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DEPARTMENT OF NATURAL RESOURCES

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June 17, 2015

Alexander H. Walker III
Hidden Splendor Resources, Inc.
57 West 200 South, Suite 400
Salt Lake City, UT 84101

Subject: Citation No. 19150, Horizon Mine, C/007/0020

Mr. Walker:

In regards to your letter of June 16, 2015 in which you postulate citation 19150 is a duplicative of citation 12146 issued by Joe Helfrich. I realize there is some confusion in regards to the timing of surveys and timing of citations. I am happy to provide some clarification on this issue.

If you look closely at the citations in the "Nature of condition, practice, or violation" box, you shall see citation 12146 was issued for "Failure to comply with the terms and conditions of the Mining and Reclamation Plan by conducting the Macro Invertebrate Studies on the schedule specified in the Mining and Reclamation Plan (MRP) to present date." The date of the citation is July 29, 2014. Simply put, the citation was for the failure to conduct the spring survey. Citation 19150 was issued on May 15, 2015 for "Failure to comply with the terms and conditions of the Mining and Reclamation Plan by not conducting the 2014 Fall Macroinvertebrate survey as specified in the Mining and Reclamation Plan (MRP) to present date. Therefore, citation 19150 is not a duplicate and shall not be vacated.

For your convenience, I am providing you with the language in the Horizon MRP that is referenced above. Volume 3, Chapter 10, Section 10.2.3, Page 10-4, Paragraph 5 states, "A spring (late May/early June) and a fall (September/October) macroinvertebrate survey will be performed in the North Fork of Gordon Creek, by a qualified person, on standardized dates beginning in the spring of 2001. The surveys will be done every year for three years then every other year after that until final bond release".

As noted in citation 19150, the terms and conditions of the MRP must be followed. Surveys must be conducted during the spring and fall of 2015 as a result of a failure to conduct 2014 surveys.

If you require any clarification, please call me at (801) 538-5437.

Sincerely,

Lisa Reinhart
Environmental Scientist III

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