m/49/009

Chief Consolidated Mining Company

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Mr. Tom Munson
State of Utah Department of Natural Resources
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

August 9, 2002

Re: Trixie Mine Tailings Stockpiled on the Burgin No. 2 Mine Dump

Dear Tom:

As I told you in our telephone conversation of August 7, 2002, Chief Consolidated has, as requested by your department, begun moving the Trixie Mine Mill Tailings that are currently stockpiled on the Burgin No. 2 mine dump. Due to the volume of material (estimated at 4000-5000 tons) as well as Chief's limited manpower and equipment, it will probably take approximately six weeks to completely remove the subject tailings.

As an alternative and since the Trixie mill tailings contain considerably lower metal values then the Burgin No. 2 dump, I believe that for both economic as well as environmental considerations it would be wise to spread the Trixie mine tailings over the Burgin dump as a cap rather than move them to the dry stack tailings area for permanent storage.

My recommendation is based on and supported by assay results obtained from samples of the Burgin No. 2 mine dump and in-house assays of the Trixie mine tailings. The range of metal values from the Burgin No. 2 mine dump are as follows:

Au ppb	Ag oz/t	Cd ppm	Cu ppm	Pb%	Zn%	Mn%
15-257	0.76-5.63	240-660	48-352	1.04-5.85	1.62-4.45	1.23-6.24

During the spring of 2002, samples of Trixie mine mill feed, flotation concentrate and tailings (tail) were routinely collected on each shift and analyzed by Chief Consolidated's in-house lab. The analytical results indicate that the flotation process was very efficient and that the metal content, with the exceptions of gold and copper, of the tailings (tails) derived from the Trixie

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mine is less than the metal values of the Burgin No. 2 mine dump. These analyses are shown on the accompanying attachment covering part of December 2001 and January 2002 with the range of values for each element summarized as follows:

Au oz/t	Ag oz/t	% Pb	% Cu	% Zn
0.028-0.048	0.17-1.67	0.04-2.62	0.01-2.03	0.01-1.95

In conclusion, since the Trixie mill tailings contain considerably lower metal values then the Burgin No. 2 mine dump, I again recommend that the Trixie mill tailings be spread over the top of the Burgin dump as a cap rather then moved to the dry stack tailings area for permanent storage. I appreciate your review and consideration of this proposal and look forward to your response.

Sincerely,

Ray Irwin

Ray Irwin, Chief Geologist

Mill Feed Samples

	Au Oz/t	Ag Oz/t	ppm Pb	ppm Cu	ppm Zn	% Moisture
12-12-01 Feed	0.509	0.89	0.16%	435	165	2.99
12-12-01 Feed	0.069	0.43	0.32%	190	205	2.15
12-13-01 Cyclone Head (Day)	0.094	0.51	785	365	475	
12-13-01 Float Con (Day)	7.418	39.03	2.24%	2.03%	0.89%	
12-13-01 Float Tail (Day)	0.029	0.19	420	160	385	
12-17-01 Cyclone head Day	0.107	0.61	895	350	515	
12-17-01 Float Con Day	3.303	20.07	1.88%	1.27%	1.04%	
12-17-01 Float Tail Day	0.028	0.17	430	115	285	
12-17-01 Cyclone head Night	0.178	0.92	0.14%	525	770	
12-17-01 Float Con Night	7.839	41.27	2.32%	2.03%	1.87%	
12-17-01 Float Tail Night	0.048	0.31	880	205	385	
12-18-01 Feed Day	0.191	0.69	850	355	520	2.04
12-18-01 Feed Night	0.307	1.16	0.12%	600	865	6.02
12-18-01 Head Day	0.196	1.01	0.13%	600	890	
12-18-01 Tail Night	0.041	0.21	695	215	455	
12-18-01 Head Night	0.159	0.86	0.13%	540	835	
12-18-01 Float Con Night	7.113	35.84	2.04%	1.78%	1.95%	
12-20-01 Head Night	0.171	0.89	0.13%	445	560	
12-20-01 Float Con Night	3.671	17.94	0.95%	0.79%	0.72%	
12-20-01 Float Tail Night	0.035	0.23	680	175	400	
12-21-01 Head Day	0.279	2.28	0.15%	515	495	
12-21-01 Float Con Day	7.099	59.74	2.62%	1.38%	1.09%	
12-21-01 Tail Day	0.031	0.41	800	145	225	
12-21-01 Head Night	0.215	1.83	0.14%	480	470	
12-21-01 Float Con Night	4.158	34.88	0.90%	0.82%	0.55%	
12-21-01 Tail Night	0.035	0.38	760	140	215	
12-22-01 T-14 O.F. Slimes	4.511	30.26	0.15%	0.93%	0.79%	
1-3-02 Feed Day	0.143	2.52	0.13%	390	305	
1-3-02 Head Day	0.172	1.59	0.11%	535	590	
1-3-02 Float Con Day	1.894	18.42	1.01%	0.46%	0.37%	
1-3-02 Tail Day	0.044	0.43	570	195	250	
1-3-02 Feed Night	0.071	5.18	0.25%	630	805	
1-3-02 Head Night	0.151	5.64	0.28%	600	460	
1-3-02 Float Con Night	3.623	72.93	1.52%	0.84%	0.64%	
1-3-02 Tail Night	0.041	1.67	0.19%	265	255	
Crusher/Fine Ore Bins1-3-02	0.106	2.99	0.20%	475	0.15%	
Crusher/Ore Bins 1-4-02	0.281	1.55	0.18%	430	475	
Unknown Mill Sample 1-5-02	0.198	2.85	0.34%	700	515	
1-7-02 Mill Float Con Composite	3.991	70.16				
1-8-02 Mill High Grade	1.264	3.23				
1-6-02 Crusher Ore Bin	0.159	3.01				
1-7-02 Crusher Ore Bin	0.125	1.03				
1-4-02 Tails Day	*	*	0.18%	295	305	
1-4-02 Head Day	*	*	0.22%	615	575	

