Colorado Stone Quarries, Inc.
1 Marble Quarry Road · Marble, Colorado 81623
Tel: 970-704-9002 · Fax: 970-704-9022 · www.coloradostonequarries.com

March 15, 2012

Russ Means
Grand Junction Field Office
Division of Reclamation, Mining and Safety
101 South 3rd, Suite 301
Grand Junction, CO 81501

RE: COLORADO YULE MARBLE - 5th PORTAL EXPANSION, M-1999-058, TR-01

Dear Russ:

Pursuant to conversations you have had with Gary Bascom, the Mine Superintendent for Colorado Stone Quarries, attached is the *NEW PORTAL TECHNICAL EVALUATION*, prepared by our Geologists.

Please advise of any other information you may need for your review to proceed with you technical revision.

Can you advise when we might expect a response, as we plan to start work on this new entry as soon as the snow melt allows access.

Thank you,
COLORADO STONE QUARRIES, INC.

Kimberley Perrin

Faxed to: 970-241-1516
Copy also mailed.

SUPERCEDES FAXED COPY of 3/15/12 GBM

Owned & Operated By: Locati Luciani Enrico & C.s.a.s.
Via Bassagrande 15 · 54036 Marina Di Carrara MS Italy
Tel & Fax 0585-630605 · E-Mail: enrico@locatiluciani.it · Partitta va & C.F. 01001300456

MASSIMO GARDENATO
Mining engineer

CARLO MUSETTI
Geologist

Colorado Stone Quarries Inc.

NEW PORTAL TECHNICAL EVALUATION

Yule Marble Quarry Colorado – U.S.A.

OCTOBER 2011

Technical observations

Colorado Stone Quarries Inc. plans to open a new exploration gallery for the cultivation of the highest part of the reservoir at an approximate elevation of 9525-9530 ft.

This opening will be near an ancient small research tunnel excavated some decades ago, called "Tunnel # 5". This tunnel is situated at an altitude of about 9550 ft and was excavated to explore the marble deposit in East direction.

The wall exposed at the newly programmed opening (see photo below) consists of bare rock for about 60 feet above the projected working surface and consists of a naked fracture surface cleared from the weather.

Rock is quite competent and formed by marble. All the surface where the new opening will be excavated is clear from other important fractures, which does it mean that the work could be expected safe.

Looking photo #1 it is possible to observe that this kind of superficial natural fractures are parallel to each other for more or less 25-30 ft and disappear inside the rock mass. Geologically speaking this fractures can be interpreted as fractures of relaxation sub parallel to mountainside elongated in NW-SE direction and dipping like mountaiside 60°-65°in E direction.

Due to their direction and being sub parallel to opening direction, they form a sort of arch on the opening roof ensuring this way a good stability of it. This observation and marble good competence ensure together stability of new portal.

New opening will have beginning dimensions of 30 ft width and 18 ft height and will be excavated with cutting technology (see photo #4) so that won't be extra stress due to explosive which is not expected to be used. The result attended after new opening will be similar to one represented in photo #5 taken in Levigliani, near Carrara (Italy).

Anyway is quite simple take a comparison with other existing portal, particularly #3, which are very wider then new one, see i.e. photo #1, and to date can be considered safe although excavated for decades.

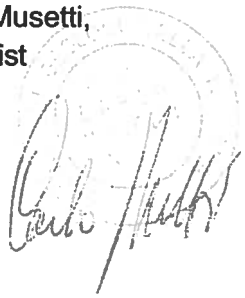
Particular attention anyway should be given to the first few meters of excavation progress as near free external surface could form blocks in roof beginning that need bolting or other consolidation operation if other fracture set intersect free surface. This is a normal procedure in all cases in which new openings are excavated and usually are verified after first cut is made and resulting blocks are removed (see photo # 6).

