Form MR-SMO
(Revised March 13, 2007)

This Section for DOGM Use:
Assigned DOGM File No.: S 0010078
DOGM Lead: Tom Munson
Permit Fee $ 150.00 Ck # 1039
Task ID# 3144

APPROVED
FEB 10 2010
DIV. OIL GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

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DIV. OF OIL, GAS & MINING

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" mining operations which have a disturbed area of five or less surface acres at any time.

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I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: O. K. Mine Pit

2. Legal name of entity (or individual) for whom the permit is being requested: Western Utah Copper Company
Mailing Address: P. O. Box 492
City, State, Zip: Milford, Utah 84751
Phone: 435-387-5053 Fax: 435-387-5088
E-mail Address: wucc@scinternet. net

Type of Business: Corporation (xx) LLC ( ) Sole Proprietorship (dba) ( )
Partnership ( ) General _____ or _____ limited
Or:
Individual ( )

Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) www.commerce.utah.gov.
Are you currently registered to do business in the State of Utah? xx Yes ■ No
Entity # 5020027-0142
If no, contact www.commerce.utah.gov to renew or apply.

Local Business License # _____ (if required)
Issued by: County _____ or City _____

3. **Contact Person(s)**
Name: Ronald J. Wunderlich Title: VP-Land, Water & Environmental
Address: P. O. Box 492
City, State, Zip: Milford, Utah 84751
Phone: 435-387-5053 Fax: 435-387-5088
Emergency, Weekend, or Holiday Phone: 435-691-2601
E-mail Address: ronw@scinternet.net

Contact person to be notified for: permitting (xx) surety (xx) Notices (xx) (please check all that apply)

Name: Ronald J. Wunderlich Title: VP- Land/Water & Environmental
Address: P. O. Box 492
City, State, Zip: Milford, Utah 84751
Phone: 435-387-5053 Fax: 435-387-5088
Emergency, Weekend, or Holiday Phone: 435-691-2601
E-mail Address: ronw@scinternet.net

Contact person to be notified for: permitting (x) surety (x) Notices (x) (please check all that apply)

Registered Utah Agent (as identified with the Utah Department of Commerce) *(if individual leave blank)*:
Name: William H. Leigh
Address: 2239 N. Hawthrone Land
City, State, Zip: Cedar City, Utah 84720
Phone: 435-586-9483 Fax:
E-mail Address:

4. **If Business is a Sole Proprietor:**
Name of Owner: Title:
Business Address:
City, State, Zip:
Phone: Fax:
E-mail Address:

If Business is a Corporation:
Name of Officers: Mark D. Dotson Title: President & CEO
David McMullin Title: Vice-President
Title:
Title:

Headquarters Address: P. O. Box 492
City, State, Zip: Milford, Utah 84751
Headquarters Phone: 435-387-5053 Fax: 435-387-5088
E-mail Address: wucc@scinternet.net

If Business is a Limited Liability Company: Member Managed ■ Manager Managed ■
Name of 1st Member/Manager: Title:
Business Address:
City, State, Zip:
Phone: Fax:
E-mail Address:

Name of 2nd Member/Manager:
Business Address:
City, State, Zip:
Phone: Fax:
E-mail Address:

If Business is a Partnership:
Name of Partner:
Business Address:
City, State, Zip:
Phone: Fax:
E-mail Address:

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5. **Ownership of Land Surface:**

Private (Fee) ■xx Public Domain (BLM) ■ National Forest (USFS) ■
State Trust Land/School Sections ■ State Sovereign Lands ■
Other (please describe): _____

Name Western Utah Copper Co. Address P. O. Box 492, Milford, Utah 84751

Name _____ Address _____
Name _____ Address _____
Name _____ Address _____

6. **Ownership of Minerals:**

Private (Fee) ■xx Public Domain (BLM) ■ National Forest (USFS) ■
State Trust Land/School Sections ■ State Sovereign Lands ■
Other (please describe): _____

Name Western Utah Copper Co. Address P. O. Box 492, Milford, Utah 84751
Name _____ Address _____
Name _____ Address _____
Name _____ Address _____

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): _____

BLM Claim Numbers _____

Utah State Lease Number(s): _____

Name of Lessee(s) _____

7. **Have the above surface and mineral owners been notified in writing?**
Yes xx No _____

If no, why not? _____

*Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration **prior** to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.*

