute hour, we calculated the number of cycles per hour that could be accomplished. The number of minutes per hour times the number of cycles per minute gave the number of cycles per hour. Based on the ripper width, depth, and distance, we calculated the number of bank cubic yards that could be ripped per cycle. Multiplying the bank cubic yards per cycle by the number of cycles per hour gives bank cubic yards per hour that would be ripped. We multiplied this number by an efficiency factor of 0.8, assumed from a suggestion in the HB 47 and our experience. This gave me an estimate of the number of bank cubic yards that could be moved in an hour.

The total distance, width, and depth of the access road was calculated to determine the total bank cubic yards to be ripped. So, the production rate in bank cubic yards per hour divided by the number of cubic yards gives the time needed to rip the road. These assumptions and calculations are shown in the spreadsheet in the Grading & Ripping tab 4 (Attachment 3).

The storage area west of the plant encompasses 1.7 acres. We used the same assumptions for ripping of the storage area as we used for ripping the road. Production rate and the time to rip the storage area are shown in the Grading and Ripping Tab 4 in the EXCEL spreadsheet (Attachment 3).

A summary of the grading and ripping production calculations is shown in Attachment 2,3 Grading and Ripping Tab 4.

Ripping Bulldozer and Operator Costs

The owning and operating and labor costs of the bulldozer for ripping are the same costs as bulldozer work for earthmoving. So, bulldozer costs for grading are estimated at $291.70 / hour, and labor costs for the bulldozer work are estimated at $34.17 / hour.

The total cost for ripping was calculated by multiplying the cost of the bulldozer per hour by the total hours for grading, then adding the cost of the bulldozer operator.

Plant Site Disposal

Land, Buildings, and Fences

The plant site buildings, utility hookups, and fences would be left for the PMLU as described above in the Reclamation Plan. No costs are attributed in this estimate for these items.

Plant Equipment and Supplies

In an August 21, 2013, letter, the MMD ask that we provide an estimate for the dismantling, demolition, and removal of the plant equipment at the plant site. In that letter, the MMD stated that it no longer would accept salvage credit for dismantling and demolition of the processing equipment located at the Winston plant site.

For our response to the August 21, 2013, MMD letter, we contacted both salvage and used equipment companies across the western U.S., sent them an equipment list (which we valued at the time at $2.66 million), and ask for an estimate to salvage the plant equipment. Several of our contacts were reluctant to provide us with an estimate unless they had a chance to conduct a costly, detailed inventory and assessment of the plant site equipment. Also, none of the salvage yards in Las Cruces, Truth or Consequences, nor Albuquerque would provide us with cost estimates for dismantling and removal of the plant site equipment and supplies. Each one said it would take the items, but we would have to transport the equipment to the salvage yard site.

We were able to obtain three estimates for disposing of the plant site equipment from companies that deal in the used equipment market (cf. our March 31, 2014, response to MMD for details). We found

three companies in the business of dismantling processing plants, acquiring the plant equipment, and selling the equipment on the open market or brokering the process for dismantling and sale of the equipment.

Both Machinery & Equipment Co., San Francisco, CA, and B.V. Nevada Corp., Wadsworth, NV, said they would be able to dispose of the equipment and supplies at the Winston Zeolite Mine plant site without charging for dismantling, demolition, and disposal as long as they would be given full title to the equipment and supplies and no deleterious substances or concrete removal would be involved. Both recognized an immediate market value for most of the equipment and supplies which would offset the cost of disposal. Machinery & Equipment Co. noted that the equipment would depreciate through time, which could impact its market value to the extent that a cost could be incurred at a future disposal date. It stated that dismantling and disposal of the plant site equipment and supplies would cost less than $100,000 even after depreciation of the equipment.

An internet auction company, Iron Planet, provided an estimate for the immediate market value of the plant site equipment and supplies based solely on our equipment list. It valued the equipment and supplies at about $500,000. Iron Planet also found a subcontractor that would dismantle, remove, and store all the equipment and supplies while waiting for sale for $75,000. Thus, the dismantling, disposal, and temporary storage of the equipment and supplies would most likely cost less than $100,000, but this cost would be more than offset by the salvage value of the supplies and equipment if the salvage company had title to the supplies and equipment and could sell them on the open, used equipment market.

The common thread among the company estimates was that each recognized an immediate market value for the equipment and supplies at the Winston Zeolite Plant site to at least the extent that the equipment and supplies could be removed and marketed for profit, offsetting the cost of dismantling and removal.

We value the current equipment and supplies at the Winston site that could be salvaged at $3.5 million. This includes the equipment and supplies at the plant site and the equipment and supplies in the store yard in the fines storage area. We note that given this market value of the operational equipment at the plant site, this equipment would not be left behind in the event of default by St. Cloud. Much of the equipment in the plant site would be treated at the cessation of mining no differently than bulldozers, haul trucks, pickup trucks, or other readily mobile or portable equipment. Some of the equipment would easily be modified for use in a PMLU for an aggregate operation.

In light of the above, we continue to firmly believe that, in the event of default by St. Cloud, companies are available that would dismantle and remove the equipment and supplies shown in Appendix 1 from the Winston Zeolite plant site without cost to the State of New Mexico. Equipment and supplies could be sold on the open market either immediately or after short duration storage. These companies would enjoy considerable profit.

Therefore, we continue to believe that the immediate market value of the equipment and supplies realistically can and should be used as an offset of the cost of removal of the equipment and supplies. In accordance with NAC 19.10.12.1205.A. we do not propose that profits from the sale of equipment and supplies be used as a credit against any other reclamation costs at the Winston mine site. The value of

the equipment and supplies simply would be an offset of the cost of removal of the plant site equipment itself.

We do recognize that, in the event of default, the State of New Mexico would incur project management and other indirect costs to set up and monitor the removal by a used equipment or salvage company similar to indirect costs incurred for all reclamation activities. In a worst case scenario, the used equipment or salvage company might leave behind some unmarketable items or refuse that would require a modest clean up.

Consequently, we ask that the value of equipment and supplies at the plant site be used as an offset for costs of removal of the plant equipment and supplies. To comply with NAC 19.10.12.1205.A, we are not asking for credit against the costs for any other reclamation at the Winston mine site.

Accordingly, we have adjusted our reclamation cost estimate to reflect a cost of $5,000 for disposal of refuse from the plant site ("Other" tab in the EXCEL spreadsheet, Attachment 3) and applied indirect costs across the board to all work for reclamation of the mine site ("Bond Sum" tab in the EXCEL spreadsheet (Attachment 2).

West Product Storage Area

The storage area immediately west of the plant site would need to be ripped, seeded, and monitored for vegetation growth. These costs are included in our cost estimate under Tab 4, Grading and Ripping, Tab 6, Reveg, and Tab 7, Other, Attachment 2.

Zeolite Fines Storage Impoundment # 1

The fines storage area will require removal of the equipment and supplies in the storage area followed by earth work to reshape the slopes in the pit, regrading to 3:1 slopes, seeding, and monitoring for vegetation growth.

