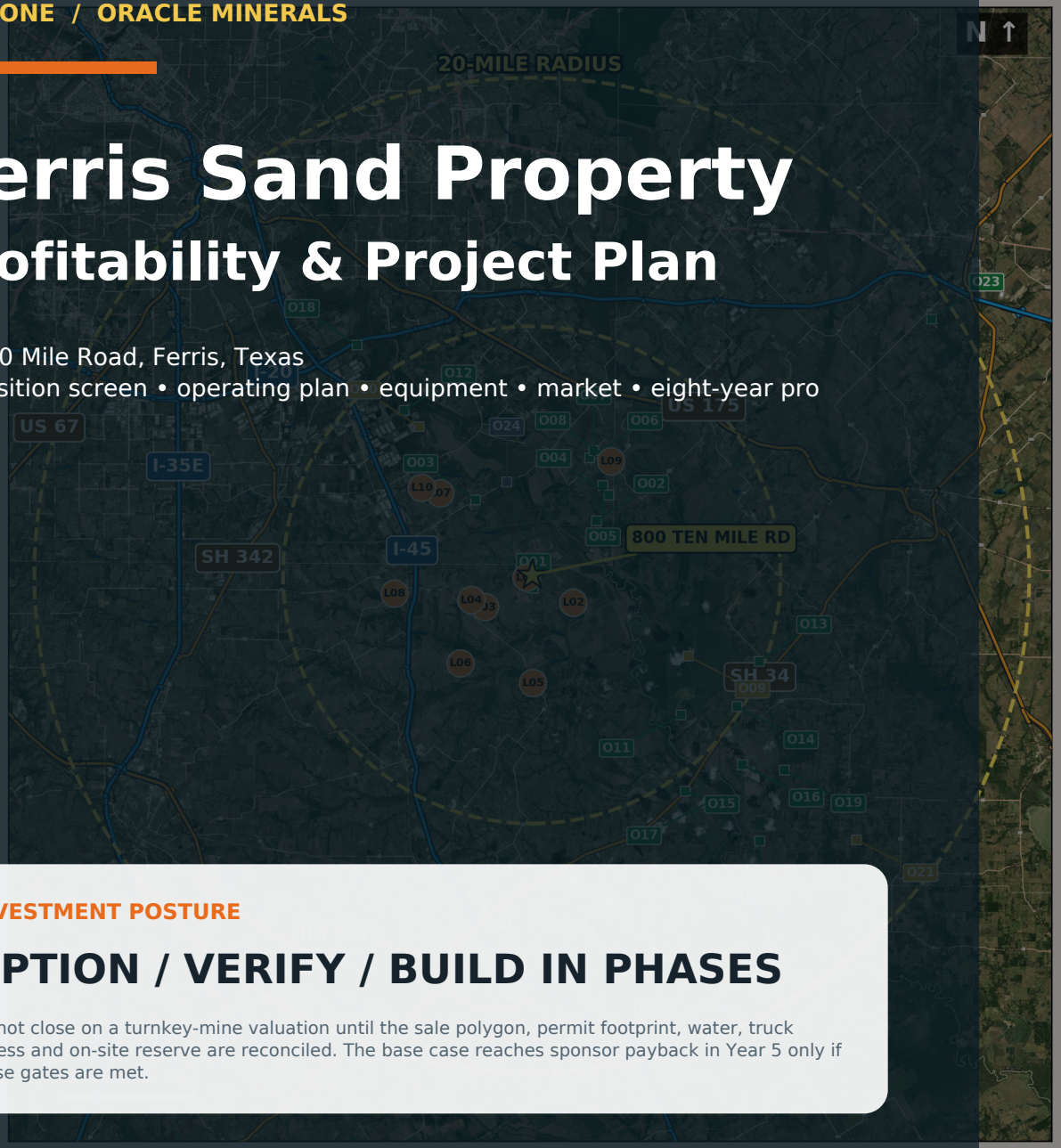
MINEONE / ORACLE MINERALS

Ferris Sand Property

Profitability & Project Plan

800 10 Mile Road, Ferris, Texas
Acquisition screen • operating plan • equipment • market • eight-year pro forma



INVESTMENT POSTURE

OPTION / VERIFY / BUILD IN PHASES

Do not close on a turnkey-mine valuation until the sale polygon, permit footprint, water, truck access and on-site reserve are reconciled. The base case reaches sponsor payback in Year 5 only if those gates are met.

REGISTERED SAND / GRAV

- O01 M Pit
- O02 Davis Sand Plant
- O03 Sunny Side S And G Pit
- O04 Bakers S&G
- O05 N. Texas Natural Select
- O06 R&A S&G
- O07 Landess Materials
- O08 Combine Road Pit
- O09 Patriot Mining & Materials S
- O10 South Gate S&G
- O11 Rosser S&G
- O12 Organic Recycler Hutchins
- O13 Hc Mining
- O14 34 Pit
- O15 Bristol S&G Plant
- O16 Rosser S&G Plant
- O17 Rio Abajo Plant 1209
- O18 Langdon Road Site
- O19 Evotran Materials
- O20 Cottonwood Plant 1204
- O21 Simonds Road Sand Plant
- O22 Ennis S&G
- O23 Vrzalik Pit
- O24 Malloy Bridge Plant

Green: active APO registration
Amber: reported location discrepar
Gray: company-listed; status uncor
L01–L10: sale listings (detail on pa

nes: appraisal parcel boundaries. Cyan: five matched sale parcels. Dashed yellow circles: 10 and 20 miles.
Prepared 18 October 2026 • Scenario values are nominal, pre-tax and exclude royalties
y lines: interstate routes. Orange highway lines: US / state routes. Active registration does not establish current production.
active APO dataset; Texas StratMap parcels; TxDOT Route District; Esri World Imagery and reference layers. Imagery capture dates vary.

Executive decision

A conservative development case built from the current listing, public permits, public log geology, local retail benchmarks and an independent wholesale operating model.

CURRENT LAND ASK

$2.00M

Equipment and optional home tract are extra [1]

BASE SALEABLE SCREEN

2.54M t

30 assumed mineable acres; public-log analog, not reserve

BASE YEAR-1 FOB

$18.00/t

41% below the earlier $30.60/t 90%-retail screen

BASE LOM REVENUE

$50.2M

Eight years; 2.5% annual price escalation

BASE LOM EBITDA

$16.8M

Before sustaining capex, debt service and tax

SPONSOR PAYBACK

Year 5

Conservative test; no terminal land/equipment value

RECOMMENDATION

Proceed only under a 90–120 day buyer-controlled option. Authorize full development only after an on-site drilling and bulk-test program supports at least the base quantity and product yield, the seller demonstrates control of every required parcel/right, and buyers support the Year-2 sales ramp.

The decision in one line

1. **CONTROL** — Option + title + surveyed sale polygon
2. **PROVE** — Drill, wash, grade, water and access
3. **SELL** — Customer trials + 150–200 kt/y indications
4. **BUILD** — 300 tph modular plant; staged fleet

CRITICAL TRUTH

The property is promising, but the public record still does not establish a parcel-wide reserve. The current base case is a threshold investment case: its unlevered project IRR is approximately 12% before tax with no terminal value. Missing price, volume or recovery targets destroys value quickly.

What is verified — and what is still assumed

Facts are separated from modeled inputs so that diligence can replace assumptions one by one.