8. **Does the Entity have legal right to enter** and conduct mining operations on the land covered by this notice? Yes xx No _____

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II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. **Project Location** (legal description):

County(ies): Beaver

NW 1/4, of SE 1/4, of ____ 1/4: Section: 6 Township: 27 S. Range: 11 W.
____ 1/4, of ____ 1/4, of ____ 1/4: Section: ____ Township: ____ Range: ____
____ 1/4, of ____ 1/4, of ____ 1/4: Section: ____ Township: ____ Range: ____

UTM East 314458 (if known) UTM North 4262122 (If known)

Name of Quad Map for Location: Milford NW

2. **Location and Operations maps** must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, scale, appropriate labels, and title box including the mine name, township, range and section.
   a. The **general location map** must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.
   b. The **operations map** (1"=200' or other scale as determined necessary by the Division) must be labeled and identify:
      i. The area to be disturbed;
      ii. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and
      iii. Any adjacent previous disturbance for which the operator is not responsible.

(Contact the Division for a list of consultants and land surveyors for mapping assistance.)

3. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. OPERATION PLAN (Rule R647-3-106)

1. **Type of mining:** Surface ■ xx Underground ■

2. **Mineral(s) to be mined:** Copper, Gold & Silver

3. **Amount of material** to be extracted, moved, or proposed to be moved:
   1,000 Ton

4. Will any **water, liquid chemicals, reagents, or other solutions** be used, produced or discharged as part of the mining or milling process?
   Yes ■ No ■ xx If yes, please describe (add extra pages if needed)
   Water used for fugitive dust control.

5. Provide a brief **description of the proposed mining operation** and onsite processing facilities (add extra pages if necessary). WUCC will improve existing roadways into the bottom of the OK mine by removing the slough from the roadways that has collected due to weather erosion. A portion of this slough is ore and will be removed for metallurgical testing. No new substantial disturbance will occur as a result of this activity.

6. ▪ **New Road(s)**: Length _____(ft) Width _____ (ft)

7. ▪ **Improved Road(s)**: Provide a description of the improvements that need to be made to existing roads to access the site, including the Length 2,550 (ft) and Width 20 (ft) of improvements.

8. Total project surface **acreage to be disturbed**: -0- (acres) PLEASE SPECIFY EXACT ACREAGE - *(this will be used to determine surety bond amount – see #VI).*

9. Proposed **startup date** (month, year) August 2009

10. Proposed **completion date**, if known (month, year) August 2010

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at www.ogm.utah.gov.

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct mining activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*
10. *Stockpile topsoil and suitable overburden prior to mining.*
11. *Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.*
12. *Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.*
13. *Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)*
14. *Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.*

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V. VARIANCE REQUEST (Rule R647-3-110)

Any variance request must be approved in writing by the Division

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see IV. Operation and Reclamation Practices Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measure to be utilized. Written approval from the Division will be given, if the proposed alternative methods to be used are consistent with the Act.

Are variances being requested? Yes ■ No ■

1st Variance Requested

_____ _____

Item # Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed)

Justification: _____

Alternate methods or measure to be utilized: _____

_____

2nd Variance Requested

_____ _____

Item # Applicable Rule #

Justification: _____

Alternate methods or measure to be utilized: _____

_____

3rd Variance Requested

_____ _____

Item # Applicable Rule #

Justification: _____

Alternate methods or measure to be utilized: _____

_____

Attach additional page if more variances are requested.

VI. SURETY (Utah Code Ann. §40-8-7(1)[c])

A reclamation contract and surety must be provided to and approved by the Division prior to commencement of operations. All mining operations are required to furnish and maintain reclamation surety to guarantee that the land affected is reclaimed (Utah Code Ann. §40-8-7(1)[c]).

The reclamation surety amount is based on the nature, extent and duration of operations. The amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions. Reclamation surety for small mines is reviewed every three (3) or five (5) years and adjusted as necessary for inflation/deflation based upon acceptable Costs Index. **Contact the Division for the dollar amount required for a three (3) or five (5) year period for this project.**

I have provided or will provide surety in the form of:

■ Certificate of Deposit ■ Letter of Credit ■ Surety Bond xx■ Cash (certified funds)

■ Other _____ (please identify)_____ undecided

VII. PERMIT FEE (Utah Code Ann. §40-8-7(1)(i))

A permittee's authorization under a notice of intention to conduct small mining operations shall require the paying of permit fees as authorized by the Utah Legislature (R647-3-102.5). Permit fees are assessed to new and existing small mining operations, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a $150.00 fee, which must accompany this application, or the Division cannot process it.

