

Contract 77-235-2F: Thornton Composite Reservoir
Heidelberg Materials Midwest Aggregate, Inc⁷ - Mining Costs
9/28/2023

Summary of Hard Costs

Agreement Reference	Description	Estimate in Agreement	Revised Estimate 12/31/20	Approved as of September 2023
4.05	Removal of Access Tunnel Concrete Plug	unknown	\$400,000	\$0
6.05	Additional Pumping/Tunnel Repair Costs	unknown	\$1,200,000	\$1,450,180
11.02.A.1	Increased Length of Tunnels to North Lobe	\$350,211	\$257,004	\$257,004
11.02.A.2	CSX Tunnel to Lower West Lobe	unknown	\$138,454	\$138,454
11.02.A.3	Tunnel in the North Lobe Between Mining Benches ¹	\$150,000	\$263,722	\$263,722
11.02.A.4	Short Bench/Ramp/Pre-Splitting ²	\$4,810,000	\$12,525,000	\$12,066,258
11.02.A.5	Ramp from Upper West Lobe to Lower West Lobe	\$410,865	\$135,171	\$135,171
11.02.A.6	Ramp from Main Lobe to North Lobe (Actual Cost)	\$28,038	\$28,038	\$28,038
11.02.A.7	Blast Design, \$50,000 per year for 14 years	\$700,000	\$430,884	\$429,984
11.02.A.8	Pumping from Expanded North Lobe After Mining	\$24,500	\$48,000	\$0
11.02.A.9	Overburden Removal and Berm Construction ³	\$500,000	\$14,200	\$14,200
11.02.A.10	Fence along West and North Line ⁴	\$65,000	\$65,000	\$23,267
11.02.A.11	Grading under Ramp in North Lobe	\$90,000	\$176,000	\$0
11.02.A.12	Removal of Deleterious Material	unknown	\$7,128,295	\$8,200,516
11.02.A.13	Prior Rock Coring/Testing (Actual Cost)	\$77,257	\$77,257	\$77,257
11.06	Administrative Support Cost	-	\$436,574	\$438,663
11.13	Costs Resulting from Change, Amendment or Alteration	-	\$2,324,088	\$2,509,800
Total		\$7,205,871	\$25,647,687	\$26,032,514

Summary of Capital Costs

Agreement Reference	Description	Estimate in Agreement	Revised Estimate 12/31/20	Approved as of September 2023
11.01.C.1	Lost Reserves Payment	\$15,485,275	\$15,485,275	\$15,485,275
11.03	Additional 94-ton Truck and a Small Drill	unknown	\$691,000	\$691,000
17.01	Real Estate Taxes - Transitional Reservoir and Annual Fee ^{5,6}	unknown	\$13,181,577	\$12,297,884
Total		\$15,485,275	\$29,357,852	\$28,474,159

¹MSC was reimbursed for the actual cost of the tunnel including cost of additional glory hole development.

²Increase in estimate for Item 11.02.A.4 due to expansion of the reservoir and additional walls scaling work.

³Overburden removal and berm construction cost under JOC contract - \$1,674,272.

⁴Fence along the East line was constructed under the Contract 77-235-AF - \$139,830.

⁵Increase in estimate for extended use of West Lobe per Article 6 of the Third Amendment of the Agreement.

⁶Increase in estimate for extended use of West Lobe per Article 4 of the Fourth Amendment of the Agreement.

⁷Formerly known as Hanson Material Services.

Total Mining Costs	\$55,005,539	\$54,506,673
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