Earth work volumes remain unchanged from our previous cost updates. Total volume of dirt to be moved is shown in the materials tab 2 in the EXCEL spreadsheet and equals 7,843 bcy, a task with a D9T that will take about 17 hours to complete. Grading will take approximately 0.6 hours (Table 5) .
The material that will be used to regrade the pit and cover the fines resides on the bench underlying the storage area. Approximately the top 3.5 feet will be stripped from the bench and used for regrade (Fig. 1).

Seeding and vegetation monitoring costs are shown in the Reveg and Other Tabs 6 and 7, Attachment 2.

Historic Impoundments # 2, 3, and 4

Historic impoundments # 2, 3, and 4 have been reclaimed. No costs are attributed to these sites in this cost estimate.

Ground Water Wells

All of the water production and monitoring wells will be retained for PMLU. Thus, no costs have been included in this revised cost estimate for plugging and abandonment of the water production wells nor monitoring wells. Any costs for well equipment or change in ownership would be borne by the owner for PMLU.

Zeolite Old Pit (Old Main Pit)

Only one acre will need to be graded, seeded, and monitoring for vegetation regrowth in the Zeolite Old Pit. Grading costs are shown under the Grading and Ripping Tab 4, seeding is including in the Reveg Tab 6, and monitoring is included in the Other Tab 7 in the spreadsheet in Attachment 2 and Appendix 2.

Zeolite East Pit - (Yellowjacket Pit Phase I & 2)

Approximately 23 acres of the Zeolite East Pit - Phase 1 west and central is filled in and regraded. Phase 2 East will need to be regraded. We estimated the volume of necessary earth work as a portion of the total volumes we estimated in our Excel calculation (Attachment 3).

South Side Pit 1

After the earth work is completed, the entire 35 acres will be seeded and monitored for reclamation regrowth. The time required is shown in Table 5. Seeding costs are shown in the Reveg Tab 6. Vegetation monitoring appears in the Other Tab 7. Summaries appear in Appendix 2.
Zeolite will be mined from the Zeolite South Side 1 Project Area pit using similar methods currently in use in the Zeolite East Pit - Phases 1 & II (Yellowjacket) and all previous mining operations. The zeolite occurs in beds of variable thickness which pinch and swell horizontally along strike and down dip. The zeolite beds are interbedded with mudstone, sandstone, non-zeolite or low quality zeolite tuff and conglomerate, and are overlain by a weakly indurated, interbedded mudstone, sandstone, and sandy, pebble to cobble conglomerate. All of these materials are of a non-reactive, generally alkaline geochemical nature, and have been used as backfill and demonstrated to be excellent growth media in all previous St. Cloud Zeolite mining operations.

In some areas, where mining will be initiated, the zeolite outcrops at the surface and little work will be required to remove weathered materials to allow development of the zeolite resource. Other areas have topmost beds comprised of the overburden materials which will be removed during mining and stockpiled for final reclamation. Beds of high quality zeolite ore are extracted and transported to the plant for processing. Interburden material is moved out of the way in the pit during mining or removed from the pit and placed in a stockpile to be used to backfill the pit during reclamation, or as growth medium where areas are available for final grading and preparation for revegetation. Cross sections that show the strata and location of materials to be moved during mining and reclamation are shown in Figures 4, 5 and 6.

Estimates of material volumes for the Zeolite South Side 1 Pits were determined utilizing standard mining industry techniques, which have been historically utilized at the St. Cloud Zeolite Operations. Basic assumptions, as were utilized in earlier estimates for closeout plans and updates completed for the St. Cloud Zeolite Operations, have been repeated for the South Side 1 Project Area. Elevation information is

from U.S. Geological Survey topographic maps, aerial photography taken by Cooper (2017), and from hand held global positioning system data. Volume estimates were made by establishing 3 cross sections of the surface topography from the established topographic maps developed from the Cooper aerial photography, and subsurface geology was plotted based on results from exploration drill holes that were drilled by St. Cloud. The cross sections were plotted on graph paper at the scale of 1"=50', and ore and non-ore materials were manually tabulated from grid blocks. Calculations were performed utilizing Microsoft Excel. Volume estimations for the Zeolite South Side 1 surface mining pits, are provided in the Reclamation Cost Estimate for Permit Modification 20-1, Attachment 7.

Access Roads

County road C004 will be rerouted during preparation of the Zeolite East Pit -Phase 1 and seeding. The new road will be left in place during reclamation. Then the road will be ripped and seeded shaped to serve as diversion and containment structures that contain stormwater.

The two-track road northwest of the Zeolite East Pit -Phase 1 will be ripped and seeded for reclamation. These costs also are reflected in the Grading and Ripping Tab 4 in Attachment 2, and the time required is shown in Table 5.

County road Co04 will not be affected during operation of the Zeolite South Side 1 mining activities. The access road to the new South Side 1 Project mining operations will spur off of the existing Hermosa Road, County Road Co03. The new road will be left in place during reclamation to allow access during reclamation operations. Bar ditches along the road will control precipitation runoff from the operations areas. During mining operations, overburden and interburden piles will be separated from the road surface with ditches that divert runoff back to the sediment control ponds shown on Figure 3. Diversion structures and sediment control ponds will be regraded and ripped, as needed, during final reclamation and graded with 3:1 slopes. The reclamation costs for grading and revegetation of the diversion and sediment control structures is included in the cost estimate for earthwork shown in the attached Reclamation Cost Estimate (Attachment 2,3).

Zeolite South Side Project 1

Earth Material Volumes

The proposed plan for the pit and placement of overburden and waste is shown in Figure 3. St. Cloud determined elevation and bench configuration information to help determine the volume of material to be excavated from the pit area and the final reclamation configuration.
Rock unit boundaries for cross sections used to estimate material volumes (Figures 4, 5 and 6).

The area of the pits was determined based on utilization of a topographic base map Figure 1, geologic drill cross sections and geologic field observations. Locations for cross sections to adequately represent the average volume of material to be moved in mining and reclamation were determined based on ground topography and drill logs from exploration drilling. Elevation information was developed from a topographic base recently completed for the St. Cloud Zeolite Operations (verified with the U.S. Geologic Survey 7.5' Winston topographic quadrangle map, 1999, and aerial photography by Cooper, 2017), combined with the geologic data from recently completed exploration drilling program.

Three cross sections developed from the exploration drilling program, plus topographic considerations were utilized to estimate the volume of material that had to be mined and would be available for backfilling of the pits for reclamation. The pit benches are shown on the cross sections, Figures 4, 5 and 6. Final reclaimed slopes and final pit bottom are shown on the cross sections. All the material within the pit outline will be moved either during mining or reclamation.

The overburden is comprised of an overlying soil, sand, clay, and gravel unit (gravels), and the interburden consists of interbedded thin sedimentary units and a non-zeolite tuff. Both of these materials have historically been utilized as backfill and/or growth media, and have proven excellent materials for either use. These materials will be stripped from the top of the higher quality zeolite units and placed in overburden/interburden stockpiles, or, when feasible, dozed from adjacent areas as backfill or growth media as the pit advances. If there is not available area within the pit perimeter/mined out areas, material will be left along the upper, southern, western and northern margins of the pits to eventually be pushed downhill into the pit or final regraded slopes as growth media after mining. Much of the interburden will be left in the pits during mining to be utilized as backfill for completion of the final reclamation slope grade.

