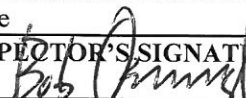




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

MINE NAME: Vulcan Exploration	MINE/PROSPECTING ID#: P-2014-010	MINERAL: Gold, silver	COUNTY: Gunnison
INSPECTION TYPE: Mineral Prospect Inspection	INSPECTOR(S): Bob Oswald	INSP. DATE: November 12, 2014	INSP. TIME: 15:30
OPERATOR: Vulcan Mammoth Chimney Mining Co.	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Surety Release Requested	BOND CALCULATION TYPE: None	BOND AMOUNT: \$2,000.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 21, 2014

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>NA</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>NA</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>NA</u>	(FW) FISH & WILDLIFE----- <u>NA</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>NA</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(SB) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>NA</u>	(ST) STIPULATIONS----- <u>NA</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This was an inspection conducted by the Division in response to the operator's request for bond release of this prospecting NOI. The operator was not present during the inspection, and the site was not active on the day of the inspection.

This project involved drilling nine drill holes, which were drilled from five separate drill sites on a patented claim near the historic Vulcan Mine. All drill sites were on or adjacent to existing dirt roads (drill holes 2 through 9) or previously disturbed land (drill hole 1). There was no disturbance related to earthwork for pad leveling or excavating mud pits, which greatly minimized onsite disturbance and facilitated reclamation.

All drill sites were located, and were exactly where they were to be according to the approved plan and map. Disturbance was so minimal and the reclamation so well conducted that without the map, and wooden laths at the sites, it would have been difficult to find the drilling disturbance. At the project area, there was no drilling equipment, cuttings or cores, or leftover debris at any of the sites. All holes were closed, and a surface plug of neat cement was visible at each drill hole collar. The sites did not exhibit any stripped vegetation or soil, nor degraded roadways.

The operator has reported the completion of all reclamation, and has requested the release of the bond. It is this inspector's opinion that all drilling disturbance has been adequately reclaimed, and the operator's request will therefore be approved. An approval letter and the returned bond will be mailed to the operator under separate cover. This office appreciates the minimal disturbance and prompt reclamation that the operator carried out.

There were no problems. For questions related to this report, please contact this inspector at the Division's Durango Field Office: telephone 970-247-5193, or 303-866-3567 ext 8175.

All written correspondence should be sent directly to the Division's Denver Office:
Division of Reclamation, Mining & Safety
1313 Sherman Street, Room 215
Denver, CO 80203

Inspection Contact Address

Lorin Fullmer
V.M.C. Mining Company
820 Tomichi Ave.
Gunnison, CO 81230

EC: Kenneth and Jeff Schaaf, ITC Resources (via email)

Photographs from the inspection are on the following two pages.

PHOTOGRAPHS



Above, L and R: Drill hole 1



Above: Drill holes 2 and 3

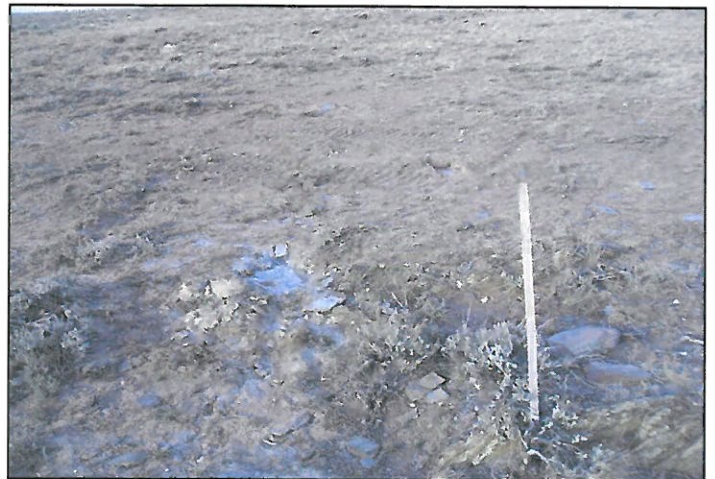
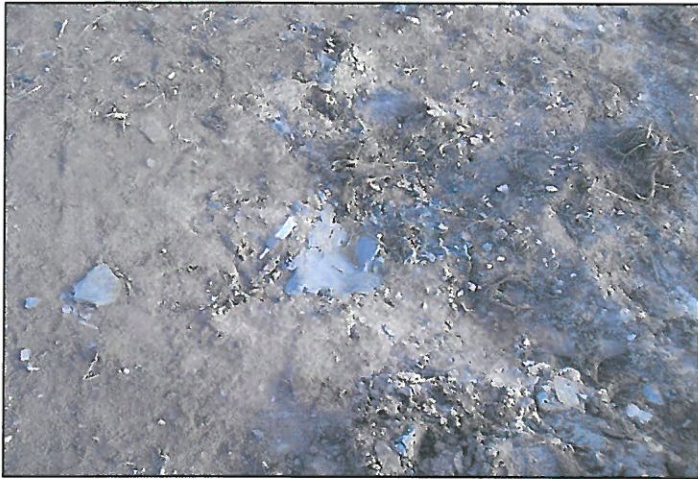


Above: Typical pre-existing two-track road



Above, L and R: Drill holes 4 and 5

PHOTOGRAPHS



Above: Drill holes 6 and 7



Above, L and R: Drill holes 8 and 9