S/047/0085

SITE INSPECTION
ML 47278

Date: May 31, 2006
Time: 5:30 to 6:30 PM
Persons Present: William Stokes, SITLA
Lease #: O,G & H, ML 47278
DOGM #: S/047/085
DOGM Reclamation Bond: $18,600.00
Lands Inspected: Access within Section 36, T4S, R20E, SLB&M, Uintah County

The Notice of Intent identified the original proposed mining area as a 5 acre parcel located the northwest corner of Section 36. Within the original proposed mine site are survey markers that are similar to other survey markers observed at other Black Sands Holding Co. proposed mine sites. There was no evidence of exploration drilling at the original 5 acre site. Inspection of other roads within Section 36 revealed three drill holes within the section. The first drill hole can be found approximately one eighth of a mile from the west boundary of the section on only road that provides access to the center of the section. This drill hole was covered with a piece of plywood which was then covered with drill cuttings. Judging from the amount of surrounding drill cuttings this hole is estimated to be 50 to 100 feet deep. Cuttings from this drill hole indicate that the hole was completed within the thick bench gravel deposits found on the west side of Asphalt ridge. A second drill hole was observed up a small side canyon just north of the first drill hole. At the second site it appears that drilling was abandoned after only drilling several feet. Drilling may have been abandoned because the hole was spudded in the unconsolidated bench gravels that were collapsing into the hole as drilling progressed. There is also evidence that the drill rig may have gotten stuck in the loose gravels found at this location. The second hole was also covered in the same manner as the first. A third hole was observed further east of the first hole, along the same road that provides access to the center of Section 36. The third drill hole was covered in the same manner as the other drill holes and judging from the cuttings appears to have penetrated the quaternary gravel deposits and was completed in the underlying Duchesne River Formation. The holes appeared to have been drilled using an 8 to 10 inch rotary-air drill rig as evidenced by the diameter of the hole and by the cuttings around the drill holes. GPS- UTM coordinates were taken for the drill hole locations identified in this report.

Approval of reclamation surety and approval to drill was issued by DOGM via letter dated May 31, 2006. It is apparent that the observed drilling was completed prior to issuance of approval. There are several captioned photographs accompanying this report showing various features observed during the site inspection.

