



Environmental & Mine Permitting Services

July 10, 2023

Mr. Dan Darnell
Carson Companies
100 Bayview Circle, Suite 3500
Newport Beach, CA 92660

Re: Statement of Mineral Resource Classification Impact Potential for Property
located at 2400 Highland Road, San Bernardino, CA. APN 0264-431-18

Dear Mr. Darnell:

EnviroMINE, Inc. (EnviroMINE) has been asked to comment on the potential for a proposed industrial development project to impact the availability of classified construction aggregate resources at the above referenced parcel. The proposed industrial development project would include a General Plan Amendment from "Resource Land Management" to either Community Industrial or Regional Industrial; Zone Change from "Resource Conservation" to Community Industrial (IC) or Regional Industrial (IR) and development permits for the construction of two warehouse/distribution buildings totaling $\pm 1,135,134$ square feet.

A review was completed of the California Geological Survey's Special Report 206 (SR-206), Update of Mineral Land Classification for Portland Cement Concrete-Grade Aggregate in the San Bernardino Production-Consumption Region, San Bernardino and Riverside Counties California. This report indicates that the subject parcel is identified within an area classified as MRZ-2, areas where adequate information indicates that significant mineral deposits are present, or where it is judged that a high likelihood for their presence exists. This zone shall be applied to known mineral deposits or where well-developed lines of reasoning, based upon economic-geologic principles and adequate data demonstrate that the likelihood for occurrence of significant mineral deposits is high.

Prior to SR 206, SR-143 was published (1984) and included the greater Los Angeles Area and San Bernardino Production-Consumption Region. Following the release of SR-143, the State Mining and Geology Board designated known classified resources as Regionally Significant in SMARA Designation Report No. 5 (1987). The property was identified within Resource Sector B-5. A Designation update completed in 2013, relabeled the Project site as lying within Resource Sector B-5-c. Sector B-5-c includes an area of approximately 1,510 acres and is estimated to contain approximately 120-million cubic yards of aggregate resources, or using a conversion factor of 1.5 tons per cubic yard, 163-million tons of resources Classified and Designated as MRZ-2.

Presently, the property is occupied by an aggregate processing plant. The western portion of the property has been mined to depletion. After completion of aggregate mining on the property, the mine voids are being backfilled with clean fill materials.

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Approximately 30 acres of the property were not mined and are used only for material processing, stockpiling and recycling. The processing plant is located on the eastern portion of the property with materials transported to the plant from mining operations located within Cajon Creek approximately 3 miles to the north. The processing plant is being relocated to the Cajon Creek operations.

The Project would result in the removal of the aggregate processing plant currently located at the site and would allow the construction of a warehousing facility. This would eliminate the potential to recover the aggregate resources lying within this area resulting in a loss of approximately 1.5 million cubic yards of aggregate, or 2.25 million tons (see Plate 1). This loss represents approximately one percent (1.3%) of the resources found within Sector B-5-c; an insignificant loss.

Sincerely,
EnviroMINE, Inc.

