STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Mining and Minerals Division 1220 St. Francis St. 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, and 14, 15 Township 8 S, Range 14 E (UTM 13S 0443463, 3720211)
Permit Number: LI005ME
Commodity: Magnetite, Iron X_SURFACEUNDERGROUND
Date of Inspection: October 9 th , 2019
Time of On-Site Inspection: 8:30am-10:30am
Weather Conditions: sunny, chilly
Purpose of Inspection: Annual
Lead Inspector: Jenn Johnson
Present During Inspection: DJ Ennis, Carmen Rose (MMD), Sean Donaldson (USFS)
ENFORCEMENT ACTION TAKEN: None NOTICE OF VIOLATION: # YES: NO:X CESSATION ORDER: YES: NO:X
Time: On-Site: 2 Permit Review: 2 Travel: 2 Report Writing: 2 TOTAL INSPECTION TIME:HOURS
NOTE: To get to the go north of Capitan on Hwy 246 for 5.5 miles then turn right (east) onto a Forest road. Continue on the Forest road forest for 1 mile. There are two gates. The first one is when you turn off Hwy 246 and was unlocked at the time of inspection. The second is at the mine site. To have the mine gate unlocked, contact the operator prior to the visit. However, it is

PERMIT UPDATE:

The US Forest Service is looking at the options for having the concrete pad reclaimed. The operator was not present at the site visit but on a phone call before the visit they explained they are working towards being operational.

a very short walk from the gate to the mine so this might not be necessary.

INSPECTION NARRATIVE:

This was an annual inspection as well as an opportunity to become familiar with the site. The last MMD inspection was conducted in 2016.

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MMD met a representative from the US Forest Service at the site. The processes that both agencies would have to go through to get the concrete pad reclaimed were discussed. Both agencies will do some more research on the joint bond and then have a meeting sometime in November.

There were several 55-gallon drums clustered by the road going towards the pit from the concrete pad. Some were falling apart spilling its contents. These drums are noted in previous site visit images.

The gate to the pit and screener was open and the fence had fallen over on the north side of the enclosure. There were 12 super sacks of material as well as 25 5-gallon buckets with fines. Most of the piles had significant vegetation growth as well as the pit. There was not any signs of recent disturbance.

ACTION ITEMS:

NA

ENFORCEMENT ACTIONS TAKEN OR TO BE CONSIDERED

NA

MAINTENANCE ITEMS

NA

PHOTOS



Figure 1: Concrete Pad (W)



Figure 2:Concrete Pad Thickness (N)



Figure 3: 55-gal Drums next to road (S)



Figure 4: Open Gate (E)

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Figure 5: Fallen North Fence (E)





Figure 7: 5-gal Buckets of Fines (N)



Figure 8: Super Sacks of Fines (NW)



Figure 9: Pit (N)



Figure 10: Pit (S)

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Jennifer Johnson



Figure 11: Screen (E)



Figure 12: SW Pile with Vegetation Growth (W) $\,$

INSPECTOR'S SIGNATURE:

DATE: October 31, 2019