A final 3H:1V reclamation slope is shown for each of the cross sections. The areas for each excavation block was scaled from the cross sections. Volumes of overburden/interburden material were calculated by tabulating grids on the cross sections, utilizing a 1”=50’ scale. All material volume estimates for the pits are included in Reclamation Cost Estimate (Attachment 2,3).

A swell factor of 20% for all geologic units was utilized to calculate loose cubic yards. Push distance and grade were estimated from the cross sections (Figures 4, 5 and 6) and Fig. 3 Figure 1 April 28, 2020, the Plan View Base Map showing project components and locations. Material weight was estimated from recent bank bulk density data. All dozer push of material for reclamation is downhill. All push distances and grades are reflected on page 3, Material Volumes, in the attached Reclamation Cost Estimate.

Earthmoving Cost Estimate

Total direct costs of earthmoving for reclamation at the Zeolite East Pit - Phase 1,2 is shown in Appendix 2 and Attachment 3, and the South Side pit is in Attachment 3, in the cost estimate spreadsheet EarthSum Tab 5. The cost is approximately $331,029.00.

Revegetation

Revegetation costs are made up of two components, the acreage that needs to be seeded and the cost per acre for the seeding process and monitoring.

Revegetation Acreage

We measured the acreages shown in the EXCEL spreadsheet under the Reveg Tab 6 using Google Earth Pro and on-the-ground survey data. The total area that currently will need to be seeded and monitored is 34 acres. This acreage that will need to be seeded will be reduced within the next year when the Zeolite East Pit - Phase 1 earth work has been completed and the area seeded. Monitoring of the vegetation regrowth will be ongoing for most of the listed acreage.

Revegetation Costs

Based on our experience with ongoing work at the Winston site, the cost of the seed mix (cf. Table 3) and labor costs for broadcasting seed at 21 pounds live seed per acre 10.5 using drill, applying straw locally to help hold moisture, and crimping the soil and organic materials is approximately $1,303 / acre. This cost is reflected in the Reveg Tab 6 in the EXCEL spreadsheet (Attachment 2,3).

We applied a 5% / year failure rate direct cost adjustment for five years for the cost of revegetation at $1,303 / acre as shown in the cost summary under the BondSum Tab 8 in the spreadsheet. In our experience for this site, revegetation has been very successful. We had used a 5% failure rate for each year for the full 12 years of monitoring through the 2007 estimates. However, the vegetation typically is well established within three years, so we have applied the 5% failure rate for five years since our 2013 estimates. We believe this more accurately reflects on-the-ground conditions and is reasonable.

Indirect Costs

We applied indirect costs for this estimate in accordance with the MMD suggestions in its July 17, 2017, letter to St. Cloud. Indirect costs include the administrative costs that would be borne by the State of NM in the event of default. Reasonable contractor profit and overhead is included with the indirect costs.

Because the close out plan typically is updated in five year increments, we applied an escalation factor for five years. We used a 20-year average (2005-2025) consumer price index (Consumer Price Index for All Urban Users (CPI-U)) for the escalation factor. The 20-year average cost escalation rate is 3.4 %.

Costs shown in the spreadsheet under all tabs except tab number 8 (BondSum) are estimates of the actual costs for doing the work without regard for the indirect costs associated with accomplishment of work. This cost estimate accounts for the indirect costs for third party work in lump sum format in the final calculations of the spreadsheet under the BondSum Tab 8.

Thus, indirect costs included here (BondSum tab 8 in the spreadsheet, Attachment 3) are calculated as a percentage of the total actual costs. The percentages and allocation are based on information provided by the MMD in its July 17, 2017, letter to St. Cloud. Although these indirect costs may vary from project to project, we believe that the percentages used herein accurately and reasonably account for all costs over and above actual costs that would be incurred by the State of NM in the event of default by St. Cloud.

Cost Summary

Our updated cost estimate is shown in Appendix 2. Only summary sheets from the EXCEL spreadsheet are shown in the appendix. The entire electronic spreadsheet with calculations is attached as Attachment 2,3.

The reclamation cost summary is shown in abbreviated form in Table 6.

Table 6. Reclamation cost summary for the Winston Zeolite Mine, December 15. 2025.

BOND AMOUNT CALCULATION — Zeolite Mine
New Mexico Mining and Minerals Division
Reclamation Bond Summary

DIRECT COSTS	1st time revegetation		$92,942
	Earthmoving		$77,871
	Revegetation @ 5%/yr failure rate	25%	$18,047
	Other monitoring, vegetation monitoring, etc)		$8,400
	Subtotal		**$197,260**
INDIRECT COSTS	Mobilization and Demobilization (1%-10%)	5%	$6,654.58
	Contingencies (2%-10%)	5%	$9,621.95
	Engineering Redesign Fee (2%-10%)	4%	$7,609.55
	Contractor Profit and Overhead	15%	$29,588.73
	Project Management Fee	10%	$9,863.58
	MMD Procurement Cost (2%-10%)	5%	$9,621.95
	Bonding and Insurance	4%	$7,890.86
	Labor Liability Cost	1.5%	2,922.30
SUBTOTAL			**$83,773.50**
TOTAL BOND AMOUNT		49%	$**281,033.50**
	Cost Escalation Period	5	years
	Cost Escalation Rate	3.4	%
TOTAL ESCALATED BOND AMOUNT (Escalation applied to both direct and indirect costs.)			**$331,029.00**

This estimate is a snapshot in time of the cost of reclamation for the Winston site. The cost of reclamation at the Winston site will be reduced through time as historic pits are reclaimed.

Financial Assurance

The Financial Assurance for the existing St. Cloud Operations, as presented in the Closeout Plan Update submitted with the updated Permit Modification 13-1, dated September 20, 2017. The Financial Assurance (FA) was provided by lands owned by St. Cloud Mining and utilized as collateral for the FA. The FA was, and is, for deeded land that encompasses one 48.251-acre tract and two 3/4-acre residential lots near Winston, NM, in the S1/2 of the N1/2, Section 22, T. 11 S., R. 8 W., NMPM. The two residential lots are identified as lots 17 and 18 of the Fairview Estates Subdivision Figure 8. The property is owned by St. Cloud as recorded in the WD Book 93, page 4813 and Book 94, page 4389, on June 25, 2001, Sierra County, NM. It was approved as financial assurance in modification SI006RE-Modification 03-1, and Permit Modification 13-1.

As described earlier in this application:

(i) St. Cloud Mining contracted an update the Land Appraisals for the parcels of land that are held as collateral for Financial Assurance by the State of New Mexico. These appraisals are for the parcel on land located near Winston, Sierra County and is of 48.25 acres in size, and a second parcel located near the St. Cloud Zeolite Mining Operation, not within the permit Design Limits Boundary, and is of 316.28 acres in size. These updated Land Appraisals were submitted to NM MARP on December 1, 2025, and are included by reference to this Permit Modification Application. The Letters of Transmittal for both appraisals, which provide a summary of the appraisals, are provided here as Attachments 5 and 6. The new 2025 Land Appraisals increase the total lands included as collateral and Financial Assurance to a gross value of $587,000. The previous gross value of these same lands was $527,000, resulting in a gross increase in the collateral of $60,000.