Topic	Verified / public evidence	Model or unresolved item
Listing	Crexi currently shows 800 10 Mile Rd for sale at $1,999,999; +/-80 acres; active sand pit; equipment/wash bay at extra cost; optional +/-5-acre home tract at $650,000. [1]	Purchase model uses $2.0M land only. No value assigned to the optional home or seller equipment.
Tax parcel	Prior due diligence identified APN 184118, 84.245 acres, S. Guerro Survey; reported owner Martha S. Walker. [2]	Listing acreage, CAD acreage, sale polygon and permit footprint must be reconciled by survey/title.
APO	TCEQ AP0003488 / RN111206769 / M Pit is active at 800 10 Mile Rd; sand + gravel; 30 disturbed acres; renewal approved March 2026; expiry March 13, 2027. [3]	Registry point is not a surveyed boundary. Operator rights and transfer sequence remain closing conditions.
Stormwater	Prior review identified TXR05ET98; TCEQ's 2026 MSGP renewal window runs Aug 14–Nov 12, 2026. [5]	Verify renewal submission, current coverage, SWP3, outfalls and buyer transfer path immediately.
Mine record	MSHA Mine ID 4105553 / South Gate Sand & Gravel was reported intermittent, with four average employees in 2025–2026. [6]	Confirm the mine ID, legal operator, training plan and whether it belongs to the sale footprint.
Geology	BEG maps Wolfe City Formation; nearby admitted public logs support 41.0 ft weighted sand, 16.9 ft mixed sand/gravel and 40.3 ft fines to 100 ft. [7,8]	No site reserve. Base assumes 30 unmined acres, 1.6 t/bcy and 80% recovery of clean-sand intervals.
Access	MineOne road screen: about 6.1 road miles to I-45 and 26.1 road miles to central Dallas. Route references FM 780 / FM 660 / I-45.	Not a legal truck-route, driveway, bridge-load or entrance-permit opinion.

CLOSE ONLY WHEN

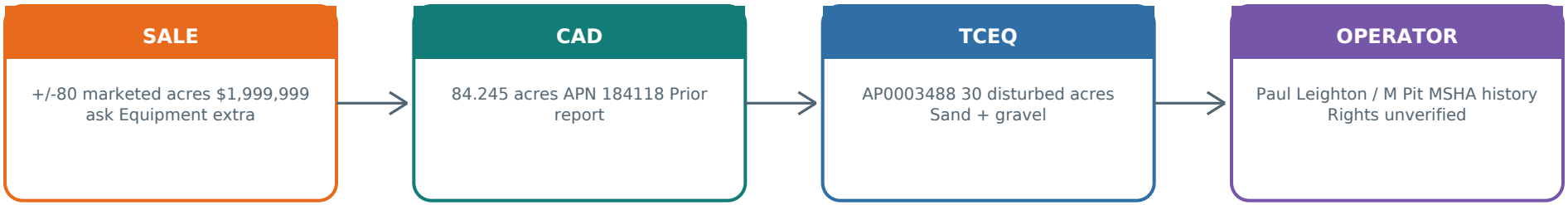
Surveyed ownership/control covers the mineable footprint, access, plant, water, ponds, stockpiles and reclamation obligations; permits can be validly transferred or reissued; no unpriced third-party mineral/lease rights remain.

DO NOT UNDERWRITE YET

Gravel revenue, limestone, equipment included in the listing, remaining stockpiles, current customer contracts, process-water discharge, current air authorization, or seller historical margins.

The control problem must be solved first

The listing, appraisal parcel, TCEQ disturbed area and historical operating records are related — but they are not interchangeable.



Required closing package

1	**Survey + title**	Metes-and-bounds sale polygon; easements; access; mineral rights; water rights; encroachments.
2	**Permit map**	TCEQ-required property and disturbed-area map; pit center; plant; outfalls; reclamation footprint. [4]
3	**Transfer sequence**	Seller termination and buyer registrations/NOIs timed so no operating gap is created.
4	**Operating assets**	Separate equipment schedule, serial numbers, lien releases, condition inspection, stockpile survey and bill of sale.
5	**Environmental**	Phase I; wetlands/floodplain; ponds; SWP3/outfalls; air/process water; historical spills; reclamation liabilities.

IMMEDIATE DATE-SENSITIVE ACTION

Confirm whether TXR05ET98 was renewed under the 2026 MSGP before the November 12, 2026 deadline, and whether AP0003488 remains transferable/usable for the intended buyer entity. Do not rely on the listing phrase “active sand pit” as permit diligence.

Twenty-mile operating context

Satellite view, major highways, appraisal parcel lines, sale listings and registered aggregate operations. The star is the 800 Ten Mile Road reference point.

20-MILE SATELLITE MAP | PARCELS & AGGREGATE SITES

800 Ten Mile Road, Ferris • Ten closest sale listings retained • TCEQ active APO data updated October 14, 2026



REGISTERED SAND / GRAVEL SITES

- O01 M Pit
- O02 Davis Sand Plant
- O03 Sunny Side S And G Pit
- O04 Bakers S&G
- O05 N. Texas Natural Select
- O06 R&A S&G
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Green: active APO registration
Amber: reported location discrepancy
Gray: company-listed; status unconfirmed
L01–L10: sale listings (detail on page 2)

Fine gold lines: appraisal parcel boundaries. Cyan: five matched sale parcels. Dashed yellow circles: 10 and 20 miles.

Cyan highway lines: interstate routes. Orange highway lines: US / state routes. Active registration does not establish current production.

Sources: TCEQ active APO dataset; Texas StratMap parcels; TxDOT Route District; Esri World Imagery and reference layers. Imagery capture dates vary.

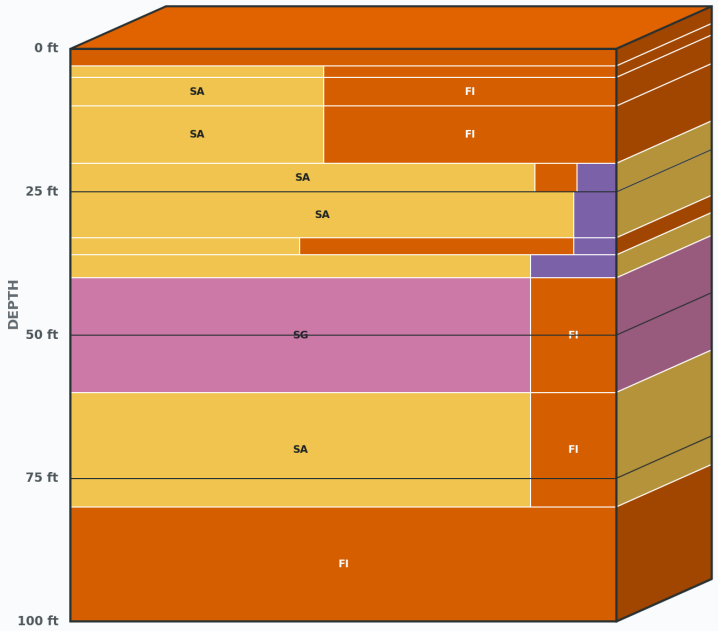
Public-log material evidence to 100 feet

The clean color key shows weighted material shares by depth. Horizontal extent is schematic; it is not a parcel block model or reserve.

MINEONE / 3D MATERIAL EVIDENCE GUIDE

Ferris / 10 Mile Sand Pit

Weighted public-log evidence to 100 ft • clear material key • screening use only



REPORT MATERIAL KEY

SA	**Sand**	IN THIS PROFILE
GR	Gravel	
LS	Limestone	
SG	**Sand + gravel (mixed)**	IN THIS PROFILE
FI	**Fines / clay / silt**	IN THIS PROFILE
MF	**Clay / silt mixture**	IN THIS PROFILE
MC	Limestone + shale / clay	
CE	Cemented / sandstone	
CA	Caliche / weathered carbonate	
SF	Surface / fill	
OT	Other / ambiguous	
?	Unknown / unlogged	

WHAT THIS SHOWS

Ferris admitted evidence: 5 logs / 4 spatial clusters. Sand 41.0 ft • mixed sand/gravel 16.9 ft • clay/silt mixture 1.8 ft • fines 40.3 ft

Front width = weighted class share by depth; the darker right face = dominant class. Horizontal direction is schematic—not parcel geometry, a correlated section, a fault model or a reserve estimate.

Source: TWDB Submitted Drillers Reports interpreted with BEG/TxGIO surface geology. Verify with surveyed drilling and laboratory testing.

MAPPED SURFACE UNIT

Wolfe City Fm.

