m/49/009

January 11, 2002

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1220
Salt Lake City, Utah, 84114
Attn.: Tom Munson

RE: Release of Certain Areas; Amendment to Permit M/049/009

Dear Tom;

As we discussed, enclosed please find a second copy of the showing the boundaries of the Hunter shaft, new Burgin tailings pond and the settling ponds. Also enclosed is a revision to the Dry Stack document adding the language below.

Areas Requested to be Removed from Contract M/049/009
(Areas shown on "Map Showing Permitted Aresa, SMC Eureka Operations")

Please feel free to contact me with any of your questions. We look forward to working with your Department to complete the Amendment process.

Sincerely,

Tom

Tom Gast
Principal

enclosures
cc: Andre J. Douchane, President, Chief Consolidated Mining Company

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DIVISION OF
OIL, GAS AND MINING

1.0 INTRODUCTION AND SUMMARY

The Tintic Facility is located in the East Tintic Mining District, Utah County, Utah (figure 1) in Township 10 South, Range 2 West, SLBM, Utah County. As shown on figure 2, the property includes three underground mines, one 800 ton-per-day (tpd) concentrator, surface shops, warehouses and offices that were constructed and operated by Kennecott Mining Company.

The East Tintic property was leased to Kennecott Copper Corporation in 1956 and work on the Burgin No. 1 shaft was begun in 1957. This shaft was ultimately sunk to a depth of 1,100 feet and from 1957 through completion of the Burgin No. 2 shaft to a depth of 1,331 feet in 1964, exploration, mine development and limited production operations were conducted through the Burgin No. 1 shaft. Two production levels (1200 and 1300) were established from the No. 2 shaft. The north exploration drift was begun in 1966 and most exploration drifting and mine development activities were complete by 1971. In 1972 the Burgin No. 1 shaft was deepened to the 1300 level. Production began in 1964 with all lead/silver/zinc ore being direct shipped to smelters outside the district. The 800-tpd concentrator, including a crushing plant and tailings disposal facility, was completed in 1967. Until Kennecott suspended operations in 1978, mine production included both direct-ship ore and concentrate.

Sunshine Mining Company leased the property during 1981 and began an exploration program designed to extend the Burgin deposit and to produce gold and silver ore from the Trixie mine. On June 3, 1985 Reclamation Contract M/049/009 was approved for these operations. Between 1985 and 1992 various modifications to the original contract were reviewed and approved by DOGM. These are summarized on Table A.

Chief Consolidated Mining Company took control of its property in 1993. In 1996, Chief and its partners formed a new company, Tintic Utah Metals LLC, which has transferred the current Mining and Reclamation Permit (File Number M/049/009) to Tintic Utah Metals LLC. Since Chief reacquired control of its property, it and Tintic Utah Metals LLC have been engaged in an exploration and development program designed toward achieving renewed production from the East Tintic district.

This revision has been prepared in accord with the regulations and it is designed to accomplish two objectives which are: 1) remove those areas from the permit that have not been disturbed since 1985 by either Sunshine or Tintic Utah Metals LLC and are not currently required for planned operations; and, 2) revise the method of tailings disposal.

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Hunter Shaft: This shaft was proposed as the primary production shaft for the Burgin orebody extension. No physical disturbance to the surface has occurred from 1985 to the present and current plans do not include construction of this shaft in this location. It is therefore requested that this area be released from the Reclamation Contract.