Division of Forestry, Fire and State Lands (FFSL)

COMPETITIVE LEASE OFFERING (CLO): FORMER US MAGNESIUM FACILITY

ISSUANCE DATE: August 21, 2026

PROPOSAL SUBMISSION DEADLINE: September 25, 2026

1. EXECUTIVE SUMMARY & OFFERING OVERVIEW

The State of Utah, through the Division of Forestry, Fire and State Lands (FFSL), invites competitive proposals from qualified mineral extraction and processing entities for the redevelopment and operation of the industrial site formerly owned by US Magnesium LLC. Located on the southwestern shore of the Great Salt Lake (GSL) in Tooele County, Utah, this site has a tremendous opportunity for critical mineral production with access to rail, power, gas, roads, and other critical infrastructure. The property also sits directly adjacent to Stansbury Bay of GSL where future opportunities to extract and produce minerals from GSL brines or accumulated salts within Stansbury Bay may exist but are not included as part of this CLO.

The primary objective of this lease offering is to establish a high-value, sustainable mineral extraction operation (e.g., magnesium, lithium, potash, sodium, etc.) that achieves two non-negotiable State priorities:

1. **Environmental Remediation & Superfund Mitigation:** Generating sustained revenue streams and/or direct operational contributions to contain, remediate, and fund long-term environmental cleanup at the US Magnesium Environmental Protection Agency (EPA) Superfund Site (EPA ID: UTN000802704).
2. **Great Salt Lake Hydrological Protection:** Implementing modern, non-evaporative mineral and/or element extraction technologies (e.g., Direct Lithium Extraction - DLE) that minimize or eliminate water depletions, balance the needs of the GSL, and have the potential to create a long-term funding mechanism for water conservation, water leasing or water acquisition for the benefit of GSL.

2. MANDATORY BIDDER ELIGIBILITY REQUIREMENT

To be eligible for evaluation and award under this State Offering, the prospective bidder must be prepared to submit a bid in accordance with the bankruptcy bidding procedures which are described in more detail below in connection with the US Magnesium bankruptcy in the Delaware bankruptcy court.

3. PROPERTY DESCRIPTION & RESOURCE POTENTIAL

This offering encompasses the opportunity to lease approximately 4,500 acres of fee-owned land, or any smaller portion thereof supporting an independent going concern operation, and associated easements, rights of way, and related real property interests purchased by the State of Utah pursuant to the auction conducted in the 2026 US Magnesium bankruptcy proceeding (*See e.g.*, the Asset Purchase Agreement and Sale Order, *In re U.S. Magnesium LLC*, Case No. 25-11696 (Bankr. D. Del.). The key features and related general descriptions of the assets being offered for lease and critical mineral development are as follows:

Feature / Asset Category	Description / Specifications
Location & Coordinates	Tooele County, UT; Southwest shore of Great Salt Lake (T2N, R7W & R8W)
Acreage	~4,500 surface acres
Target Mineral Resources	Magnesium, Lithium, Potassium Chloride, Sodium, and other minerals and/or elements that may be produced in paying quantities
Existing Infrastructure	Heavy industrial grid connection, rail access, industrial natural gas connection, road access and other real property purchased by the State of Utah
Water Rights	FFSL owns over 144,000 acre-feet of water rights associated with mineral production at this site. While FFSL is not leasing these water rights as part of this offering, these water rights may be available to lease if an operator can satisfy the hydrologic protection priorities described in section 1.2 of this CLO.

4. MANDATORY OPERATING & ENVIRONMENTAL PERFORMANCE STANDARDS

Bidders must demonstrate the technological and operational capability to adhere to state and federal environmental protection statutory requirements and CERCLA obligations.

A. Great Salt Lake & Water Conservation Standards

- **Non-Evaporative Extraction Preferred:** Proposals utilizing GSL brines or contemplating the future use of GSL brines should minimize water depletions. Use of traditional open-air solar evaporation ponds that result in massive net evaporative losses will not be prioritized. Bidders proposing closed-loop Direct Mineral Extraction or other innovative approaches will be preferred. All proposals contemplating the extraction of minerals from lake brines must adhere to Utah Admin. Code R652-21 et seq.

- **Returned Water:** Processed brines from GSL must be returned in a manner that does not negatively impact the biota or chemistry of GSL as required in Utah Admin. Code R652-2-200(30) and in compliance with local, state and federal environmental regulatory standards.