Marl, sand, sandstone and mudstone; regional 75–300 ft unit thickness [7]

ADMITTED EVIDENCE

5 logs / 4 clusters

Nearest admitted log is about 0.53 mi; no infill below reported total depth

Weighted class	Net ft	Base value treatment
Clean sand	41.0	Monetized after 80% recovery
Mixed sand + gravel	16.9	$0 until separation / gradation tests
Clay / silt mixture	1.8	$0
Fines / clay / shale	40.3	Waste / reclamation handling
Limestone	0.0	Not supported at this site

INTERPRETATION

The evidence supports a sand target with meaningful clay/overburden risk. It does not support a limestone quarry case. A washing and fines-management circuit is more important than rock crushing.

EVIDENCE STANDARD

TWDB driller descriptions are qualitative. “Sand” is not ASTM C33 concrete sand, masonry sand, or a measured recovery. The acquisition gate is an on-site boring grid plus lab gradation, fines, durability and wash-recovery testing.

Turn the screen into a mine plan

The next dollars should buy information. A focused 90–120 day program can replace the largest value assumptions before plant capital is committed.

Workstream	Recommended scope	Planning allowance	Decision output
Survey / control	Boundary + topo; pit/depletion survey; utilities, access, ponds, wetlands and plant pad	$45k–$70k	Mineable polygon and encumbrance map
Drilling	18–24 sonic or mud-rotary holes to 100 ft; tighter spacing at pit edge and plant footprint; surveyed collars	$120k–$190k	Thickness, overburden, water table, continuity
Bulk testing	6–10 representative composites; wet screening, attrition/log-wash trials and mass balance	$45k–$80k	Saleable yield by product; fines/water load
Product lab	Gradation, minus-200, moisture, organics, sulfate/soundness as applicable; concrete/mortar trials	$20k–$45k	Cushion, concrete and masonry product qualifications
Water / environmental	Pump test and water balance; Phase I; wetlands/floodplain; stormwater/outfall review	$50k–$85k	Permittable closed-loop process design
Resource model	3D surfaces, domains, density checks, mine sequence and reconciliation protocol	$35k–$60k	Bankable internal reserve / mine plan

Development gates

QUANTITY

>=2.3M saleable tons in the build footprint; base plan uses 2.54M.

YIELD

>=70% saleable mass across planned feed; base clean-sand interval recovery uses 80%.

QUALITY

At least utility/cushion specification; premium concrete/masonry products only after qualification.

WATER

Closed-loop balance works in drought and wet weather; all wells/withdrawals/discharges authorized.

MARKET

150–200 kt/y customer indications before plant order; 275 kt Year-2 demand plan.

ACCESS

Legal truck route and entrance can handle target daily loads without unpriced road work.

STOP RULE

If quantity, yield, water, access, permit control or market fails, do not “solve” the model with a higher selling price. Renegotiate the land price/structure or walk away.

Saleable quantity screen — not a reserve

Only the clean-sand subtotal is monetized. Mixed sand/gravel is upside until the site program proves separation and product quality.

Case	Assumed unmined area	Weighted clean sand	Recovery	Saleable clean sand	Status
Downside	15 acres	41.0 ft	80%	1.27M tons	NO-GO at modeled cost
Base	30 acres	41.0 ft	80%	2.54M tons	Build threshold

SCREENING FORMULA

Saleable tons = assumed unmined acres × 43,560 sq ft/acre × weighted clean-sand thickness × 1/27 bank yd³/ft³ × 1.6 short tons/bank yd³ × 80% recovery.

WHAT IT LEAVES OUT

Setbacks, slopes, pit floor, saturated mining constraints, interburden dilution, sterilized areas, plant/road/pond footprints, actual density, off-spec product and depletion to date.

Saleable clean-sand screen

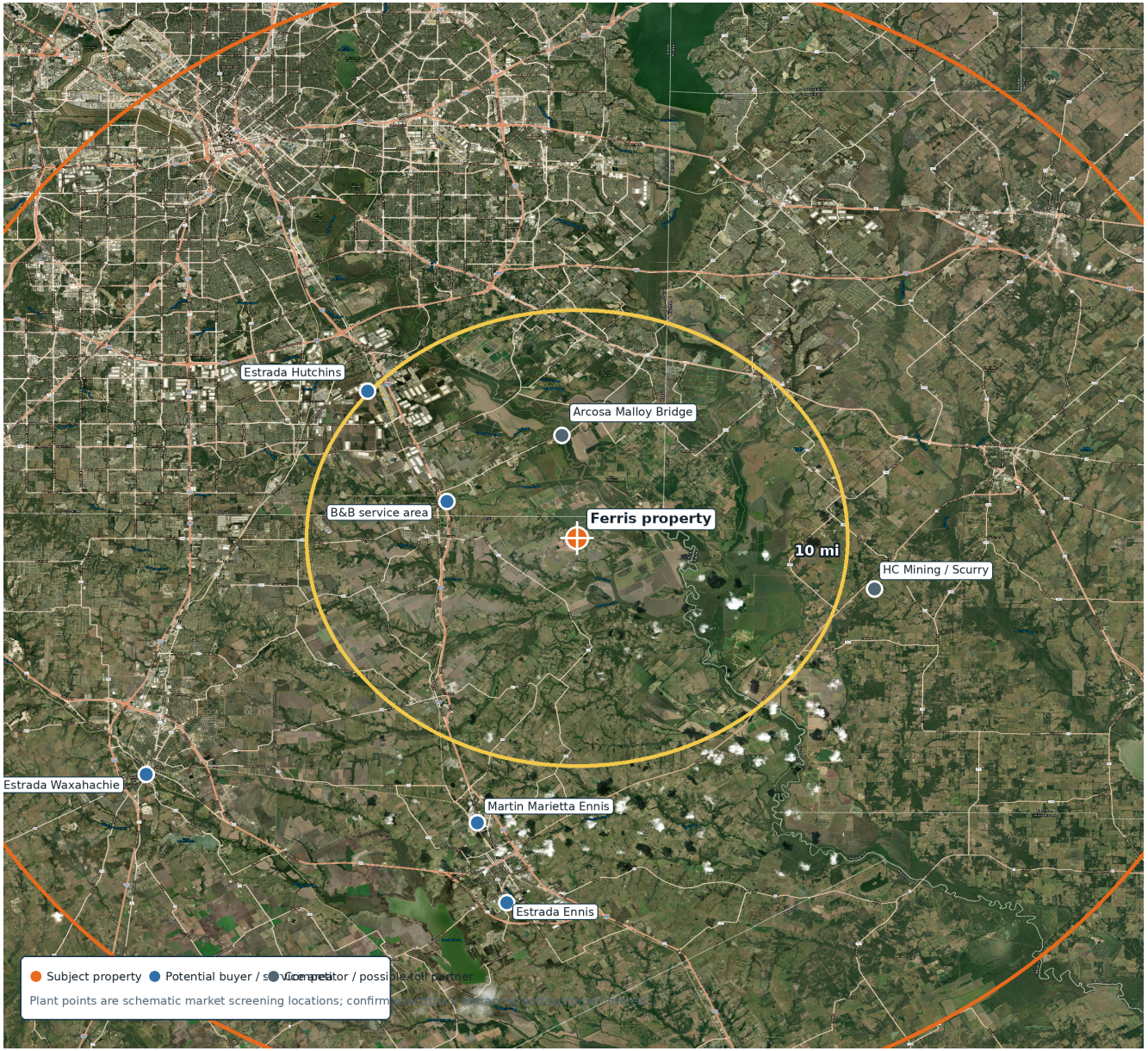


TRANSACTION IMPLICATION

The seller's “active pit” description establishes operating history, not remaining reserve. Tie closing price and equipment commitment to a buyer-approved mineable-tonnage model; keep mixed-gravel value at zero until a mass balance proves it.

Potential buyer and competitor screen

Ready-mix plants are priority targets; nearby pits also provide price, quality and toll-processing benchmarks. Points are schematic and not customer commitments.



Sell the simplest product first

The earlier ranking used local retail-pickup prices. This operating plan uses a materially lower bulk FOB price and assigns no value to uncertain products.