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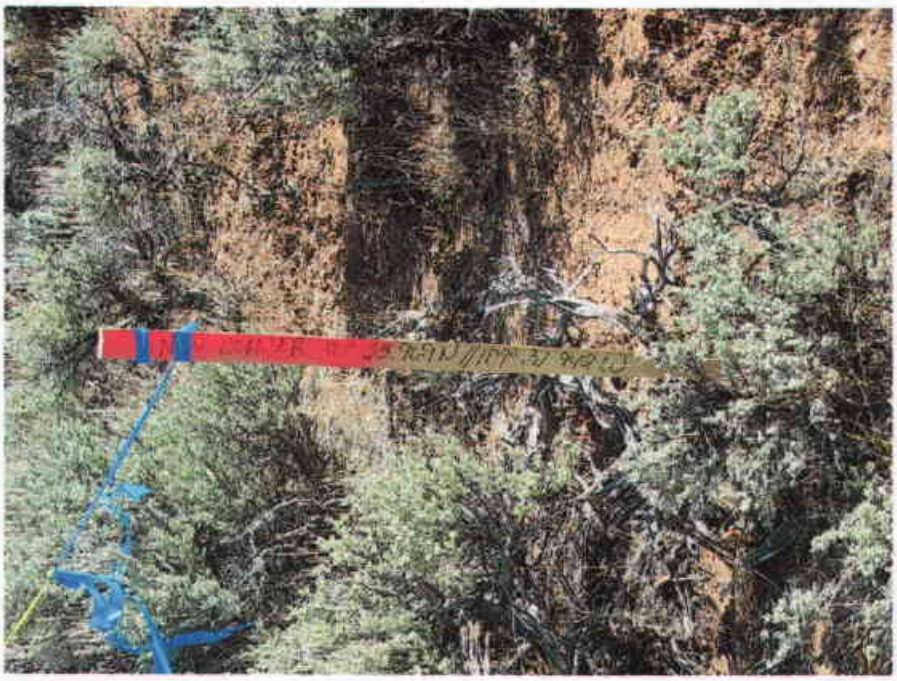
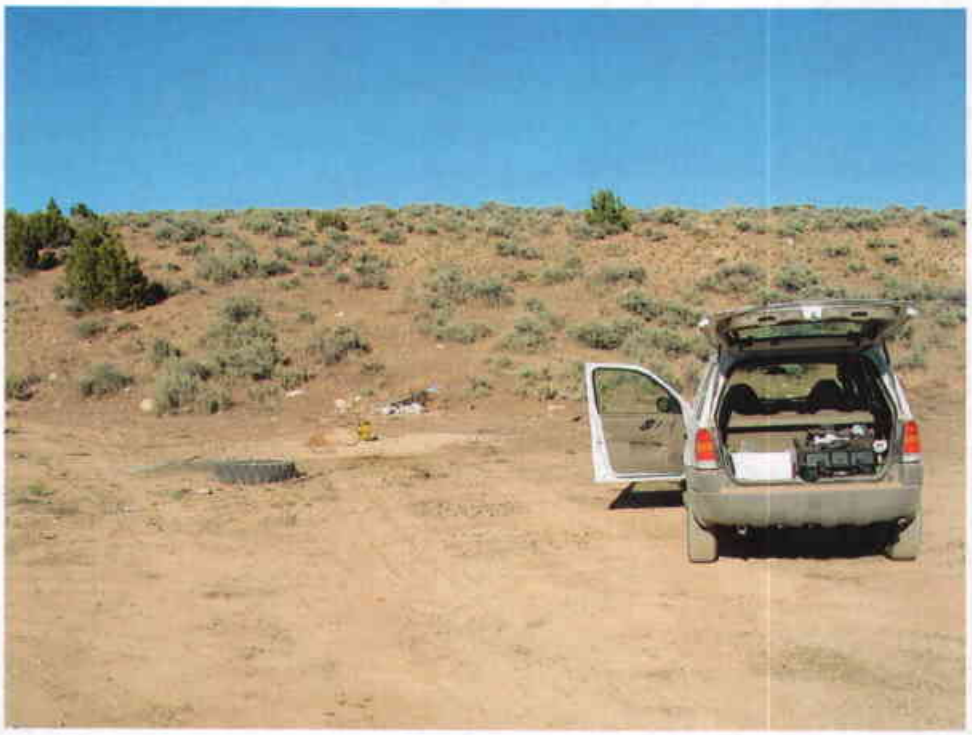


ML 47278 – 5-31-06 Survey marker believed to be the establishment on of the northwest corner of Section 36. The marker is identified as the NW corner, 40*25.969N, 109*37.942W. There is evidence in the field that the original NW section corner is nearby at a different location.

ML 47278 – 5-31-06 The Notice of Intent identified a five acre parcel at the northwest corner of Section 36 as the proposed mine site. Note the painted arrow on the ground at the turn off to this location. There is not development at this site.

ML 47278 – 5-32-06 Looking south onto the 5 acre mine site as proposed in the Notice of Intent.



ML 47278, 5-31-06 The GPS unit, at the drill hole, is located at UTM coordinate N 4476227.60, E 616147.72. The drill hole is located along a road that accesses to north central portion of Section 36.

ML 47278, 5-31-06 Looking south onto a drill hole, next to the rock, that is covered with a piece of plywood. This drill hole is approximately 4 feet deep. Note that there are few cuttings around the drill hole. The UTM coordinates are N 4476415.22, E 616204.50.

ML 47278, 5-31-06. Looking east from a drill hole that is located just off the access road near the center of the N½ Section 36. The UTM coordinates for this drill hole are: N 4476448.52, E 617208.03.