Internal

EXECUTIVE SUMMARY

Date Summary Prepared: June 18, 2012

Mine Name: Levan Chicken Creek Mine	**I.D. Number:** M/023/0016
Operator: Sunroc Corporation	**Date Original Notice Received: Revision received on March 15, 2012**
Address: 739 North 1500 West Orem, Utah 84059	**County: Juab**
	New/Existing: Revision
	Mineral Ownership: Fee and US Forest Service
Contact Person: Brent R. Sumsion	**Surface Ownership:** Fee and US Forest Service
Telephone: 801 802-6933	**Lease No.(s):** Fee lands or mining claims Security #1, UMC 117022, #2 UMC 117023, #3 UMC 117024, # 4 UMC 117025; Chicken Creek 1E UMC 370875, 2E UMC 370876, 3E UMC 370877, 4E UMC 370878, 5E UMC 370879.

Life of Mine: Lower west pit 13 years at 150,000 tons per year. Upper west pit 13 years at 150,000 tons per year and East pit 102 years at 150,000 tons per year.

Legal Description: West site Section 3 Township 15 South Range 1 East SLBM and Section 33 Township 14 South Range 1 East SLBM

East site Sections 33 and 34 Township 14 South Range 1 East SLBM

Mineral(s) to be Mined: Gypsum

Acres to be Disturbed: 105.4 acres

Present Land Use: Wildlife habitat and mining

Postmining Land Use: Wildlife habitat and recreation

Variances from Reclamation Standards (Rule R647) Granted: None requested.

Soils and Geology

Soil Description: Soils vary according to geomorphic position in the mine area. They include xeric torriorthents, cumulic haploxerolls, and rock outcrops. Slopes vary from about four to 70 percent. The best soils tend to be gravelly clay loams at lower elevations in the facilities areas.

pH: 7.36 – 7.69

Special Handling Problems: None

Geology Description: Geology at the mine site is complex, because of the faulting and landslides in the area, and the geotechnical nature of the host rock, the Arapien Shale. The Arapien shale is mid Jurrasic in age, and consists of micrite limestone, shale, mudstone and gypsum, dominately thinly bedded. The landslides along the steepened slopes of the canyon walls cover much of the underlying geology. The Pigeon Creek fault line runs parallel to the San Pitch Mountains along the range front approximately 1500 west of the mine site. The Pigeon creek fault is active with a slow vertical slip rate of approximately 0.3 $\pm$ 0.1 mm/hr. Above the Arapien shale is several different Quaternary deposits, including alluvial fans, stream channel deposits, and the mass wasting or landslide deposits.

Hydrology

Ground Water Description: _In the canyon bottom, ground water is at depth from 80 feet to 300 feet in both water table and artesian conditions. Wells and springs in the stream alluvium or issuing geologically below both mines supply irrigation and drinking water for the town of Levan.

Surface Water Description: Chicken Creek is a tributary to the Sevier River. The upper Chicken Creek originates in the Manti La Sal National Forest and currently terminates near the Forest Service boundary. The Lower Chicken Creek originates in a number of flowing groundwater wells and springs between Chicken Creek Reservoir and the town of Levan. The mine has provided sediment control at both sites to prevent sediment from leaving the disturbed areas. Diversions and BTCA (Best Technology Currently Available) will provide the necessary sediment and erosion control in this steep environment to prevent impacts to surface water.

Water Monitoring Plan:

Ecology

Vegetation Type(s); Dominant Species: West pit vegetation is mainly mountain mahogany with some pinyon/juniper forest and Gambel's oak in the upper regions. The east pit has sparse vegetation with areas of pinyon-juniper forest and Gambel's oak near the top. Other common species include slender wheatgrass, prickly phlox, Indian ricegrass, and Oregon grape.

Percent Surrounding Vegetative Cover: Total vegetation cover was measured as 42.2 percent.

Wildlife Concerns: There are four golden eagle nests within one mile of the mine. The nests will be monitored by the Forest Service, and mining activities will be modified to accommodate golden eagle nesting. Because the area contains big game winter habitat, mining operations will stop from November 15 to March 1.

Surface Facilities: The mine has mobile processing equipment (screen, crusher, conveyors, etc.), with limited fixed facilities.

Mining and Reclamation Plan Summary:

During Operations: Highwalls or significant excavations will exist on the property. The pits will have safety berms located at the top of the highwalls as needed. The west and east pits will be mined using the multiple bench approach. All mined areas will have topsoil salvaged. The pits will be mined by drilling and blasting and removing the rock. Highwall benches will be up to 40 feet tall and will be constructed so that the orientation of the bedding of the bedrock enhances their stability. The overall mined slope will not exceed 45 degrees. When the limits of the pit are reached, the pits will be graded and reclamation will commence. The east pit has a projected mine life

of 128 years and the upper and lower west pit has a mine life of 26 years. No waste materials will be generated as part of mining.

After Operations: During reclamation the pits will be blended into the surrounding topography at a maximum slope of 2H:1V for backfilled and alluvial areas and 1H:1V for smoothed bedrock highwall faces. The final slopes will have a safety factor of 1.3 or a slope angle of 40 degrees. The sites will be hydrologically stable and free draining. Except on the steeper slopes the area will be ripped and seeded with an approved seedmix. No stockpiles of unprocessed material will remain onsite. The post mining land use will be compatible for wildlife habitat and recreation.

Surety

Amount: $1,013,000
Form: Surety – Travelers Casualty
Renewable Term: May 8, 2013

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