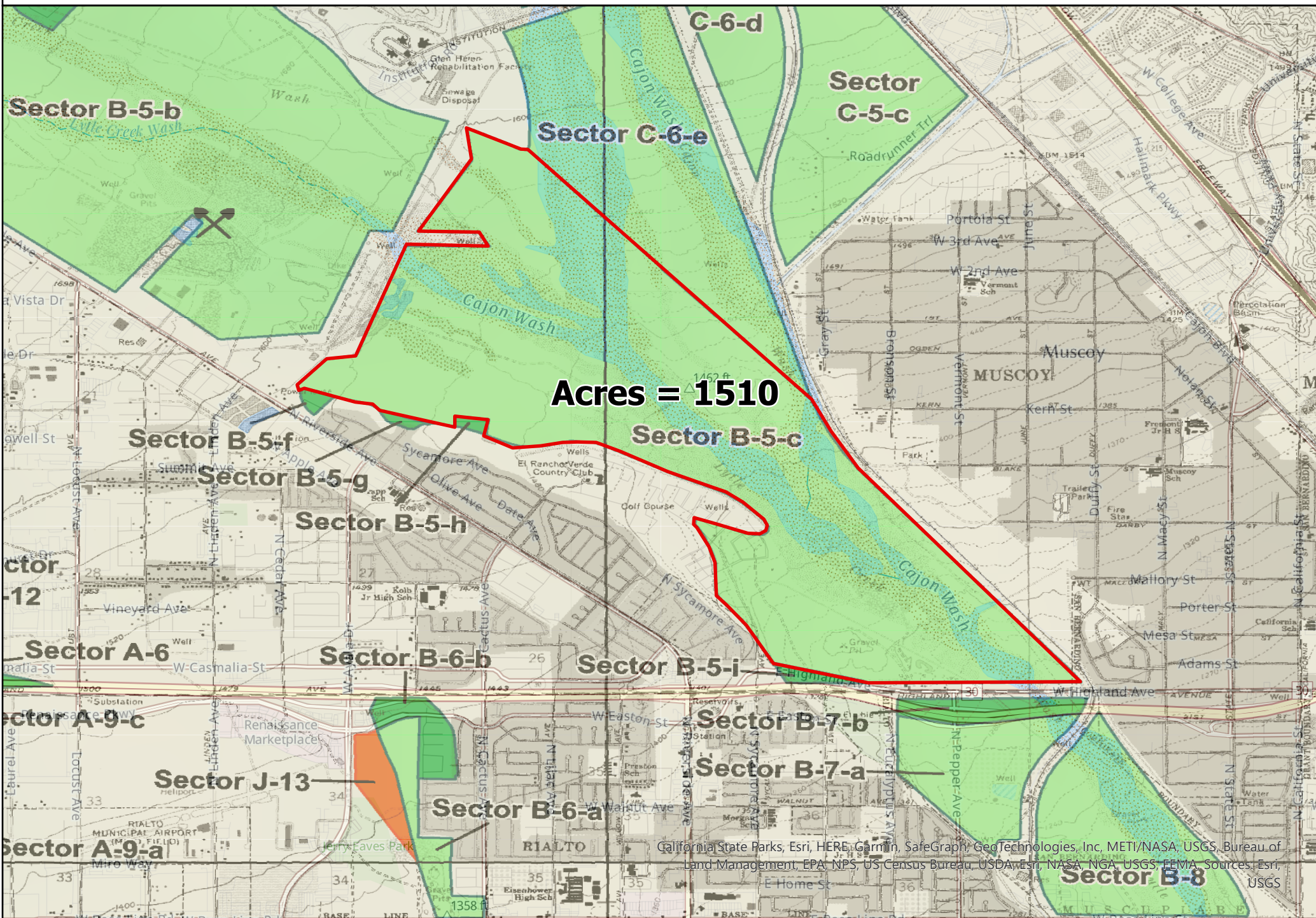
A handwritten signature in black ink, appearing to read "Warren R. Coalson", with a stylized flourish at the end.