1) December 1, 2025 Land Appraisal for 48.25 acres in Winston, Sierra County. Valuation of $192,000.
2) December 1, 2025 Land Appraisal for 316.28 acres near the St. Cloud properties, Sierra County. Valuation $395,000.
3) Total Appraised Land valuations = $587,000.
4) FA allowed for land collateral, at 85% of appraised land value, December 2025 = $498,950.

In the approval of the past Permit Modification to Permit SI006RE, Modification 13-1, Section 3(13-1) and Modification 20-1. FINDINGS OF FACT, Item J, "The total amount of financial assurance required for the closeout plan at the Winston Facility (St. Cloud Zeolite Operations), was $360,251.00. The Yellowjacket Phase I, West and Central pit has been regraded and sloped to 3H: 1V slope. The total amount of financial assurance for the closeout plan at the (St. Cloud) Winston Facility following approval of the Closeout Plan for 2025 is $331,029. This is a comprehensive number for the entire operation, including the Plant Site, Old Main Zeolite Pit, Yellowjacket Phase I & II and South Side Pit 1 with identified roads.

Therefore, with the FA allowed from the Land Collateral Appraised value of $498,950 (85% of total value of the December 2025 appraisals), and from the 2018 Modification 13-1, the encumbered FA and the approved Modification 20-1 December 15, 2020 is $331,029 for operations through Modification 13-1, this results in a current condition of the project having approximately $167,921 in excess collateral for use as FA.

The summary Letters of Transmittal to the appraisals are included here as Attachments 5 and 6. The entire Land Appraisal was submitted in paper copy, and electronically to NM MARP in December 1, 2025.

Appendices

Appendix 1 - Zeolite plant and new plant equipment inventor

Schedule of Equipment

	Equipment	purchase
E1	MACHINERY AND EQUIPMENT	
E2	ORIGINAL PURCHASE	12/4/2002
E3	94 FORD WATER TRUCK	8/20/2003
E4	BAG FILING DEVICE	4/15/2003
E5	BEARING ON MILL	6/2/2003
E6	CONVEYOR	7/9/2003
E7	BAG FILLING DEVICE	5/12/2003
E8	2004 PALLET POSITIONER-FOURTH Q. CONV.	12/1/2004
E9	OTHER EQUIPMENT-THIRD Q. CONV.	7/1/2004
E10	CAT LOADER 980F USED	2/25/2005
E11	PALLET ORGANIZER	4/11/2005
E12	BIN FEEDER	12/13/2005
E13	DRYER STARTER PANEL & PLATFORM	2/3/2006
E14	DUST COLLECTION DUCTING	6/12/2006
E15	97 980G LOADER	1/3/2006
E16	SHOP COMPRESSOR	1/31/2006
E17	POWER WASHER	2/17/2006
E18	MOTOR & BEARINGS , MIDWESTERN SCREEN	3/8/2006
E19	BAG HOUSE ELECTRICIAL ACCESSORIES FOR CONTROLLER	4/1/2006
E20	TRANSFORMER	5/22/2006
E21	JAW CRUSHER PARTS	5/1/2006
E22	WELDER #1	5/31/2006
E23	WELDER #2	6/1/2006
E24	06 TRAIL MAX TRAILER	6/28/2006
E25	REBUILD CONE CRUSHER	7/20/2006
E26	COMPLETION OF CRUSHER REBUILD (part of orig acquisition)	8/10/2006
E27	2001 966G WHEEL LOADER	9/4/2006
E28	2005 966G Loader	12/22/2006
E29	Dryer Flights (zeolite)	1/18/2007
E30	966G pins & bushings on bucket	1/31/2007
E31	98 International service truck	3/2/2007
E32	Shrink Wrap Machine - new	3/23/2007
E33	Rock Drill	8/8/2007
E34	AIR TRACK DRILL	9/24/2007
E35	2 SMALL GENERATORS; POWER WASHER	1/30/2008

E36	BAGGER - ELECTRICAL COMPONENT	5/2/2008
E37	DIGITAL CONTROLLER-ZEOLITE BURNER	5/29/2008
E38	Zeolite Scale Upgrade	7/29/2011
E39	DRYER Gears	7/15/2011
E40	Bucket - 980F	1/20/2012
E41	Engine overhaul, 980F	2/17/2012
E42	DRYER Tires/Trunnions down payment	4/26/2012
E43	2012 Chev Van -- VIN: 1GAZG1FGXC1135975	6/18/2012
E47	DRYER - Final pymt Tires/Trunnions	8/16/2012
E48	DRYER - Rental of Telehandler	8/21/2012
E49	DRYER - Weld Tech Steel-Mount Plates and Bases	8/24/2012
E50	DRYER – Reliance Steel - steel plates	8/24/2012
E51	DRYER - Atlas Electrical, Variable Frequency Driver	8/31/2012
E52	Conveyor/Stacker #7436054 (used)	1/3/2013
E53	CAT Forklift #AT3535249 (new)	3/6/2013
E54	REBUILD BAG HOUSE ELEVATOR	5/18/2015
E55	2015 Doosan Forklift, G25P3-5; s/n: FGBOJ-1290-00214	7/15/2015
E56	Belt Scale for ore feed	12/31/2015
E57	Feed Hopper Structure	12/31/2015
E58	Primary Jaw Plant	12/31/2015
E59	Primary Screen Plant	12/31/2015
E60	Turbo 35 CEMCO Impact Crusher	12/31/2015
E61	Fines Crusher Stutenroth.	12/31/2015
E62	Elevator # 1	12/31/2015
E63	2 way Splitter	12/31/2015
E64	Secondary Screen Unit	12/31/2015
E65	Tertiary Screen Unit	12/31/2015
E66	2-3 way Splitter, and 4 way Splitter	12/31/2015
E67	Nuisance Dust Collector (Micro Pulsar, Torit or equivalent)	12/31/2015
E68	Air Compressor and Air Dryer System New.	12/31/2015
E69	Semi- Bulk Bagging Machines	12/31/2015
E70	Primary fines product (-40 mesh) Elevator # 2 (70 ft.)	12/31/2015
E71	Splitter Valve (6 position) w/ chutes	12/31/2015
E72	TBD 3 transfer Conveyors # 5, 6, 7 to main silo conveyor #8.	12/31/2015
E73	Other small parts	12/31/2015
E74	Electrical (includes contractor, materials, SEC)	12/31/2015
E75	2016 Chev Van VIN: 1GAZGPFG9G1187154	9/22/2016
E76	2017 Doosan Forklift G25P3-5 s/n FGBOJ-1290-00304	3/3/2017
E77	2014 Ford F-150 pickup	3/31/2017
E78	2012 International Service Trk, VIN 1HTJSSKK0CJ624147	11/22/2017
E79	2018 Doosan Forklift G25P3-5 s/n FGB0J-1290-00344	8/20/2018