VIII. SIGNATURE REQUIREMENT

(Please check the box if applicable and place your initials on the line provided)

xx ■ I have enclosed the required permit fee.

xx ■ I have enclosed/requested a Reclamation Contract (Form MR-RC) and the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.

xx ■ I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

a. I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
b. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
c. **This certification must be signed by:** (1.) an executive officer if the applicant is a corporation; (2.) a partner if applicant is a partnership (general or limited); (3.) the owner if applicant is a sole proprietorship; **or** (4.) the member or manager if applicant is a limited liability company.

Signature: Ronald J. Wunderlich Date: 8/25/09

Name (typed or printed): Ronald J. Wunderlich

Title/Position (if applicable): VP-Land, Water and Environmental

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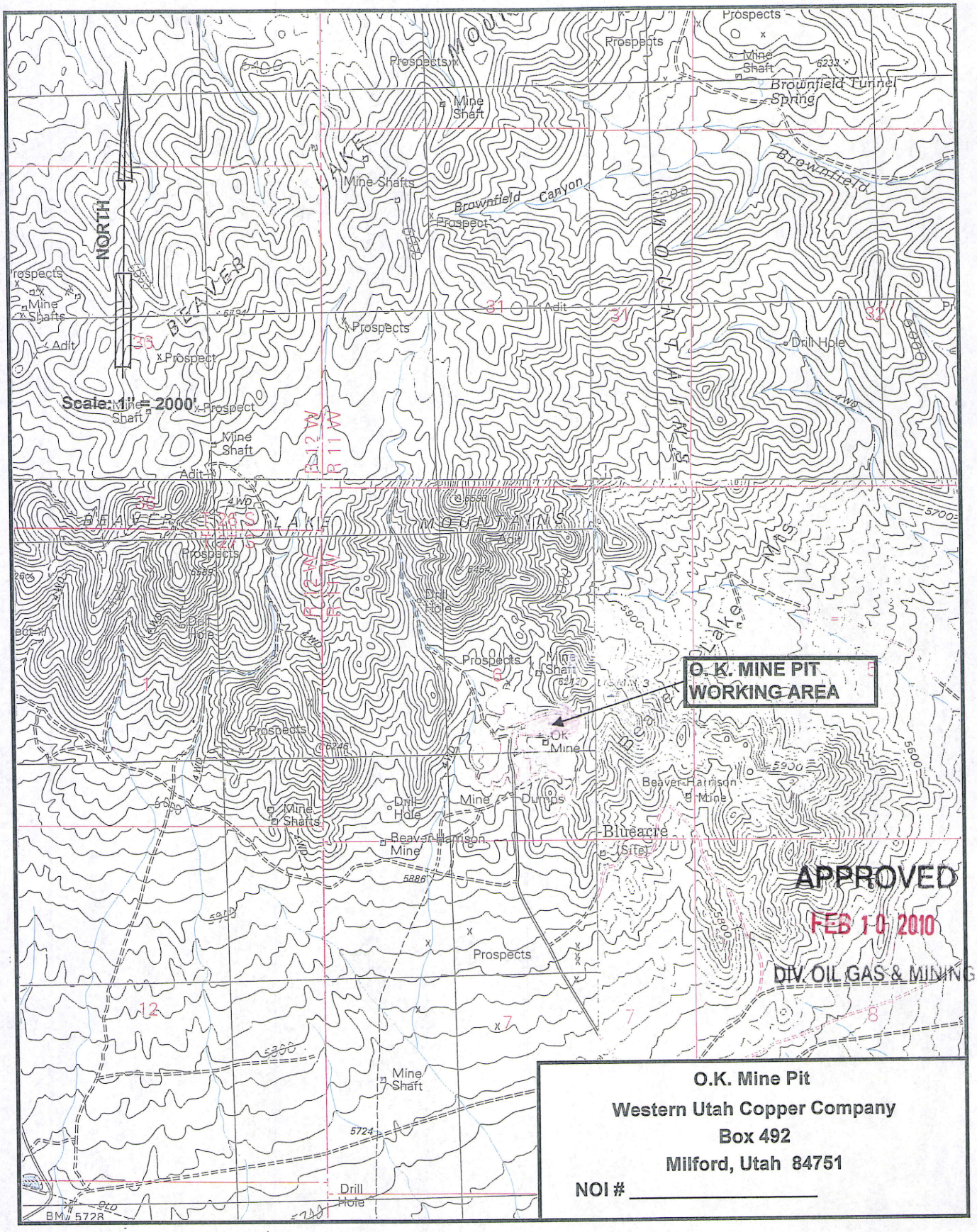


