

Phasing Plan for Panco LLC;

The proposed temporary mining activity is being proposed in three phases, will potential for a future phase.

Phase 1:

- The area of phase 1 was previously used a borrow site. There is currently about 30,000 tons of material stockpiled in this area that's is ready for transport to a future site.
- The phase 1 area will be utilized as a staging area while phase 2 is being developed.
- Following completion of phase 2, phase 1 area will be abandoned as a stockpile location and fully reclaimed to a vegetative state. Reclamation is assumed to be in spring of 2014.

Phase 2:

- Development of phase 2 will begin immediately following approval of the conditional use.
- The topsoil stripped from the phase 2 area will be stockpiled on the West site of the area. This stockpile strip will be utilized for erosion control and to create a buffer.
- Phase 2 will be mined for material during the last quarter of 2012 and throughout 2013.
- Following completion of mining activity in phase 2, this area will be utilized for stockpiling of material in phase 3.
- Phase 2 will be assumed to be reclaimed in spring of 2015.

Phase 3:

- Development of phase 3 will begin after completion of mining activity in phase 2.
- Material mined from phase 3 will be stockpiled in the phase 2 area.
- Mining activity is assumed to begin in phase 3 in late 2013 and throughout 2014.
- Phase 3 will be reclaimed in the spring of 2015, unless future phasing is added to the project, through an amendment to the conditional use.
- If a future phase is added through amendment, phase 3 area will be utilized for stockpiling of material from the future phase, and will be reclaimed within a time frame allowable from the amendment

Future Phase 4:

- It may be requested to expand the use of the site to include a fourth phase.
- If this is determined it will be requested through an amendment to the conditional use at a later date.

Please reference the attached construction documents for visual depiction of the phasing.