- **Brine Withdrawal Caps:** As a terminal saline lake, GSL experiences dramatic changes in lake elevation throughout any given year. Mineral extraction operations contemplating depletions of lake brine will be subject to mandatory operational brine reductions or, depending on the severity of conditions, complete suspension of any diversions during critical low-lake elevations, in alignment with the GSL distribution plan. The successful bidder will be afforded the opportunity to enter into a voluntary agreement with FFSL outlining a brine depletion plan, thus providing additional operational certainty.

B. EPA Superfund Site Remediation Requirements

- **Remediation Guaranty & Escrow:** Bidders must propose a dedicated source of funding or financial guaranty to perform response and remediation of the US Magnesium superfund site in conjunction with planned operations. The financial assurance, in an acceptable form, must be provided in advance of any planned operations. Any proposed financial assurance would be subject to further input, negotiation, and approval by the EPA. Additionally, bidders must designate the specific environmental tasks/obligations that are planned and which would be commensurate with the dedicated source of funding or financial guaranty.

- **Jurisdiction:** FFSL does not have the jurisdiction or authority to limit CERCLA liability for a commercial operation within a Superfund site. This CLO does not purport to limit or disclaim any CERCLA liability. As more fully explained in the “Coordination” provision of this CLO, FFSL intends to use its best efforts to align the State’s interests with the EPA and the successful bidder regarding management of CERCLA liability.

- **Coordination:** FFSL understands that critical mineral production is a key priority for the current Federal Administration. To that end, FFSL intends to use its best efforts to coordinate with the winning bidder and the EPA on ways to mitigate and manage the winning bidder's potential CERCLA liability concerns.

- **Containment & Monitoring Compliance:** The selected lessee will be required to coordinate with FFSL, Utah Department of Environmental Quality (UDEQ), and the EPA to support and facilitate remediation of the site.

C. Mineral Operations

- **Smut Pile (Lithium Stockpile):** Currently, the on-site Smut Pile that may contain high concentrations of lithium is the subject of an ownership dispute between the State of Utah and several secured creditors. This ownership issue may be litigated in the future. However, any proposal considered by the State of Utah must contain plans to produce a final lithium product, in conformance with Utah Admin. Code R652-21 et seq. Applications contemplating the bulk sale of the lithium stockpile in its current form (smut) will not be considered by FFSL.

- **Future Mineral Operation:** FFSL will provide a preference to operators incorporating plans to develop critical minerals from the salts or brines of GSL, using industrial processes minimizing water depletions. Royalty agreements may be obtained through the process outlined in Utah Admin. Code R652-21.

- **Testing and Sampling**. Limited access for testing and/or targeted and discrete sampling of the Smut Pile and/or elements or minerals located anywhere on the property will be afforded only through the express written permission and/or execution of a limited access agreement with FFSL. Any testing or sampling conducted must be made publicly available either by placing the results in a "data room" or other public facing interface. Any testing or sampling that is made publicly available will not be required to be certified under any applicable testing protocol or standard. Once made available to the public and/or other interested bidders, the public and/or interested bidder(s) assumes the risk of relying exclusively on any data provided. Any critical elements and minerals located and/or stockpiled on the US Magnesium site (including the precise characterization and/or concentration levels), and any data generated from the testing and sampling therefrom, shall be treated as an "as-is, where as" basis, with no warranties, promises, or guarantees from FFSL or any bidder providing testing and sampling data. In order to receive permission to sample any material from the property a sampling plan containing methodology and a health and safety plan must be submitted to FFSL.

5. FINANCIAL TERMS & BID PROPOSAL STRUCTURE

Proposals must present a detailed financial model. Compensation proposals may be submitted in multiple formats or combinations of formats including a per-acre rental, profit share, and mineral royalties as follows:

1. **Base Mineral Lease Rent:** All bidders must propose a minimum annual rental representing a fair market value to the State of Utah. Final leased acres or the exact acreage for proposed operational footprints do not need to be precisely determined at the time of submission of a proposal.
2. **Profit Share:** Proposals providing the State of Utah with a share of net or gross profits, above and beyond royalty rates as required in administrative rule/regulation will be considered and may be preferred depending on the projected net compensation to the State.
3. **Standard State Royalty Rate:** A royalty agreement must be obtained prior to selling any minerals produced or derived from the brines of GSL either from direct extraction or through secondary recovery processing (e.g. any proposal for recovering the lithium contained in the Smut Pile), in accordance with Utah Admin. Code R652 et seq.
4. **County Tax Lien:** Proposals that contain a proposed repayment plan or an avenue for payment and release of the Tooele County tax lien will be considered and may be preferred.