Product channel	Observed / contextual evidence	Underwritten plant FOB	Base mix concept	Release gate
Cushion / utility / bedding sand	Local retail-pickup screen averaged $34/t; 90% benchmark was $30.60/t. Stone Depot currently lists $40/yd cushion sand. [12]	$14–$16/t	60%	Moisture, minus-200 and contractor trials
Concrete sand	Nearby HC Mining sells TxDOT AQMP-listed concrete sand; Arcosa Malloy Bridge sells concrete sand. [18,19]	$20–$23/t	30%	ASTM / TxDOT gradation and concrete performance
Masonry / specialty sand	Earlier local retail screen: 90% benchmark $51.58/t; Arcosa and HC list masonry sand. [18,19]	$24–$28/t	10%	Color, gradation, mortar and customer approval
Mixed gravel	Public-log screen shows 16.9 weighted ft mixed sand/gravel	$0 base; $25–$35/t upside	0%	Bulk recovery, durability, size distribution and market
Fines / select fill	Clay-rich near-surface soils and 40.3 weighted ft fines	$0 base; optional $3–$8/t	0%	Geotechnical classification and disposal/placement market
Limestone	No supporting clean-limestone interval at Ferris	$0	0%	Not a Ferris target

BLENDED BASE FOB

$18.00/t

Year 1; escalates 2.5% annually; customer freight excluded

RETAIL-SCREEN DISCOUNT

41%

Base is 41% below the prior $30.60/t 90%-retail cushion benchmark

FREIGHT BOUNDARY

FOB plant

No delivered trucking revenue or margin in base case

SALES DISCIPLINE

Quote by tested specification, moisture and load point. Use three tiers: base utility product, qualified concrete sand, qualified masonry/specialty sand. Do not count premium mix until a customer accepts a plant trial. Keep any gravel or fines sale as documented upside, not as a rescue assumption.

Priority places to sell — and how to approach them

These are qualified market targets and benchmarks, not contracted buyers. Start technical trials during diligence, before equipment is ordered.

Priority	Target / channel	Why it fits	First offer	Evidence
1	Estrada Ready Mix — Hutchins / Alamo / Ennis / Waxahachie	Plant network along I-45 / I-35E; multiple south-DFW demand points	Concrete-sand sample and annual volume ladder	Official site lists plants and quote line 972-225-6296. [15]
2	B&B Ready Mix	Service territory explicitly includes Ferris, northern Ellis, Red Oak, Wilmer and Lancaster	Utility and concrete-sand trial; short-haul reliability	Official service-area statement. [16]
3	Martin Marietta Ennis Ready Mix	Large ready-mix operator near Ennis; potential anchor or specification benchmark	Concrete-sand qualification package	Ennis plant at 3200 TX-469 Spur. [17]
4	Site-work / utility contractors	Bedding, cushion, backfill and select-fill demand; fastest route to cash	FOB utility sand with moisture and gradation certificate	Target projects along I-45 / southern Dallas / Ellis County
5	Precast / masonry yards	Smaller-volume, higher-value masonry and specialty channels	Masonry sample, color/gradation consistency	Only after wash trials prove repeatability
Benchmark	Arcosa Malloy Bridge	Nearby concrete and masonry sand producer; competitor, quality reference and possible toll/offtake discussion	Compare product specs; explore toll option before full plant build	3638 Malloy Bridge Road, Ferris. [18]
Benchmark	HC Mining, Scurry	Broad sand/gravel catalog and AQMP-listed concrete sand; serves Ferris and Ellis County	Compare specifications and haul economics	11170 FM 1390, Scurry. [19]

Commercial milestones

BEFORE CLOSING

10+ buyer interviews; 3 bulk samples; 150–200 kt/y nonbinding indications

BEFORE PLANT ORDER

At least one anchor customer; trial acceptance; Year-2 demand plan >=275 kt

YEAR 1

125 kt sold; no customer >50%; daily dispatch and quality feedback loop

YEAR 2

275 kt sold; no customer >40%; begin premium-product mix only after acceptance

Recommended 300 tph modular wet plant and staged fleet

Size for the 400 kt/y base peak, but defer optional circuits until bulk tests show clay load and product split.

System	Recommended configuration	Planning allowance	Buy / lease decision
Feed + scalping	Hopper, feeder and scalping screen; magnet / trash removal	$0.30M	Buy with plant package
Wash + classify	250–300 tph modular wash plant, hydrocyclone/classifier, dewatering screen; attrition as tests require	$1.45M	Vendor quote after bulk test; 300 tph preferred
Water recycle	Pumps, clarified-water return, thickener/settling capacity; lined/engineered ponds as required	$0.35M	Design from water balance and fines load
Convey / stack	Radial stackers and transfer conveyors for separated products	$0.40M	Buy; preserve low rehandle cost
Excavator	35–40 t class; Cat 336 class or equivalent	$0.40M	Budget includes delivery/attachments; 2024 used listing observed at $320k. [20]
Loader	5–6 yd class; Cat 950GC class or equivalent	$0.35M	Market listings roughly $203k average with broad condition range. [21]
Dozer	D6 class with grade control	$0.25M	Buy used or finance
Site haul	One 30–40 t articulated truck initially	$0.28M	Lease second unit for stripping/surge
Scale / lab / electrical / civil	Certified truck scale, sample prep, sieves/moisture, MCC, pad, roads and loadout	$0.55M	Quote as installed scope

WHY 300 TPH

At 300 tph, 2,000 scheduled hours and 67% operating utilization support about 400 kt/y. This leaves maintenance and sales flexibility without buying a much larger fixed plant.

DO NOT BUY A DREDGE FIRST

Start with bank excavation and short-haul feed. Add dredging only if drilling/bathymetry prove submerged reserve and water/permit economics support it. This avoids stranded capital.

ESTIMATE CLASS Planning allowances are generally +/-30–40%. Obtain three installed quotes, performance guarantees, commissioning scope and utility consumption before financing.

Fund the build without starving working capital

Base capitalization is $8.4M. The seller-note structure is a target, not an assumption the seller or lender has accepted.

Sources	$M	Share
Sponsor / partner equity	3.400	40%
Equipment finance	3.500	42%
Seller land note	1.500	18%
TOTAL	8.400	100%

Uses	$M
Land purchase at current ask	2.000
Diligence, drilling, permits	0.375
Wash / classification plant	1.450
Closed-loop water system	0.350
Feed, conveyors, stackers	0.400
Mobile fleet	1.280
Scale, lab, electrical, civil	0.550
Spares and pre-opening	0.270
Working-capital reserve	1.325
Contingency	0.400
TOTAL	8.400

DEBT PLANNING ASSUMPTION

Equipment: $3.5M, 9.5%, 7 years, about $686k/y. Seller land note: $1.5M, 8.5%, 7 years, about $285k/y. Combined planning debt service: $972k/y. Rates and terms are not quotes.

WORKING-CAPITAL RULE

Protect the $1.325M reserve and $0.400M contingency. If the seller will not carry $1.5M or equipment advance is below 100%, raise replacement capital — do not divert the operating reserve.

FINANCING SEQUENCE

Run installed-equipment finance and land/sponsor capital in parallel. Earlier lender research identified SLR and IronRock as first equipment conversations and noted startup/advance-rate uncertainty. Require draw dates to match fabrication, site work and commissioning; avoid a short-term cash bridge without a committed takeout. [24]

Cost structure and staffing

The base is a single-shift operation. Variable cost starts at $7.20/t; fixed site cost starts at $1.45M/y. Both escalate 3% annually.

