J.
M/049/009

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

February 13, 2003

TO: Minerals File

FROM: D. Wayne Hedberg, Permit Supervisor DWH

RE: Inspection Memo, Tintic Utah Metals & Chief Consolidated Mining Company, Apex/Burgin Mine (M/049/009) & Trixie Shaft (M/049/024), Utah County, Utah

Date of Inspection:	February 6, 2003
Purpose of Inspection:	To document mine activity status, based upon recent communication gap with the mine contacts (previous suspension notification received).
Time of Inspection:	12:40 – 3:15 p.m.
Weather conditions:	Overcast and light flurries, some snow on ground
Participants:	Tom Munson & Wayne Hedberg (DOGM), Adren R. Underwood (Chief Consolidated)

Trixie Mine - 1st stop

Mining operations suspended. The access gate & buildings were locked up, no activity, no personnel onsite. Several photos taken to document current site conditions.

Apex Mine - 2nd stop

Mining operations suspended. Gate & buildings locked up, no activity, no personnel onsite, several photos taken to document status of current conditions.

Burgin Mine & Mill Complex - 3rd stop

Mining operations suspended. Gate & buildings locked up, no activity, no mine personnel onsite, several photos taken to document site conditions. Noted a sign hung on main entrance gate directing parties to make all deliveries for Chief Consolidated Mining Co. to: 342 Beck St., Eureka, Utah. We drove there to try & talk with someone about company's situation & mine suspension.

Chief Consol Mine Office (Eureka) - 4th stop

New phone #: (435) 433-6881

Met Mr. Adren R. Underwood at mine office at the Eureka address. We spoke with him about current status of mine operations. He indicated he was the only one still working for Chief part-time as mine property security only. He said he travels back/forth to the mine up to 5 or 6 times a day to keep the vandals out. He said he has one office secretary come in part-time a day or two each week to helps him out with paperwork and mail. Mr. Underwood said Chief has a $1.5 million dollar debt in

outstanding bills. He said he forwards all bills and related correspondence back to Philadelphia for processing by the acting officers at Dimeling, Schreiber & Park.

New corporate contacts located in Pennsylvania:
Dimeling, Schreiber & Park
Richard R. Schreiber, CEO; Steven Park, Director; & Christopher A. Arnold, Director
ADDRESS: 1629 Locust St., Philadelphia, PA. 19103
PHONE: (215) 546-8585, fax: 546-9160

Mr. Underwood said that Chief stock is currently trading at $0.17/share. He said he has been showing a number of potential investors around the mine property lately. He also said they have sold the entire Assay lab equipment to Dotson(?). Apparently there are several leans on mine equipment & property. Lawsuits filed also by various creditors. The Trixie Mine is the most likely mine to reopen if/when bills paid off. Burgin Mine has very costly water pumping problems ($60,000 - $100,000/mth previous power bills), not likely Chief could reopen that mine w/o major financial backing. Mr. Underwood stated he was having difficulty keeping office & guest house heated, out of fuel for heating system (drained fuel from their loader recently to keep things going). He said things sounded more promising based upon more recent conversations w/corp reps & visitors.

Recommendations:

Contact new corporate representatives in Pennsylvania for update on what their plans are for these mine site in short term and long term.

jb
cc: Tom Munson, OGM
O:\M049-Utah\M049009-ApexBurgin\inspections\insp-02062003.doc