UMC

UINTAH MOUNTAIN COPPER COMPANY
341 SOUTH MAIN STREET
SUITE 401
SALT LAKE CITY, UTAH 84111
(801) 530-1045

RECEIVED
JAN 20 1998
DIV. OF OIL, GAS & MINING

January 15, 1998
File: Claims S/013/~~003~~ 002

S/013/002

State of Utah, Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Attn: Anthony A. Gallegos, Senior Reclamation Specialist

Enclosed is the 1997 Annual Report of Mining Operations for Uintah Mountain Copper Company's Sunshine Quartz/Hematite Claims Project as required by Utah law. In addition to this report, we have included copies of UMCC/ USFS meeting minutes from November 10, 1997 and Addendum #3 to our continuing Plan of Operation for this project.

We received your 12/30/97 acknowledgment letter and are pleased that any misunderstanding on the project status has been resolved. Since UMCC is a public company, it is extremely important that there are no misrepresentations on the details of the work in progress. UMCC met with the Forest Service on November 10, 1997 to address the permits issues (meeting minutes are attached). It was agreed that, beginning in 1998, UMCC would no longer be required to pay annual special use permits as long as the use of the access road and camp site were incorporated within the approved Plan of Operation for the project. A modification to the POO meeting this request was submitted to the Forest Service in December and was approved by the agency later that same month (a copy is attached).

The approved POO modification included planned site development activities for 1998. The Forest Service will be providing bonding requirements for this work within the next few weeks so that all agreed upon requirements will be in place prior to this summer's work. We are also working with the Forest Service to begin an Environmental Assessment in 1998 for future planned phases of the project and will keep you apprised on the status.

We would like to meet with you on the project site when snow and runoff conditions permit. Typically, safe site access occurs sometime after the July 4th holiday. Mike Kandaris or I will contact you later this year to arrange the on-site meeting. Thank you for your consideration and interest in UMCC's project. Please call me if you have any questions or need further information.

Sincerely,

Peter Kandaris
Uintah Mountain Copper Company
(602) 963-4986

PMK/

cc: Mike Kandaris

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FORM MR-AR
(Revised 5/97)

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

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. *General Information*

1. Report Time Period: From (mo./yr.) January 1997 To (mo./yr.) December 1997
2. DOGM File Number (Mine No): S/013/0032
3. Mine Name: Sunshine Quartz/Hematite Claims Project
4. Mineral(s) Mined (or permitted to mine): Iron Oxide (Hematite - Pigment)
5. Type of mine ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):

   ____ 1/4, N 1/4, W 1/4, Section 15, Township 2N, Range 6W

   ____ 1/4, ____ 1/4, ____ 1/4, Section ____, Township ____, Range ____

   ____ 1/4, ____ 1/4, ____ 1/4, Section ____, Township ____, Range ____

7. Name of Operator or Company: Uintah Mountain Copper Company
8. Permanent Street Address: 341 South Main Street, Suite 401

   City, State, Zip: Salt Lake City, Utah 84111

   Phone: (801) 530-1045
9. Company Representative (or designated operator):

   Name: Mike P. Kandaris Peter M. Kandaris

   Title: Vice President President

   Business Address: (Same as above)

   City, State, Zip: ____

   Phone: ____

   ☐ **Please check if any of the above information has changed since previous year.**

II. *Mining and Reclamation*

1. Was mine active during the past year? Yes ☒ No ☐
2. If active, how much ore or mineral was mined? 46 tons of sample ore were excavated & removed
3. *If inactive,* what year was the mine **last active?** ____

3. How much **additional acreage** was disturbed during the past year? 0.01 acre

4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.

A nominal 12' to 15' wide by 45' long and up to 12' deep test pit was excavated within (and included) the 1996 test pit area as part of approved Phase 1 development activities. About 133 cy of subsurface material was disturbed. See UMCC 9/27/97 Engineering Analysis Report for complete details on this work (provided to Utah DOGM in December 1997).

5. How much acreage was **reclaimed** during the past year? 0.01 acre

6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

A 26 cy gabion rock wall was erected and backfilled with native soil and hematite ore to fill test pit area and stabilize the slope. The leveled terrace above the wall was contoured and re-seeded. Evaluation is on-going (report planned for end of 1998 and to be part of FS EA). See UMCC 9/27/97 engineering analysis report for complete details on this work.

7. What is the **total disturbed acreage** at years end? 0.0 acres

8. Briefly summarize any mining and/or reclamation plans for the upcoming year.

Excavate and haul up to 61 tons of sample ore used as backfill in 1997 Phase 1 work. Use compatible native soil and rock for pit reclamation & re-seed. Repair and extend gabion wall as needed. See attached 12/5/97 modification to POO, Addendum #3, approved by USFS for 1998 activities.

NOTE: Section III., "Additional Information" applies only to **large mining operations.**

III. *Additional Information*

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.

2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. *Signature Requirement*

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): Peter M. Kandaris

Title of Operator: President

Signature of Operator:

Date: January 15, 1998

jb
MR-AR