Variable cash cost / saleable ton	Year-1 $/t	What it includes
Extraction + pit loading	1.60	Excavator/dozer/haul cycle and direct fuel
Wash, power, water, chemicals	2.10	Plant utilities, flocculant and water handling
Wear + maintenance	1.70	Screens, pumps, hoses, GET and scheduled service
Fuel + consumables	0.90	Non-plant fuel, lubricants and shop consumables
QC + selling	0.40	Sampling, testing, dispatch and variable selling cost
Reclamation reserve	0.50	Progressive reclamation and final closeout reserve
TOTAL	7.20	No royalty; customer freight excluded

Fixed site cost	Year-1 $M
Payroll + benefits (9–10 FTE)	1.00
Insurance, property, admin	0.25
Compliance / environmental	0.10
Security, IT, fixed utilities	0.10
TOTAL	1.45

Recommended crew

FTE	Role	Primary responsibility
1	GM / sales	Customer pipeline, pricing, cash and stakeholder accountability
1	Superintendent / EHS	Mine plan, production, MSHA/TCEQ systems
1	Plant lead	Plant uptime, water balance and product consistency
4	Operators / loadout	Excavator, loader, dozer/haul, scale/loadout coverage
1	Mechanic / welder	Preventive maintenance and critical spares
1–2	Scale / QC / admin	Dispatch, tickets, testing, records and environmental support

BREAK-EVEN

At Year-1 economics, EBITDA break-even is about 134 kt/y. Cash break-even after Year-1 sustaining capital and modeled debt service is about 238 kt/y.

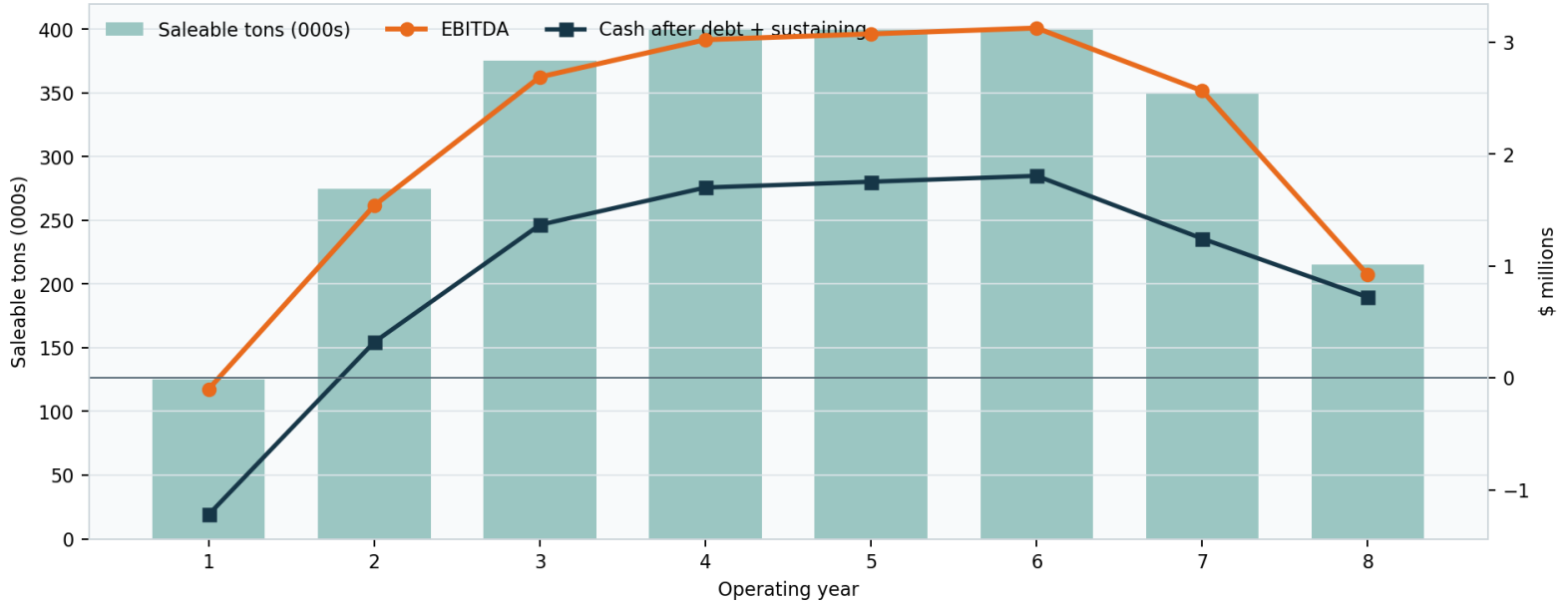
CONTROL METRIC

Track saleable tons per paid hour, plant availability, recovery by feed domain, kWh/t, gallons make-up water/t, maintenance $/t, returns/claims and price realization weekly.

Eight-year base-case pro forma

Nominal, pre-tax, FOB plant. No royalty. Customer freight, taxes, financing fees, terminal equipment/land value and uncertain material revenue are excluded.

Yr	000 t	FOB $/t	Revenue	Variable	Fixed	EBITDA	Sustain	Debt svc	Cash after debt
1	125	18.00	$2.2M	$900k	$1.4M	$-100k	$150k	$972k	$-1.2M
2	275	18.45	$5.1M	$2.0M	$1.5M	$1.5M	$250k	$972k	$319k
3	375	18.91	$7.1M	$2.9M	$1.5M	$2.7M	$350k	$972k	$1.4M
4	400	19.38	$7.8M	$3.1M	$1.6M	$3.0M	$350k	$972k	$1.7M
5	400	19.87	$7.9M	$3.2M	$1.6M	$3.1M	$350k	$972k	$1.8M
6	400	20.37	$8.1M	$3.3M	$1.7M	$3.1M	$350k	$972k	$1.8M
7	350	20.87	$7.3M	$3.0M	$1.7M	$2.6M	$350k	$972k	$1.2M
8	216	21.40	$4.6M	$1.9M	$1.8M	$920k	$200k	$0	$720k
LOM	2541	—	$50.2M	$20.4M	$12.9M	$16.8M	$2.4M	$6.8M	$7.7M



LOM REVENUE

$50.2M

Nominal

LOM EBITDA

$16.8M

33.6% of revenue

POST-DEBT CASH

$7.7M

After $2.35M sustaining

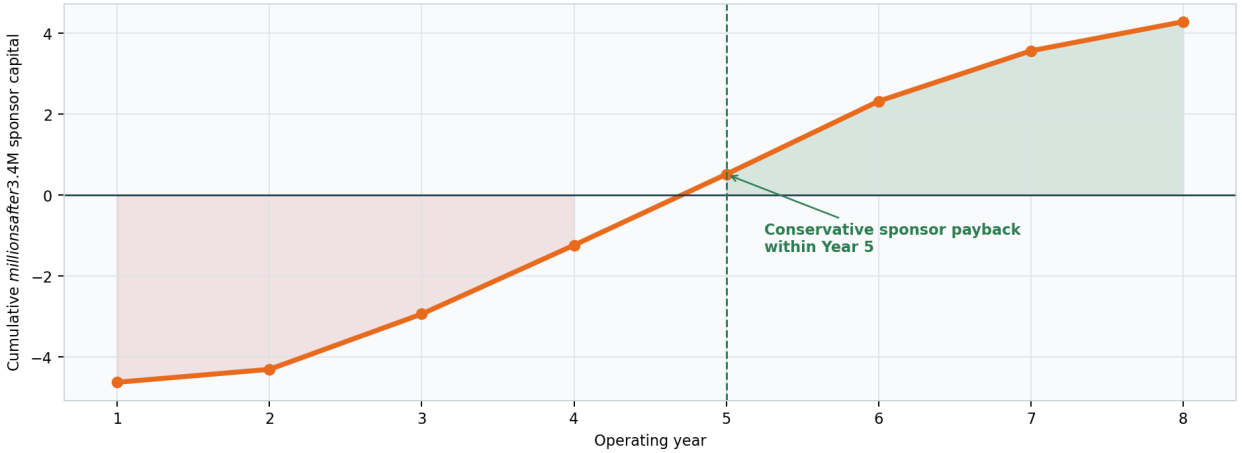
NET AFTER $3.4M EQUITY

$4.3M

Pre-tax; no terminal value

What “profitable in 3–5 years” means in this plan

Three milestones are tracked separately so operating profit is not confused with repayment of invested capital.