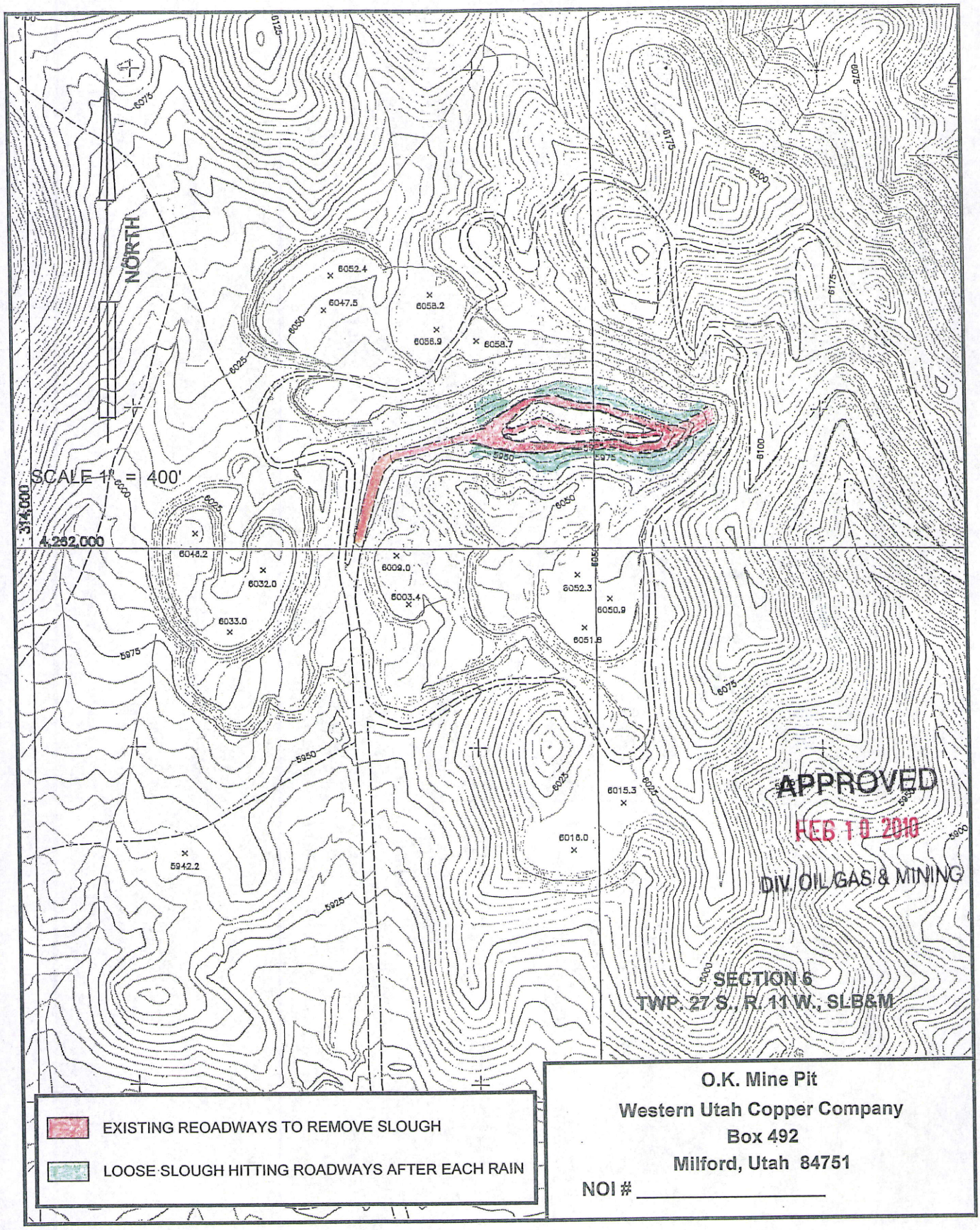
O.K. Mine Pit

Western Utah Copper Company

Box 492

Milford, Utah 84751

NOI # _____



O.K. Mine Pit
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