E80	2013 Ford F-250 PU	8/31/2018
E81	2012 D9T Caterpillar dozer, #TWG00325	12/27/2018
E82	1985 Mixer Truck	5/20/2019
E83	1998 Volvo Haul Truck, VIN A30CV2807	3/13/2020
E84	2008 CAT 450E backhoe w/18" bucket, S/N: EBL00164	4/13/2020
E85	2020 Doosan Forklift, SN: FGA14-1290-02717	11/2/2020
E86	2019 Chev Express Van, VIN:1GAZGPFG3K1144924	12/3/2020
E87	Komatsu Excavator, PC490LC-11 SN: A42126	1/14/2021
E88	2018 Chev Express Van, VIN: 1GAZGNFGXJ1173937	3/4/2021
E89	2014 Caterpillar 299D1 Skid steer, SN: JST01020	6/16/2021
E90	2013 Volvo A35F Articulated Haul Truck, SN 10276	7/1/2021
E91	2007 Volvo Grader 9940G VCEOG940A00041911	9/14/2021
E92	2021 Doosan Forklift, SN: FGA14-1290-06884	12/1/2021
E93	Down payment 2 pickup trucks	1/31/2022
E94	Down payment 2 pickup trucks - moved to win expense	2/1/2022
E95	2019 Chevrolet Pick up truck; VIN 2GCVKPECXK1147137	2/14/2022
E96	2017 Ford Pick up truck; VIN 1FT7W2BT4HEE13537	2/25/2022
E97	2017 CAT Skid steer; VIN 0236DEBGZ03856	5/16/2022
E98	2023 Kubota Diesel Generator; SN: ND210382R	4/12/2023
E99	2011 International Water Truck, VIN#1HTWPAZR8BJ421350	5/16/2023
E100	Dryer Refurbish	3/31/2023
E101	Teran - Hydraulic Rock Breaker (Excavator attachment) SN: CrB 102C59H	9/28/2023
E102	950M Loader, rebuild transmission-adjusted value	9/10/2024
E103	2020 Sandvik Drill, SN 70711, Model DX 800	1/2/2025
E104	Sany Wheel Loader, WS4055CEM, 4yd bucket hydraulic coupler	1/2/2025
E105	Bobcat forklift, SN FGA14-4550-08295	1/14/2025
E106	Bucket for Komatsu excavator, PC400LC-6	2/6/2025
E107	Volvo Haul Truck, 440	2/19/2025
E108	Stretch Wrap Machine with scale	2/21/2025
E109	Compressor	2/26/2025
E110	2022 any Backhoe, SLB95	3/7/2025
E111	Komatsu D155AX-8; SN: 100257	4/21/2025
E112	Hapman - bulk bag filler and adjustable cartridge	4/28/2025
E113	Hapman - final pymt; bulk bag filler and adjustable cartridge	7/16/2025
E114	Thomas Conveyor incline belt for Z-4	5/29/2025
E115	2016 Chev crew Van, 1GAZGPFG9G 1293720	5/20/2025
E116	2014 Chev crew Van, 1GAZG1FG4E1176895	5/20/2025
E117	Excel - cold bin feeder, gear reducer	6/13/2025
E118	Sale of 92 Ford Water Truck	7/3/2025
E119	Upgrade Z-4 incline belt - Flat Blade Triverter	8/2/2025
E120	Other small Components	

Appendix 2 - Summary of the updated cost estimate for the Winston Zeolite Mine closeout plan.

St. Cloud Mining Co. Zeolite Operation Permit No. SI006RE

BOND AMOUNT CALCULATION *Page 1*

Area/Timeframe 1 Plant Site Area, Zeolite Fines, Materials Storage

2025 RECLAMATION COST

General Information UPDATE April 2025

Permit Holder	St. Cloud Mining Company	Contact:
	PO Box 198	Jason Stevens
	Winston, New Mexico 87943	(575) 743-5215
Permit Number	SI006RE	
Number of Acres	2.6	
Type of Operation	Processing Plant Area	
Location	Sierra County, New Mexico	
Cost Estimate Calculation		**$8,635**
Escalated Estimate		**$10,206**

BOND AMOUNT CALCULATION

St. Cloud Mining Company

Permit No. SI006RE

Page 1

2025 RECLAMATION COST ESTIMATE UPDATE

Old Main Pit + Explosive Magazine Area

New Mexico Mining and Minerals Division

General Information

April 2025

Operator/Permitee	St. Cloud Mining Company	Contact:
	PO Box 198	Jason Stevens
	Winston, New Mexico 87943	(575) 743-5215
Permit Number	SI006RE	
Number of Acres	1	
Type of Operation	Existing Surface Mine / Zeolite	
Location	Sierra County, New Mexico	
Cost Estimate Calculation		**$3,383**
Escalated Estimate		**$3,999**

BOND AMOUNT CALCULATION

New Mexico Mining and Minerals Division

St. Cloud Mining Co. Permit #SI006RE
RECLAMATION COST UPDATE
Area/Timeframe 3 Yellowjacket Pit Area
April 2025

General Information

Page 1

Operator	St. Cloud Mining Company	Contact:
	PO Box 1670	Jason Stevens
	T or C, NM 87901	(505) 743-5215
Permit Number	SI006RE	
Number of Acres	35 acres	
Type of Operation	Existing/Surface/Zeolite	
Location	Sierra County	
Cost Estimate Calculation	**$88,561**	
Escalated Estimate	**$104,675**	

St. Cloud Mining Company Zeolite Operation

Page 1 Permit No. SI006RE

BOND AMOUNT CALCULATION South Side 1 Project Area

RECLAMATION COST UPDATE

New Mexico Mining and Minerals Division 2025

General Information

April 2025

Operator	St. Cloud Mining Company	Contact:
	PO Box 198	Jason Stevens
	Winston, New Mexico 87943	(575) 743-5215
Permit Number	SI006RE	
Number of Acres	35.8	
Type of Operation	Existing Surface Mine / Zeolite	
Location	Sierra County, New Mexico	
Cost Estimate Calculation		**$179,489**
Escalated Estimate		**$212,149**

BOND AMOUNT CALCULATION — Zeolite Mine
New Mexico Mining and Minerals Division
Reclamation Bond Summary

DIRECT COSTS	1st time revegetation		$92,942
	Earthmoving		$77,871
	Revegetation @ 5%/yr failure rate	25%	$18,047
	Other monitoring, vegetation monitoring, etc)		$8,400
	Subtotal		**$197,260**
INDIRECT COSTS	Mobilization and Demobilization (1%-10%)	5%	$6,654.58
	Contingencies (2%-10%)	5%	$9,621.95
	Engineering Redesign Fee (2%-10%)	4%	$7,609.55
	Contractor Profit and Overhead	15%	$29,588.73
	Project Management Fee	10%	$9,863.58
	MMD Procurement Cost (2%-10%)	5%	$9,621.95
	Bonding and Insurance	4%	$7,890.86
	Labor Liability Cost	1.5%	2,922.30
	Subtotal	49%	**$83,773.50**
TOTAL BOND AMOUNT			**$281,033.50**
	Cost Escalation Period	5	years
	Cost Escalation Rate	3.4	%
TOTAL ESCALATED BOND AMOUNT (Escalation applied to both direct and indirect costs.)			**$331,029**

Figures

Fig. 1. Air photo showing location and extent of the Winston fines storage area.
The fines storage area lies immediately north of the plant site. A supplies storage yard lies immediately to the east of storage pile. Photo modified from Google Earth, October 30, 2017.