YEAR 2

Annual EBITDA positive

$1.54M modeled EBITDA after a $0.10M Year-1 loss

YEAR 3

Cumulative operating cash positive

Year-3 cash repays the modeled Year-1 post-debt burn

YEAR 5

Conservative sponsor payback

Cumulative post-debt cash offsets $3.4M committed sponsor capital during Year 5

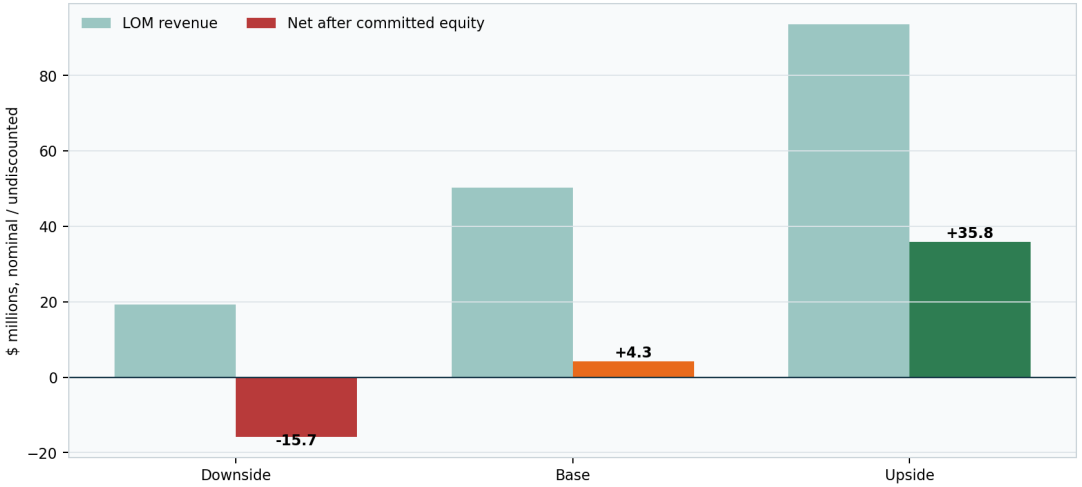
Return view	Base result	Interpretation
Unlevered project IRR	12.0%	Before tax; includes $8.4M initial capitalization; no terminal value
Unlevered NPV @ 12%	$14k	Essentially zero: base case is the hurdle, not a cushion
Gross post-debt cash / sponsor capital	2.26x	Undiscounted; before tax
Undiscounted net after sponsor capital	$4.3M	Potential pre-tax value to sponsor before terminal value

PROFIT WARNING

This is not a forecast of GAAP net income. It excludes tax, depreciation/depletion, financing fees and working-capital timing. The project is economically thin at the base price and volume: protect value with reserve proof, seller financing, staged equipment and early customer trials.

Downside, base and upside outcomes

The downside is not a smaller version of the same deal — it is a stop signal. Upside requires both additional mineable area and higher-value product qualification.



Metric	Downside	Base	Upside
Assumed mineable acres	15	30	45
Saleable tons	1.27M	2.54M	3.81M
Starting FOB	$14/t	$18/t	$22/t
Mine life	7 y	8 y	9 y
LOM revenue	$19.2M	$50.2M	$93.6M
LOM EBITDA	$-3.7M	$16.8M	$49.2M
Net after $3.4M equity	$-15.7M	$+4.3M	$+35.8M

SCENARIO DEFINITION

Downside: 15 acres, $14/t, higher variable cost and 1.27M tons. Base: 30 acres, $18/t and 2.54M tons. Upside: 45 acres, $22/t and 3.81M tons with stronger product mix and scale. All retain the same planning debt structure; none is a reserve.

DOWNSIDE — REJECT

Negative EBITDA and major post-debt cash loss. Renegotiate or walk.

BASE — GATED BUILD

Meets a 12% project hurdle but has limited cushion. Execute controls tightly.

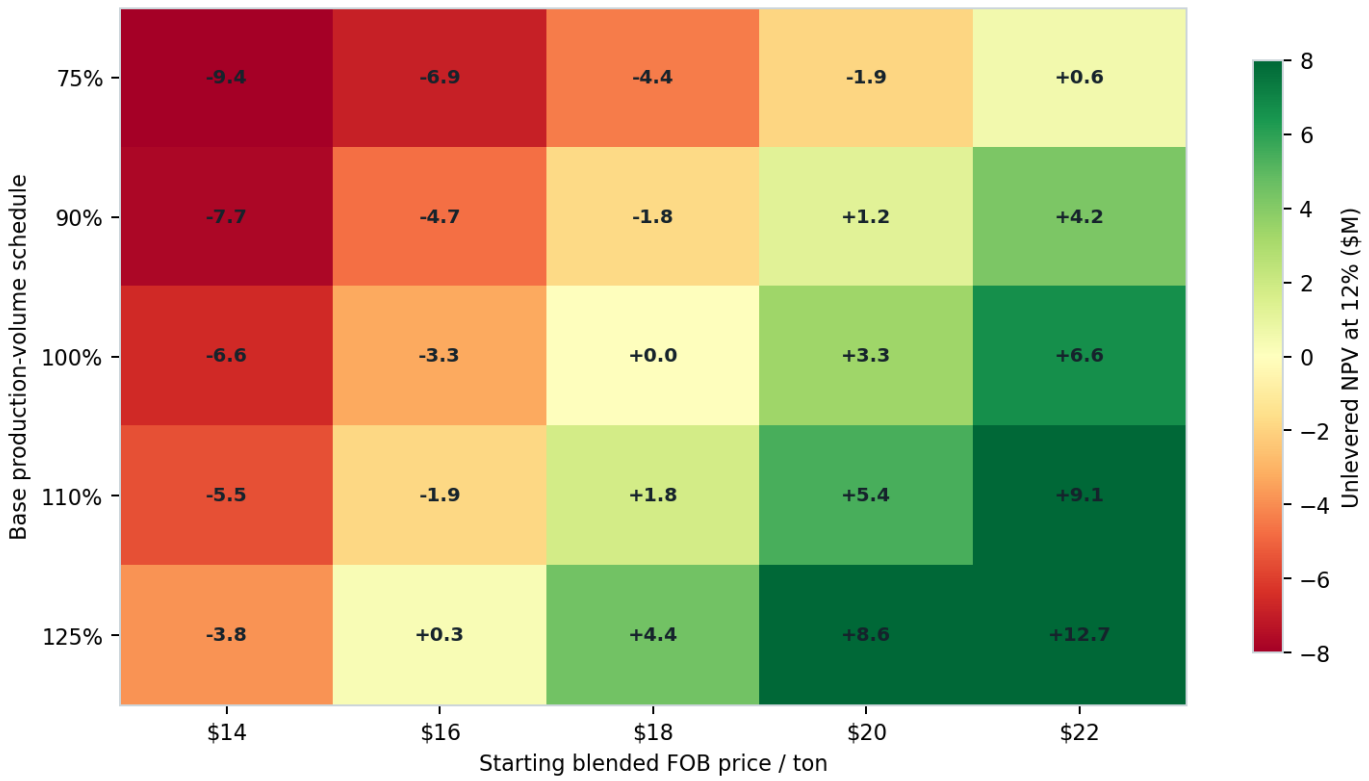
UPSIDE — EARN IT

Requires drilling, premium-product acceptance and a 450–500 kt/y market.

NO VALUATION SHORTCUT Do not use the earlier $38.9M–$116.6M retail-based gross screens as profit or enterprise value; they omit wholesale discount, cost, debt, capex, depletion and risk.

Price and volume decide the investment

Unlevered NPV at a 12% hurdle, holding the eight-year schedule, base fixed cost and $8.4M capitalization constant. Values in $ millions.



BASE CELL

100% volume and $18/t gives approximately zero NPV at 12%. The base is deliberately a threshold case.

PRICE MATTERS

At base volume, each $2/t step changes NPV by roughly $3.3M in this model.

VOLUME MATTERS

At $18/t, a 10% volume shortfall reduces NPV to about -$1.8M; 10% upside adds about $1.8M.

