

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Spokane District Office
1103 N. Fancher Rd.
Spokane Valley, WA 99212-1275**

The following questions (shown in *italicized text*) pertaining to the Mineral Materials Sale in Benton City, WA were submitted to the BLM by prospective bidders. The BLM's responses are presented here (shown in **bold text**) to provide equal access to public information. The submitters' names and email addresses have been removed due to privacy requirements.

1) *I am at a loss as to how the determinations in your reports were made. If they were calculated on the 900,000 tons of aggregate that A&B Asphalt says they do, then those calculations would be in error.*

Answer: The 900,000 tons/year production rate is based on personal communication with the A&B Asphalt Owner during the preparation of the BLM's Environmental Assessment. The BLM is aware of the economic downturn and reduction in local aggregate market sales for the Tri-City area. The BLM's offering is based on market analysis and mineral appraisal derived from local mineral material producers willing to share information with our contracted mineral appraiser. During that process, our appraiser determined a market minimum bid price of \$0.52/ton for the material contained within the subject deposit.

2) *We as a producer are planning to bid on this parcel of land on March 7, 2011, but there is some clarification that is needed. Your documents state the offering is for 2,000,000 tons of aggregate that will need to be completed in 5 years which figures 400,000 tons per year. What happens if that minimum is not attainable? With the economy starting to slow in this region I would be quite surprised if the market can absorb another 400,000 ton of aggregate.*

Answer: The BLM does not require yearly production rates to be identical from this developing pit. The BLM envisions a "ramping-up" process with lower production rates during the initial years and greater production rates in subsequent years. The successful bidder will be responsible for the full tonnage of material as set forth in the contract. If the BLM agrees, time extensions to the contract may be granted for extraordinary events. An example copy of the mineral materials contract is also available at the BLM Spokane District website. That information is available at:
<http://www.blm.gov/or/districts/spokane/newsroom/index.php>

3) *Do we need to send a sealed bid if we are planning to attend the oral bidding? In your proposal it states the following: Each party who initially submitted a sealed bid, or who is present at the initiation of oral bidding, and has provided an acceptable minimum deposit (\$55,000), will be allowed to express the highest bid price per ton that they are willing to pay for this material, at the time of this offering.*

Answer: You do not need to send a sealed bid if you are planning to attend only the oral portion of the bidding; however, the minimum deposit of \$55,000, in an appropriate instrument, must be provided to the BLM prior to initiation of the oral bidding process. If the BLM does not receive a minimum deposit from you prior by the initiation of the oral bidding process, your company will not be allowed to submit an oral bid for the offered mineral material.

4) *It says that the Bond is separate from, the deposit that must be submitted prior to bidding. If we don't need to send the Minimum deposit in before the oral bidding is it acceptable to bring the Performance Bond of \$30,000 at the time the oral bidding starts?*

Answer: The minimum deposit relates to the company or individual's interest in purchasing the mineral materials advertised in this offering and must be provided to the BLM prior to submission of a competitive bid. The bond is related to land disturbance that the company will create as they develop the land parcel in which the mineral resource is located. The bond is not included in the bidding process and does not have to be submitted until just prior to BLM authorization and initial ground disturbance.

5) *The permitting process as you well know can be a long drawn out process. It could very well take over a year to attain permitting for mining. What happens if the successful bidder isn't able to mine the first year of the contract, or perhaps longer?*

Answer: The permitting process is nearly complete for this offering. Federally administered land does not require Washington State mine permitting or regulation. Local zoning and regulations generally do not apply to Federal land mine development. An Environmental Assessment of the project has already been completed by the BLM through the National Environmental Policy Act (NEPA) process. In order to complete the Environmental Assessment (EA), a generalized mining and reclamation plan was completed by the BLM and is available for review on the BLM Spokane District web site at: <http://www.blm.gov/or/districts/spokane/plans/index.php>. Prior to initiation of operations, the successful bidder will be required to submit a detailed mining and reclamation plan which generally follows the generic plan completed by BLM during the NEPA process. Applicable environmental regulations (air, water, etc.) will be followed by the company during development, mining and reclamation of the property.

6) *Are all deposits 100% refundable?*

Answer: If you are not the successful, acceptable high bidder, your minimum deposit will be returned. No bond deposit is needed for the bidding process.

7) *Who do I need to make the deposit check payable to?*

Answer: The minimum deposit for this offering is \$55,000 (5% of the 2,000,000 ton offering at the minimum appraised bid value of \$0.55/ton). This deposit should be in the form of cash, a money order, a bank draft, or a cashiers or certified check. The deposit should be made payable to the Bureau of Land Management (43 CFR 3602.44).

8) *How long before the oral bidding begins do we need to present the check so we will be able to participate?*

Answer: To participate in the sealed bidding process, the minimum deposit amount must accompany all sealed bids when they are submitted to BLM. There will be a brief break between the initial sealed bid opening process and commencement of the oral bidding process. If you wish to participate only in the oral bidding process, the minimum bid deposit must be in the possession of the BLM prior to commencement of the oral bidding.

During the period between the sealed bidding process and the oral bidding process, the BLM will accept minimum deposits which will allow those persons or companies providing the deposit to participate in the oral bidding process. Any individuals or companies who have previously submitted a sufficient minimum deposit for the sealed bidding process will also be allowed to participate in the oral bidding process.