Fig. 2. Fines storage area near the plant site.
Fines are stored in the middle ground, and a supplies store yard is shown in the upper right part of photo. Light colored piles in middle ground are fines. Depression with rain water is about 10 ft. deep for scale. Material underlying the storage yard is overburden equivalent to bedded material on the road cut in the photo background. This would be used as to cap any remaining fines during reclamation. Overburden is interbedded, weakly indurated mudstone, sandstone, and clast supported pebble and cobble conglomerate. Rilled hillside in background shows the interbedded gravel, sandstone, and mudstone. Photo N 50 E from 251208 E, 3687578 N, zone 13, NAD 27 by A. Burch, 9-12-13.

Fig. 3. South Side Project 1

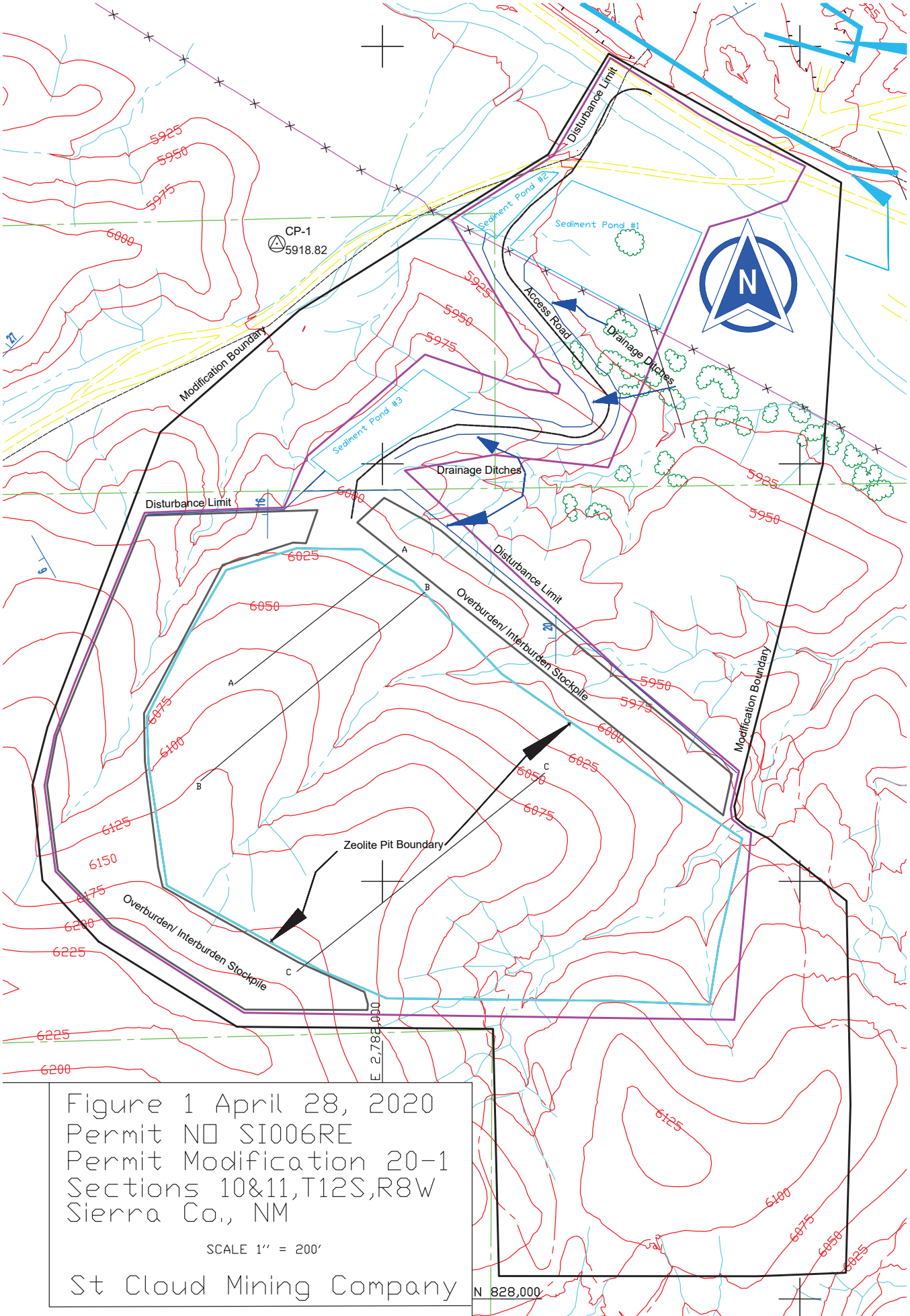

Figure 1 April 28, 2020
Permit NO SI006RE
Permit Modification 20-1
Sections 10&11,T12S,R8W
Sierra Co., NM

SCALE 1" = 200'