COMMERCIAL CONTROL

Before construction, lock a floor: product trials that support at least an $18/t blended FOB expectation and a credible 275 kt Year-2 / 375 kt Year-3 sales ramp. If the market clears only utility sand near $14–$16/t, the land price and capital plan must fall materially.

Project plan to profitability inside five years

The plan uses gated commitments: spend on evidence first, order modular equipment second, then ramp only against product acceptance and demand.

Timing	Gate / phase	Key actions	Exit criterion
Days 0–30	Secure control	Buyer option; seller data room; title; current survey; permit files; financials; equipment list	Exclusive 90–120 day control; refundable/creditable deposit
Days 30–90	Prove the deposit	Survey, 18–24 holes, bulk wash tests, water study, Phase I, wetlands/flood, truck-route engineering	Buyer-approved mineable model, yield and legal footprint
Days 60–120	Prove the market	Samples to ready-mix/site-work buyers; price interviews; draft specs; anchor LOI discussions	150–200 kt/y indications; $18/t blended FOB support
Months 4–6	Design + finance	30% plant design; water circuit; vendor bids; permits/transfer plan; financing commitments	Fixed sources/uses; performance-backed equipment quote
Months 6–10	Build	Site civil, power, ponds, plant/fleet delivery, staff, MSHA/TCEQ systems	Mechanical completion; trained crew; permits effective
Months 10–12	Commission	Wet commissioning; mass balance; customer trial loads; punch list	30-day acceptance run and quality release
Year 1	Ramp	125 kt; utility products first; weekly recovery/cost reconciliation	Availability >65%; price and yield on plan
Year 2	Scale	275 kt; concrete/masonry products only after approval	Positive EBITDA; DSCR and cash break-even
Year 3	Stabilize	375 kt; diversify customers; progressive reclamation	Cumulative operating cash positive
Years 4–5	Optimize / repay	400 kt/y; price discipline; debt reduction; reserve reconciliation	Sponsor payback during Year 5

GOVERNANCE CADENCE

Weekly operating dashboard; monthly sales/reserve reconciliation; quarterly board gate. Stop expansion if trailing-90-day price realization is below plan, recovery is <70%, plant availability is <65%, or the forward 90-day order book does not cover the production plan.

Top risks, early warning indicators and mitigations

The first six risks can prevent acquisition; the remaining risks determine whether the mine meets its five-year economic plan.

Risk	Impact	Early warning	Required mitigation
Sale / permit footprint mismatch	Critical	Pins, surveys and disturbed map do not close	Survey/title/permit-map reconciliation; option contingency; seller cure
Remaining reserve shortfall	Critical	Drilling supports <2.3M saleable tons	Price adjustment or walk; no plant order
Clay / low wash recovery	High	Bulk yield <70%; high make-up water/flocculant	Redesign circuit, lower price, or stop
Water / discharge constraint	Critical	No reliable source or closed-loop balance	Permitted source; recycle system; engineered ponds; no unpriced discharge
Truck access / community	High	Road/bridge/entrance limits or complaints	Engineering review; route agreement; dust/noise/operating-hour plan
Permit timing	Critical	MSGP/APO/air authorization gap	Pre-closing transfer plan; counsel/consultant confirmation
Price / customer concentration	High	Realized FOB <$18/t or customer >40%	Tiered products; floor pricing; 3+ core customers; avoid delivered freight risk
Plant downtime	High	Availability <65%; maintenance >$1.70/t	Critical spares, PM schedule, vendor SLA and rental backup
Safety / MSHA	High	Repeat citations, weak training or guarding	New operator systems; competent-person audit; corrective-action closeout
Capital overrun	High	Installed quotes >$8.4M plan / advance <100%	Three bids; fixed scopes; 10%+ contingency; stage optional circuits
Reclamation / residual land	Medium	Reserve not funded; unstable slopes/ponds	$0.50/t reserve; progressive reclamation; annual closure estimate

HISTORICAL SAFETY SIGNAL

Prior due diligence identified a 2025 Section 104(d)(1) unwarrantable-failure citation under 30 CFR 56.9300(a). Treat road berms, traffic controls, inspections and supervisor accountability as a Day-1 system, not a later cleanup.

POSITIVE SIGNAL

The prior TCEQ compliance screen showed a 0.00 rating / high performer and no matching public complaint, NOV or enforcement in the reviewed datasets. Confirm the full file and current status; do not treat the screen as a warranty.

Recommended offer and closing architecture

Preserve cash, isolate unknown liabilities and make price depend on control and reserve evidence.

Proposed structure

OPTION	**90–120 days**	$25k–$50k creditable deposit; buyer extensions for agency delay; full data-room access
LAND	**$2.0M maximum**	Target $0.5M cash + $1.5M seven-year seller note; no royalty
EQUIPMENT	**Separate**	Independent appraisal, inspection, lien search and bill of sale; do not blend into land ask
PRICE GATE	**Reserve-linked**	Base price requires >=2.3M saleable tons and controlled build footprint; shortfall triggers repricing/termination
CLOSING	**Conditional**	Permits/coverage effective, legal truck access, water plan, clean environmental/title results and financing

SELLER REPRESENTATIONS

Ownership/control, no undisclosed mineral/lease/royalty rights, complete permit and environmental files, equipment title, stockpile ownership, no undisclosed notices, and accurate operating/customer records.

BUYER PROTECTIONS

Access to drill; termination rights; escrow/holdback for permit transfer and environmental cure; noncompete/non-solicit where enforceable; transition support; no assumption of seller liabilities except listed items.

LEGAL NOTE Transaction terms require Texas legal, tax, environmental and permitting counsel; this report is commercial planning, not legal advice.

Base-case life-of-mine summary

Eight operating years, 2.54M saleable tons and progressive reclamation. Land and equipment terminal value are deliberately set to zero.

SALEABLE TONS

2.54M

Clean-sand subtotal only

MINE LIFE

8 years

Commissioning to final production

PEAK RATE

400 kt/y

Years 4–6

NOMINAL SALES

$50.2M

Average realized ~$19.75/t

OPERATING COST

$33.3M

Variable + fixed

EBITDA

$16.8M

Before sustain/debt/tax

SUSTAINING CAPEX

$2.4M

Mobile/plant upkeep

DEBT SERVICE

$6.8M

Seven modeled years

POST-DEBT CASH

$7.7M

Before tax

Closure and residual-value plan

Timing	Action	Financial treatment
Year 2 onward	Backfill/grade exhausted cells; stabilize banks; manage ponds and vegetation	$0.50/t reclamation reserve embedded in variable cost
Annual	Update disturbed acreage, closure quantities and contractor estimate	Reserve true-up; no release to distributions if underfunded
Year 7	Final landform/water plan; disposition review for plant and fleet	No resale proceeds assumed in base case
Year 8–9	Final grading, drainage, pond/wetland stabilization, monitoring and agency closeout	Use dedicated reserve; land residual value excluded

VALUE NOT COUNTED Verified gravel, select fill, stockpiles, salvage, land/water value or expansion is upside only; taxes, remediation, road work and permit-driven capital are downside only.

What to do next

The fastest path to a bankable answer is a tightly managed option period with technical and commercial work running in parallel.

Week	Owner	Action	Deliverable / decision
1	Deal lead + counsel	Issue option/LOI; request survey, title, leases, APO/MSGP/air/water files, MSHA file, production/sales and equipment records	Exclusive control and complete data-room index
1–2	Survey / mining engineer	Walk site; map pit, ponds, stockpiles, plant, access and visible disturbance	Reconnaissance map and drilling layout
2–6	Driller + lab	Complete 18–24 holes and representative bulk composites; daily logging/QA	Validated lithology, water and sample chain-of-custody
3–8	Process vendor	Bench/pilot wash and mass balance; preliminary plant/water design	Guaranteed feed envelope and product-yield matrix
2–10	Sales lead	Interview targets; deliver samples; document prices, specs, annual demand, seasonality and credit	Customer trial log; 150–200 kt/y indications
4–10	Environmental / permit	Phase I, wetlands/flood, water, stormwater, air and APO transfer analysis	Written permit matrix, timing and conditions
7–11	Mining engineer + finance	3D reserve/mine plan; updated capex/opex; sensitivity and lender model	Investment-committee model and fixed gate results
10–12	Deal team	Negotiate price, seller note, reps/indemnities and closing conditions	Close / reprice / terminate memo

Board authorization requested now

A OPTION BUDGET

Authorize $25k–$50k creditable option deposit, subject to counsel.