Mill Feed Samples

	Au Oz/t	Ag Oz/t	ppm Pb	ppm Cu	ppm Zn	% Moisture
1-4-02 Tail Night	*	*	0.18%	245	240	
1-4-02 Head Night	*	*	0.32%	680	560	
1-4-02 Float Con Night	*	*	2.06%	1.12%	0.89%	
1-5-02 Tail Day	*	*	0.22%	285	205	
1-5-02 Head Day	*	*	0.36%	840	485	
1-5-02 Float Con Day	*	*	2.37%	1.28%	0.65%	
1-5-02 Tail Night	*	*	0.19%	370	290	
1-5-02 Head Night	*	*	0.28%	775	555	
1-5-02 Float Con Night	*	*	1.98%	1.01%	0.71%	
1-6-02 Head Day	*	*	0.17%	185	155	
1-6-02 Float Con Day	*	*	2.36%	1.21%	0.70%	
1-6-02 Tail Day	*	*	0.27%	710	450	
1-6-02 Head Night	*	*	0.23%	765	725	
1-6-02Float Con Night	*	*	3.53%	2.12%	1.76%	
1-6-02 Tail Night	*	*	0.20%	655	605	
1-7-02 Head Day	*	*	0.33%	980	940	
1-7-02 Float Con Day	*	*	3.23%	2.27%	1.93%	
1-7-02 Tail Day	*	*	0.27%	615	645	
1-7-02 Head Night	*	*	0.40%	0.24%	0.21%	
1-7-02 Float Con Night	*	*	2.50%	1.98%	1.76%	
1-7-02 Tail Night	*	*	0.18%	470	385	
1-8-02 Mill Con (Solid)	0.735	11.25				361 gr. dry wt.
1-8-02 Mill Con (Sol)	1.24	22.1	0.003 gr/l.	0.405 gr/l.	0.045 gr/l.	11.9 PH CN 0.31 lb/t.

830 ml

.035 gm Au
.009 gm Au
.0424

TINTIC UTAH METALS

Burgin Dump Samples 5-Sep-00

	ppb Au	Ag Oz/T	ppm Cd	ppm Cu	% Pb	% Zn	% Mn
BT-1 +0	121	0.82	265	321	1.56	1.82	1.38
5	257	2.01	460	352	2.24	3.76	1.54
10	104	0.76	255	145	1.15	1.64	1.73
15	100	1.25	315	294	1.62	2.52	2.18
20	32	1.41	425	203	2.45	3.26	1.94
25	47	1.22	335	144	2.01	2.63	1.63
30	15	1.14	285	79	1.46	1.78	1.08
35	81	5.63	380	410	3.01	3.54	1.23
40	30	1.81	350	157	1.86	2.58	1.77
45	98	1.37	365	193	2.36	3.08	2.16
50	30	0.58	240	48	1.04	1.62	2.47
55	104	1.08	310	158	1.26	2.47	1.47
60	106	1.43	390	245	2.12	3.29	2.16
65	53	0.82	305	153	1.58	2.24	2.26
70	74	0.99	290	78	1.89	2.14	2.14
75	119	2.24	440	159	1.92	3.48	2.46
80	57	1.34	335	116	2.31	2.56	2.74
85	74	1.49	360	103	2.06	2.66	2.46
90	72	1.14	280	175	1.53	1.94	2.17
95	121	1.61	350	100	2.24	2.55	1.85
100	181	1.69	330	223	1.81	2.33	2.68
105	36	1.22	320	84	1.82	2.51	2.47
110	146	2.22	425	111	2.97	3.68	4.42
115	57	1.57	540	132	2.96	4.31	3.11
120	47	1.87	550	121	2.43	4.25	2.19
125	55	1.66	410	94	2.44	3.31	3.53
130	66	1.87	415	127	2.35	2.82	3.19
135	49	1.57	405	105	2.93	3.03	3.37
140	58	3.85	400	243	3.87	3.43	2.81
145	36	1.46	395	92	2.43	2.98	2.55
150	59	1.37	475	109	2.32	3.47	2.78
155	40	1.46	320	72	2.16	2.26	2.86
160	53	1.02	275	60	1.58	1.85	2.42
165	40	0.82	260	56	1.42	1.66	2.36
170	42	1.61	350	77	2.11	2.53	3.41
175	66	1.81	465	132	2.79	3.61	3.97
180	55	1.66	395	84	2.43	2.82	4.96
185	179	2.94	660	228	5.85	4.45	3.76
190	100	2.11	530	109	3.11	3.91	3.72
195	70	3.18	435	134	3.19	3.06	4.48
200	89	1.43	445	102	2.65	3.26	3.35
205	113	2.27	385	78	2.61	2.53	5.16
42 SAMPLE BT-1 +210	91	1.54	325	75	1.83	2.23	6.24
		1.72 oz/T Ag			2.33%	2.90%	2.82%
75'-210'		1.78 oz/T Ag			2.50%	2.98%	3.26%