6. SUBMISSION REQUIREMENTS & TIMELINE

In order to be considered, all proposals must contain the following:

1. **Intent to file Bid in accordance with Bidding Procedures:** All proposals shall state an intent and commitment, if they are selected as the winning proposal in the CLO process, to also bid at the bankruptcy auction in accordance with the bankruptcy bidding procedures as described in greater detail below.
2. **Executive Summary & Corporate Profile:** Proposal should generally describe an operational track record representing they are, or will be, licensed to do business in the State of Utah, and provide sufficient proof of the financial capitalization necessary to conduct proposed operations and perform any proposed and/or required remediation/reclamation.
3. **Technical & Process Expertise:** Proposals should provide narratives demonstrating or describing the requisite level of experience the bidder has with processing critical elements and minerals and developing commensurate technical processes. Operators with previous experience processing mineral salts and/or brines at commercial scale may be preferred.

4. **Environmental, Mineral and Water Assessment:** All proposals must include details regarding the targeted minerals that are intended on being produced, any necessary water requirements, and identification of all necessary permits required for the extraction and/or processing being proposed.
5. **Financial Proposal:** All proposals shall have a complete bid schedule and breakdown that includes, but is not limited to, a detailed base rent proposal, any profit share (if applicable), anticipated production and annual mineral royalty generation, and a remediation schedule aligned with any funding commitment and financial assurance structure.
6. **Superfund Coordination Plan:** All proposals should include a framework for how planned operations will accommodate simultaneously conducted EPA/UDEQ remedial activities.
7. **Technical Requirements:** All proposals are limited to 20 pages including all attachments. Proposals must be submitted to the Division of Forestry, Fire and State Lands in a sealed envelope by 5:00 pm on the date the CLO closes at the address below:

   Division of Forestry, Fire and State Lands
   1594 W North Temple, Suite 3520
   Salt Lake City, UT 84114

   Please clearly label the envelope "Sealed Bid", "Competitive Lease Offering Proposal", and the date you are submitting the proposal.

8. **Development Timetable:** All proposals must include a development or redevelopment timetable.

7. Winning Bidder

1. **Notification:** FFSL will notify the winning bidder within five (5) business days of the CLO submission deadline.

2. **Award:** The winning bidder will be awarded with a Letter of Engagement, enabling the winner to directly negotiate with FFSL on the terms of a mineral lease and also directly negotiate with FFSL and the EPA for any required agreements or administrative/legal proceedings necessary for the proposed remediation/reclamation and/or approaches to management of potential CERCLA liability.

3. **Bankruptcy Auction:** In the event the winning bidder is not the successful bidder in the Bankruptcy Auction, FFSL will terminate the Letter of Engagement and revert to the

liquidation proceedings detailed in any subsequent bankruptcy proceeding as approved by the Chapter 11 Plan and De Minimis Sale Order.

8. Bankruptcy Bidding Procedures

The State of Utah understands that a concurrent motion will be submitted to the Delaware bankruptcy court to approve bidding procedures for the sale of personal property, including equipment, located on the site. This CLO process is intended to function in tandem with the bankruptcy bid procedures, to enable potential operators to submit a proposal to the State of Utah through this CLO process, and then have the opportunity to purchase personal property and equipment through the bankruptcy bid procedures. The bankruptcy bid procedures will be provided to interested parties on request to FFSL.

9. Site Visit

FFSL will work cooperatively with the liquidator to select multiple days where interested parties may visit the site and have access to FFSL staff and the liquidator to answer questions related to the personal property and/or equipment being sold and the real property being offered as part of the CLO. Parties interested in a site visit may contact FFSL for arrangements.

10. Reservation of Rights

The State of Utah reserves the right to reject any or all proposals, waive minor informalities, renegotiate terms, or cancel this solicitation entirely if deemed in the best interest of the State of Utah and the Great Salt Lake.

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