B DILIGENCE BUDGET

Authorize up to $375k in stages; release by 30/60/90-day gates.

C VENDOR OUTREACH

Permit three wash-plant bids and equipment-finance screening; no purchase order.

D CUSTOMER TRIALS

Permit sample deliveries and nonbinding LOI discussions; no guaranteed volume yet.

DECISION STANDARD At Day 90, approve development only if all six gates — control, quantity, yield/quality, water, access/permits and market — are green.

Sources and evidence register — 1 of 2

Public sources were reviewed through October 18, 2026. Internal MineOne calculations use the cited public data and are reproducible from the embedded model file.

[1] Crexi — 10 Mile Sand Pit listing, $1,999,999, +/-80 acres, active pit, equipment extra, optional home tract
https://www.crexi.com/properties/2178675/texas-10-mile-sand-pit

[2] Ellis Appraisal District and Ellis County parcel resources; parcel facts carried from Oracle Minerals Ferris due-diligence review
https://www.elliscad.org/

[3] TCEQ Aggregate Production Operations open dataset — AP0003488 / RN111206769 / M Pit
https://data.texas.gov/dataset/Texas-Commission-on-Environmental-Quality-Aggregat/9ixa-7k3m

[4] TCEQ — Aggregate Production Operations registration, ownership-change and required-map guidance
https://www.tceq.texas.gov/permitting/registration/aggregates/aggregate-production-operations-how-to-register

[5] TCEQ — Industrial stormwater / 2026 MSGP renewal guidance
https://www.tceq.texas.gov/permitting/stormwater/index

[6] MSHA mine data and enforcement records; Mine ID 4105553 facts carried from prior Ferris due-diligence review
https://www.msha.gov/data-reports/mines-data-sources-and-calculators

[7] Bureau of Economic Geology / TxGIO — Geologic Database of Texas 1:250,000; Dallas Sheet, Wolfe City Formation
https://feature.geographic.texas.gov/arcgis/rest/services/Geologic_Database/GeologicDatabaseofTexas_250k/MapServer

[8] Texas Water Development Board — Submitted Drillers Reports; public nearby lithologic logs used by MineOne
https://www.twdb.texas.gov/groundwater/data/drillersdb.asp

[9] USDA NRCS Web Soil Survey / SSURGO
https://websoilsurvey.nrcs.usda.gov/

[10] U.S. Fish & Wildlife Service — National Wetlands Inventory
https://www.fws.gov/program/national-wetlands-inventory/wetlands-mapper

[11] Prairielands Groundwater Conservation District
https://www.prairielandsgcd.org/

[12] Stone Depot of Texas — current retail-pickup aggregate prices
https://www.stonedepottx.com/aggregates

SOURCE HIERARCHY Official agency and operator sources control where available. Listings and equipment marketplaces provide market context, not warranties; customer, vendor and lender terms require confirmation.

Sources and evidence register — 2 of 2

The remaining market, equipment, operating and financing references are listed below.

[13] A1 Grass, Sand & Stone — local retail product pricing
https://a1grass.com/

[14] Whiz-Q Stone — local cushion-sand retail benchmark
https://www.whiz-q.com/

[15] Estrada Ready Mix — DFW / southern corridor plant locations and quote contact
https://www.estradareadymix.com/

[16] B&B Ready Mix — service territory including Ferris and northern Ellis County
https://www.bbreadymix.com/

[17] Martin Marietta — Ennis Ready Mix location
https://www.martinmarietta.com/locations/southwest/north-texas-ready-mix-district/ennis-ready-mix

[18] Arcosa Aggregates — Malloy Bridge Plant, Ferris; concrete and masonry sand
https://arcosaaggregates.com/locations/

[19] HC Mining — Scurry products, service area and TxDOT AQMP statement
https://www.hcminingllc.com/find-us

[20] MachineryTrader — 2024 Caterpillar 336 used-market listing ($320,000 observed)
https://www.machinerytrader.com/listing/for-sale/258871401/2024-caterpillar-336-crawler-excavators

[21] MachineryTrader — 2024 Caterpillar 950GC used-market listings
https://www.machinerytrader.com/listings/for-sale/caterpillar/950gc/wheel-loaders/1060?Year=2024

[22] Aggregate Equipment Guide — CDE 200 tph product example (mason sand, concrete sand and gravel products)
https://www.aggregateequipmentguide.com/article/70367-cdes-first-us-plant-logs-40000-hours-as-company-announces-return-to-conexpo

[23] TCEQ RG-555 — Best Management Practices for Sand Mining Operations
https://www.tceq.texas.gov/downloads/permitting/stormwater/rulemaking/bmps-sand-mining-rg-555.pdf

[24] Oracle Minerals Texas financing research (SLR, IronRock, VFI, land-capital leads), reviewed Oct. 13, 2026
https://www.slrequipmentfinance.com/

EVIDENCE RULE Replace each planning input with surveyed, drilled, tested, quoted or contracted evidence before final investment approval.

Methods, assumptions and limitations

The embedded Ferris_Project_Model.json contains the annual calculations and core assumptions in machine-readable form.

Model element	Base assumption	Use / limitation
Quantity	30 assumed unmined acres × 41.0 weighted clean-sand ft × 1.6 t/bcy × 80% recovery	Public-log screening quantity; not a reserve
Price	$18.00/t blended FOB in Year 1; +2.5%/y	Wholesale planning case; customer freight excluded
Variable cost	$7.20/t in Year 1; +3.0%/y	Includes $0.50/t reclamation reserve; no royalty
Fixed cost	$1.45M in Year 1; +3.0%/y	Single-shift 9–10 FTE operation
Initial capital	$8.40M	Includes land, plant/fleet/site, diligence, working capital and contingency
Debt	$3.5M equipment at 9.5% / 7 y; $1.5M seller note at 8.5% / 7 y	Planning terms only; combined service ~$972k/y
Financial basis	Nominal, pre-tax, no terminal value	No federal/state tax, depreciation/depletion, fees or delivered freight

Limitations that matter

1. No mineral reserve or resource is declared. Water-well logs were not drilled for aggregate evaluation and do not establish parcel-wide continuity.
2. Product names in logs are not commercial specifications. Concrete, masonry, gravel and fill values require physical testing and customer acceptance.
3. Equipment figures are planning allowances, not installed vendor quotes. Financing rates, advance rates and seller carry are illustrative.
4. Mapped distances and pins are screening tools, not legal heavy-truck, bridge, access, customer-gate, boundary or permit determinations.
5. The model excludes royalties by instruction; it also excludes taxes, financing fees, delivered freight and all terminal land/equipment value.

PROPER USE

Use this report to structure the option, diligence budget, customer trials and development gates. It is not a fairness opinion, appraisal, reserve report, engineering design, permit opinion, legal advice, tax advice or binding financing/vendor offer.

MINEONE / ORACLE MINERALS

Ferris is worth proving.

It is not yet ready to buy as a proven mine.

The opportunity has strong location, an active aggregate registration, nearby operating history and meaningful sand indications. The missing items — controlled footprint, on-site reserve, wash yield, water, truck access and customer acceptance — are exactly the items that determine value.

RECOMMENDED COMMITMENT

Fund the option and the evidence — not the full plant yet.

Approve up to $375,000 of staged diligence under exclusive control. Close and construct only if the six development gates are green. Under the stated base case, the mine can reach annual EBITDA profit in Year 2 and conservative sponsor payback during Year 5.

NEXT DECISION

Negotiate the 90–120 day option and release the survey / drilling scope.