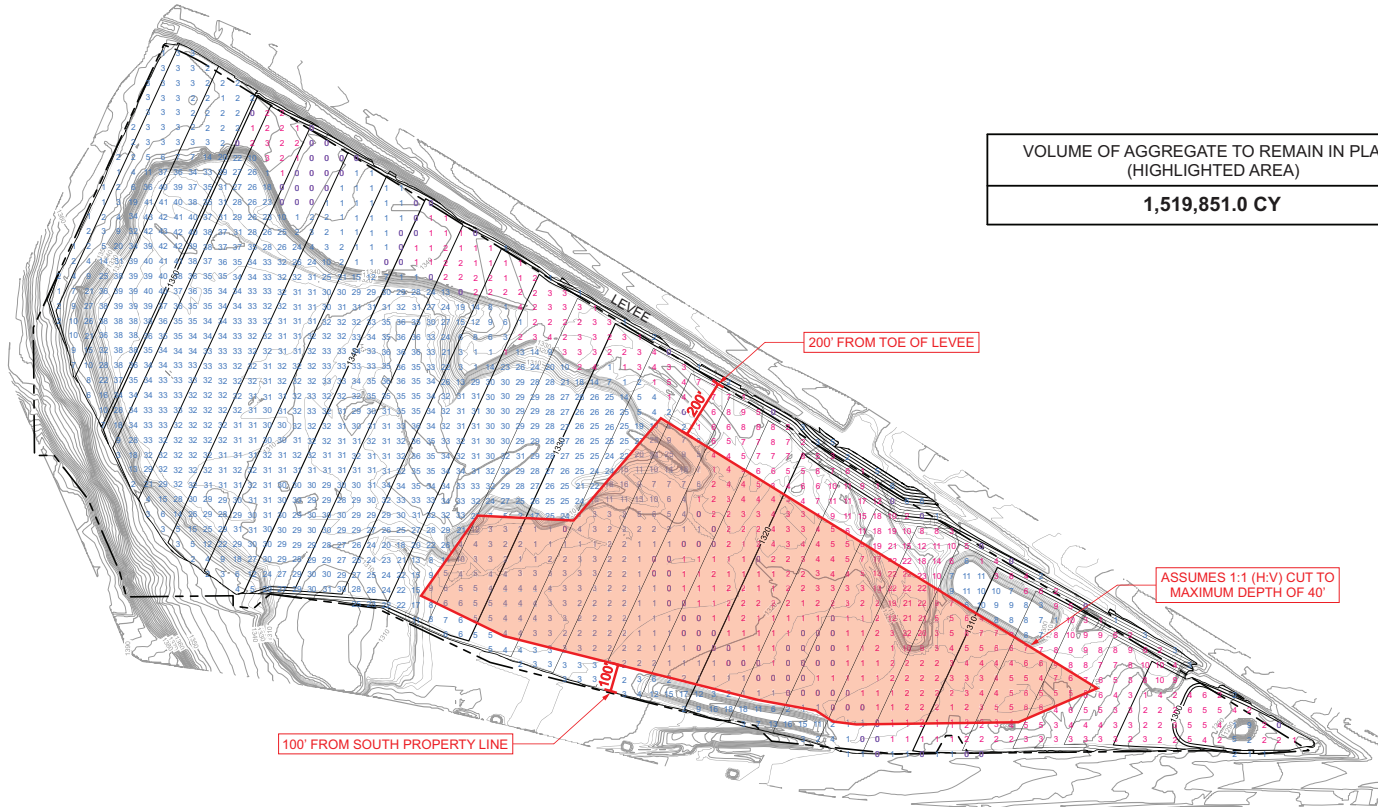
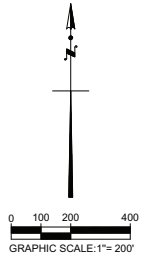
Warren R. Coalson
President

Attachments:

San Bernardino County Designation Map
Plate 1, Estimate Volume of Remaining Aggregate, Tetra Tech

Georeferenced from: Updated Designation in the Northern San Bernardino Production-Consumption (P-C) Region, San Bernardino and Riverside Counties, California, SMGB 2013





VOLUME OF AGGREGATE TO REMAIN IN PLACE
(HIGHLIGHTED AREA)

1,519,851.0 CY

ASSUMES 1:1 (H:V) CUT TO
MAXIMUM DEPTH OF 40'

LEGEND

- APPROXIMATE LIMIT OF PROPERTY LINE
- LIMIT OF GRADING / DAYLIGHT
- 25 CUT THICKNESS (FEET)
- 25 FILL THICKNESS (FEET)
- BOTTOM OF PIT MAJOR CONTOUR
- BOTTOM OF PIT MINOR CONTOUR
- APPROVED RECLAMATION GRADE MAJOR CONTOUR
- APPROVED RECLAMATION GRADE MINOR CONTOUR



ESTIMATED VOLUME OF
REMAINING AGGREGATE

Project No.: GEN 19-22E

Date: June 2023

Plate 1