

**STATE OF NEW MEXICO**  
**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**  
**Director**  
**Mining and Minerals Division**  
**1220 South Saint Francis Drive**  
**Santa Fe, New Mexico 87505**  
**Telephone: (505) 476-3400**

**MINING INSPECTION REPORT**

<b>Name of Operator:</b> El Capitan Resources LLC	
<b>Name of Mine:</b> Capitan Iron Mine and exploration sites	
<b>Address:</b> Sections 10, 11, 14, 15 T 8S, R 14E (UTM 13S 0443463, 3720211)	
<b>Permit Number:</b> LI005ME	
<b>Commodity:</b> Magnetite Iron <span style="float: right;"><input checked="" type="checkbox"/> SURFACE <input type="checkbox"/> UNDERGROUND</span>	
<b>Date of Inspection:</b> April 22, 2010	
<b>Time of On-Site Inspection:</b> 7:00 am to 8:30 am	
<b>Weather Conditions:</b> cool/cloudy/wet	
<b>Purpose of Inspection:</b> Inspection bi-annual	
<b>Inspector:</b> Chris Eustice	
<b>Present During Inspection:</b>	
<b>ENFORCEMENT ACTION TAKEN:</b> <b>NOTICE OF VIOLATION: #</b> _____ <b>YES:___ NO:___</b> <b>CESSATION ORDER: YES: <input checked="" type="checkbox"/> NO:___</b>	
<b>Time: On-Site: <u>1.5</u> Permit Review: <u>0.5</u> Travel: <u>6</u> Report Writing: <u>1</u></b>	
<b>TOTAL INSPECTION TIME: <u>9</u> HOURS</b>	
<b>NOTE:</b> To get to the site, go north from Capitan on State Highway 246. About 5.5 miles from town, go right (east) on a Forest Road that has a cattle grate but no gate. Just follow the main Forest Road to the mine. The gate was locked this time.	

**INSPECTION  
4/22/2010  
Capitan Iron Mine**

**PERMIT UPDATE:**

The Capitan Iron Mine is permitted, however, no mining has occurred in at least 3 years.

**INSPECTION NARRATIVE:**

I arrived at the site a few minutes past 1PM. The gate was locked. Light rain was falling, about 60F. I was in the area and wanted to check for activity.

I walked in to check for any activities and/or recent disturbances. None was noted.

There appears to be someone living at the residence located just west of the pit. I did not see or speak to anyone, but there was a car parked at the house. I drove to the east side of the pit and parked. I walked through the pit and around the perimeter and found no evidence of mining, or exploration, activities.

**PHOTOS:**

None taken due to rain

**MAINTENANCE ITEMS**

None

**ENFORCEMENT ACTIONS TAKEN OR TO BE CONSIDERED**

None

**INSPECTOR'S SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_