

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

Name of Operator: El Capitan Precious Metals Inc.	
Name of Mine: Capitan Iron Mine	
Address: Sections 10, 11, 14, 15 T 8S, R 14E (UTM 13S 0443463, 3720211)	
Permit Number: LI005ME	
Commodity: Magnetite Iron <input checked="" type="checkbox"/> SURFACE <input type="checkbox"/> UNDERGROUND	
Date of Inspection: 11/19/2014	
Time of On-Site Inspection: 1PM to 230 PM	
Weather Conditions: cool/partly cloudy/wet from melting snow	
Purpose of Inspection: Inspection bi-annual	
Inspector: Chris Eustice	
Present During Inspection: David Davidson, Chuck Goerke, Randy Bouldin, Blair Dunn	
ENFORCEMENT ACTION TAKEN: NOTICE OF VIOLATION: # _____ YES: ___ NO: ___ CESSATION ORDER: _____ YES: <input checked="" type="checkbox"/> NO: ___	
Time: On-Site: <u>1.5</u> Permit Review: <u>0.5</u> Travel: <u>7</u> Report Writing: <u>1</u>	
TOTAL INSPECTION TIME: <u>10</u> HOURS	
NOTE: 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. There are no locked gates.	

PERMIT UPDATE:

The Capitan Iron Mine is permitted (1999) as an existing minimal impact mine. The operator submitted a modification proposal in June of 2014 to update the mining and reclamation plans, as well as the associated FA.

INSPECTION
11/19/2014
Capitan Iron Mine

INSPECTION NARRATIVE:

Arrived at the site a few minutes past 130PM. The site was damp from melting snows that occurred in the last week. I accompanied the operator's representatives to observe a newly installed magnetic separator. The separator is not yet running and mining is still inactive as the operator attempts to complete the modification of the permit. The PAP is technically complete but the financial assurance has not yet been secured.

PHOTOS:

Digital photos were taken and are available on L:\MARPLI005ME---Capitan Iron\Capitan Iron Mine photos – 2014.11.19



MAINTENANCE ITEMS

None

ENFORCEMENT ACTIONS TAKEN OR TO BE CONSIDERED

None

INSPECTOR'S SIGNATURE: _____ **DATE:** _____