St Cloud Mining Company

Fig. 4. Cross Section A-A

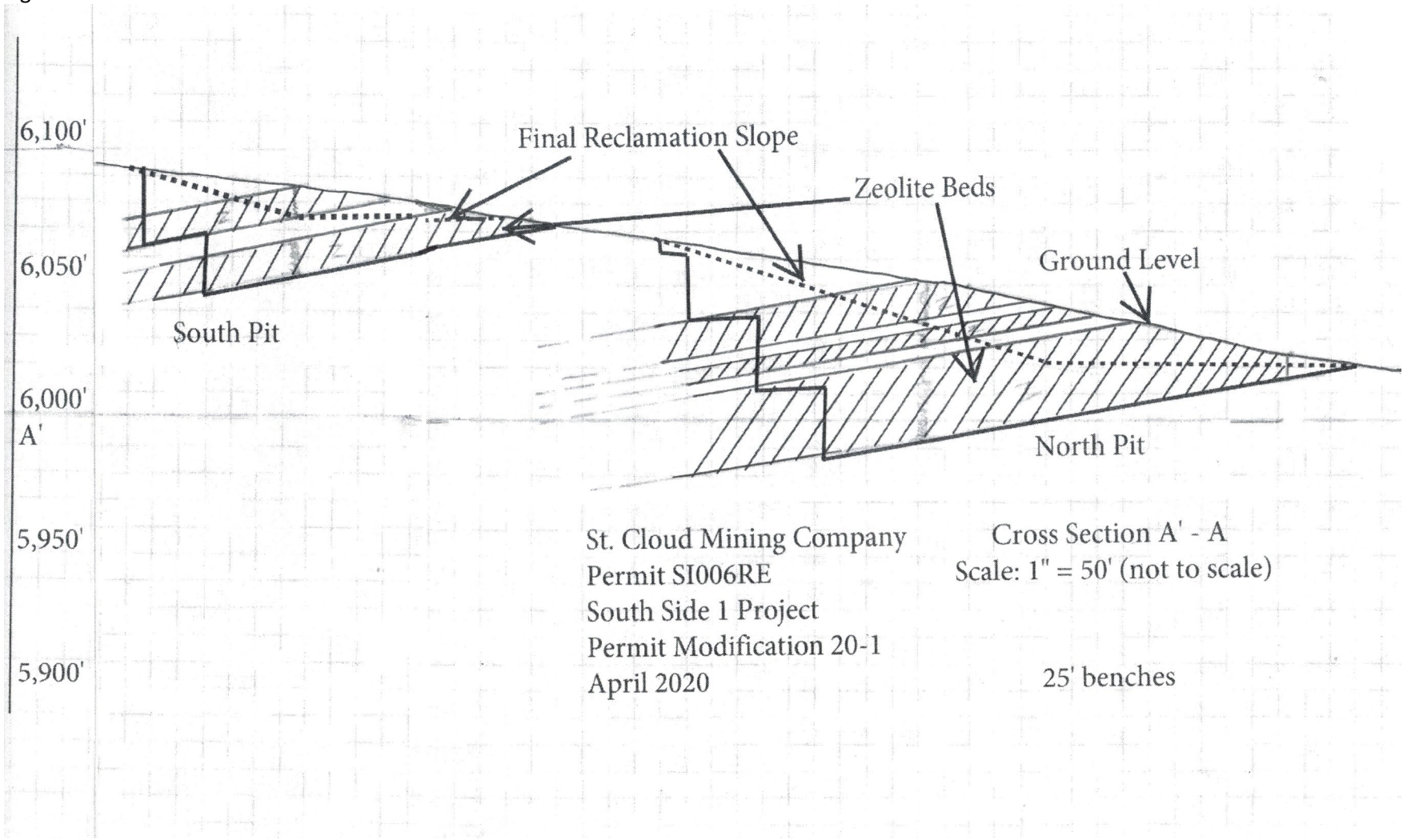

Fig. 5. Cross Section B-B

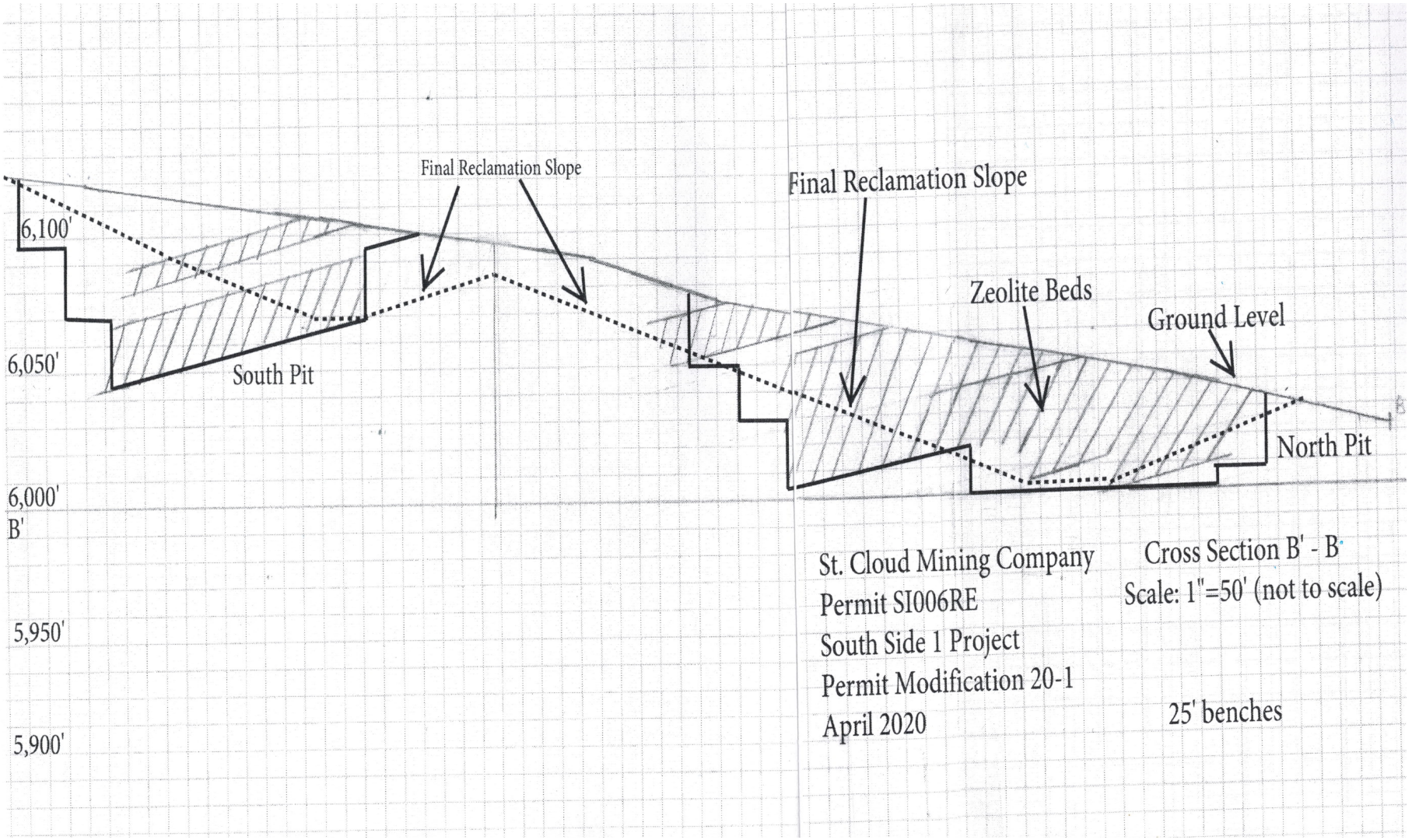

Fig. 6. Cross Section C-C

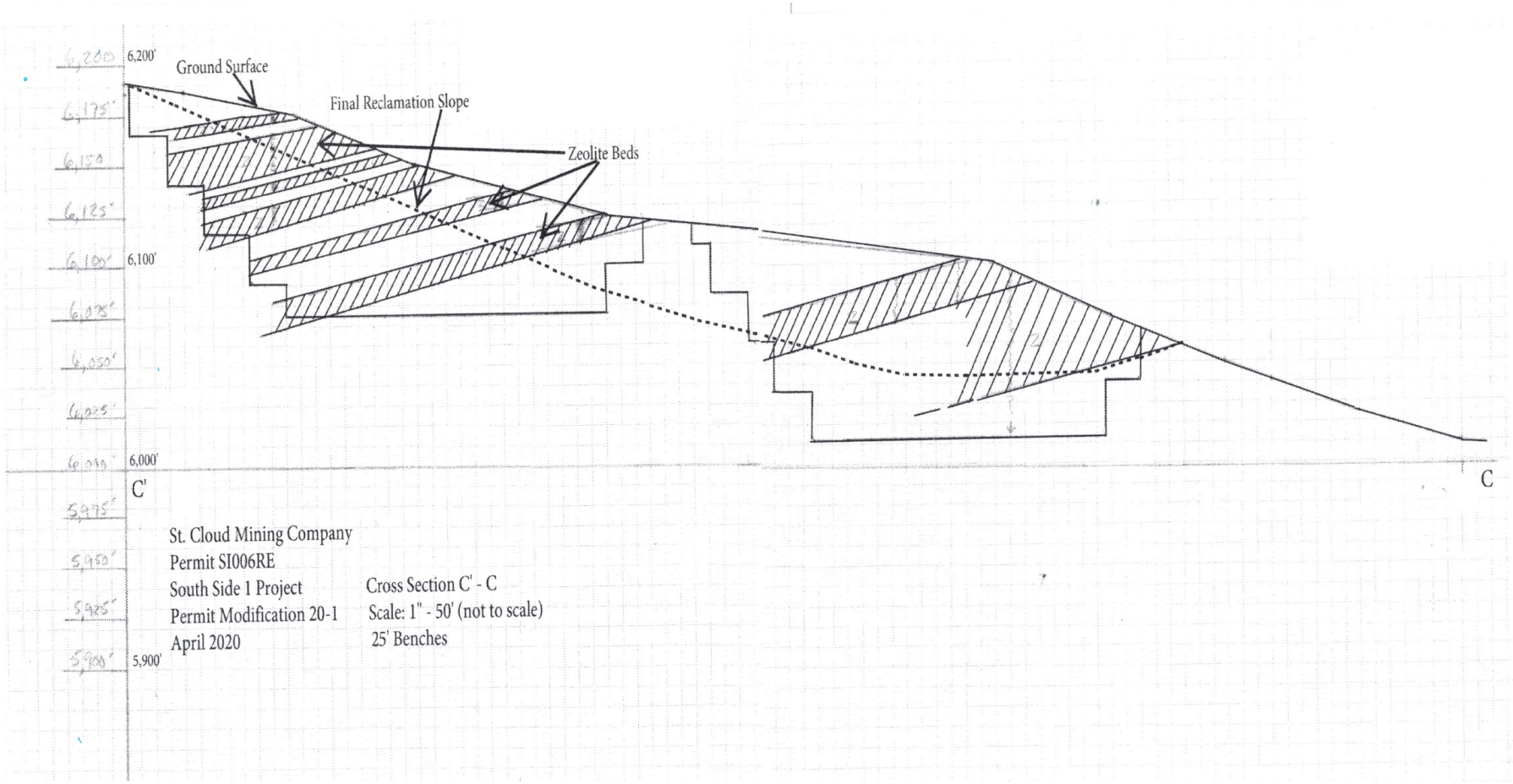

Fig. 7 Letter Black Range Enterprise to St. Cloud Mining option for PLMU

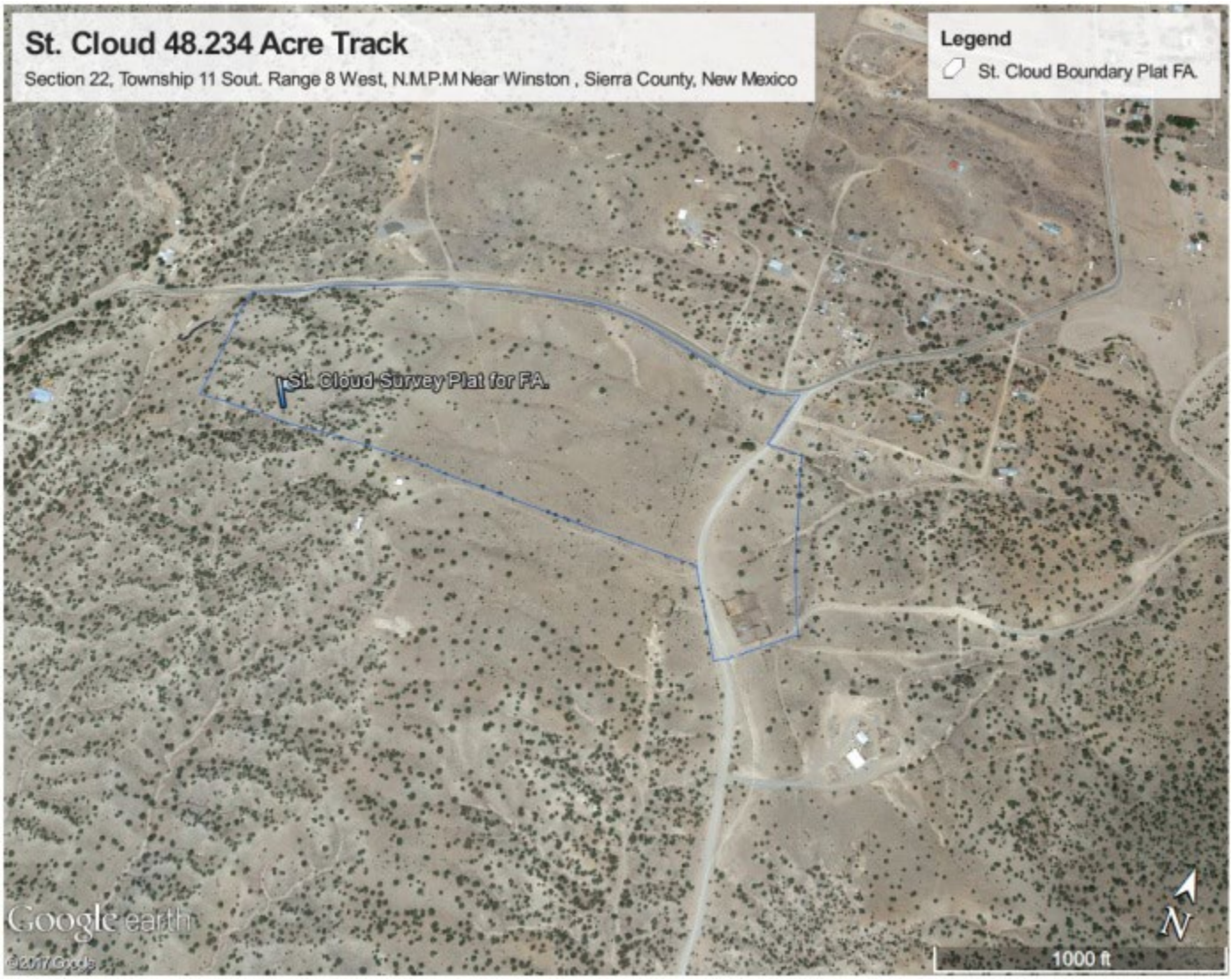

Fig. 8. Google Earth image of collateral property near Winston
Image shows 48.251-acre tract and two 3/4-acre residential lots near Winston, NM, in the S1/2 of the N1/2, Section 22, T. 11 S., R. 8 W., NMPM.

Attachments

Attachment 1 - St. Cloud Zeolite Operation Permit Map

Attachment 2 – Cost Estimation EXCEL Spreadsheet, Plant Site, Zeolite Fines, Material Storage and Old Main Pit Area & Explosives Magazine Area.

Attachment 3 - Cost Estimation EXCEL Spreadsheet, Yellowjacket Pit Area and South Side 1 Pit

Attachment 4 – Storm water pollution prevention plan and map.

Attachment 5 – 48.78 acre Appraisal by Colin S. McVaugh ARA and Rebekah A. Horten Agri-land Advisors, LLC. December 1, 2025

Attachment 6 – 316.28 acre Appraisal by Colin S. McVaugh ARA and Rebekah A. Horten Agri-land Advisors, LLC. December 1, 2025

Attachment 7 Termination letter of Permit DP-314.