Attention will also paid to the care of the slope above the tunnel to protect operators acceding the portal entrance from the fall of small rocks due to natural alteration. Usually this is achieved with apposition of protective wire mesh. Every year, after snow disappears, specialized men will clean the slope above the portal removing all removable small rocks.

Due to position of new portal no wooded area is interested from excavation.

2011 October, the 10th

Carlo Musetti,
geologist



Massimo Gardenato,
mining engineer

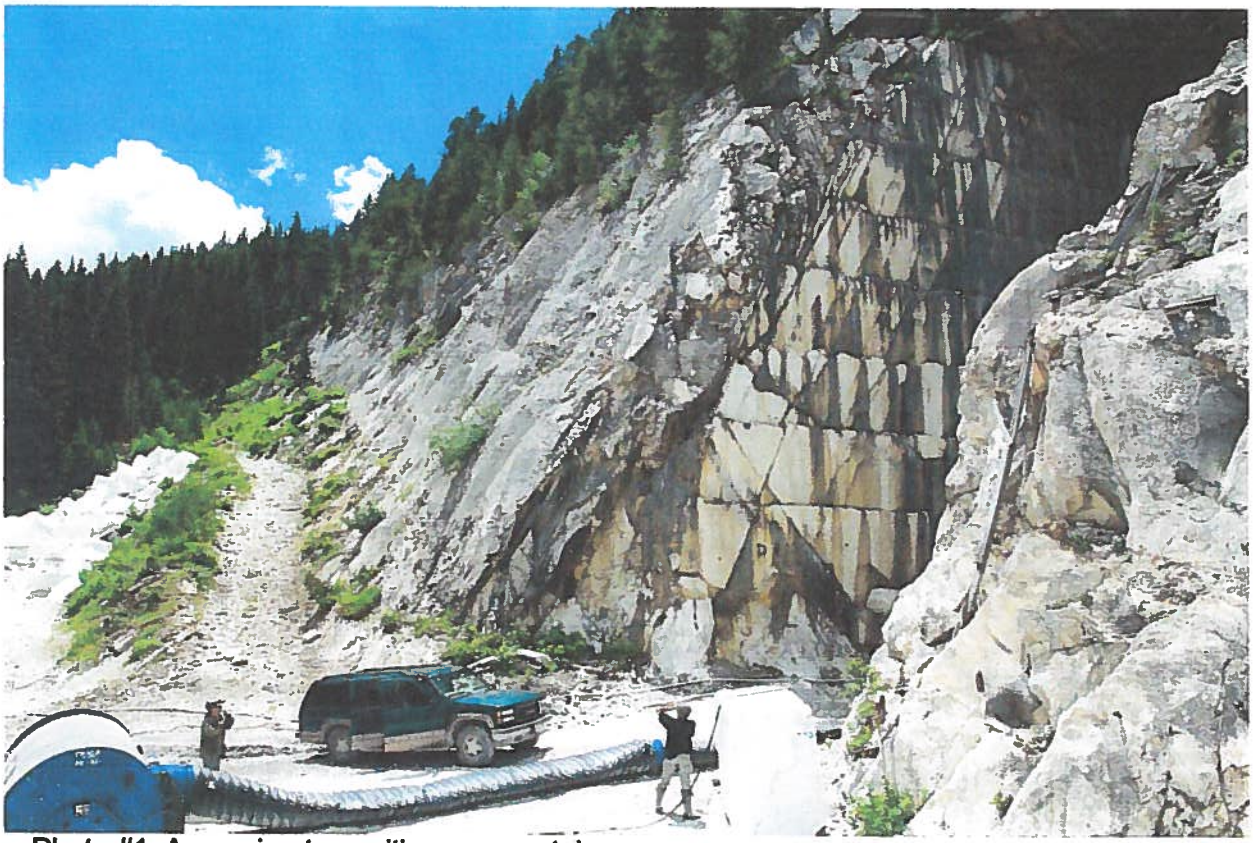


Photo #1. Approximate position new portal

Photo #2. New opening position

Photo #3. New portal position.

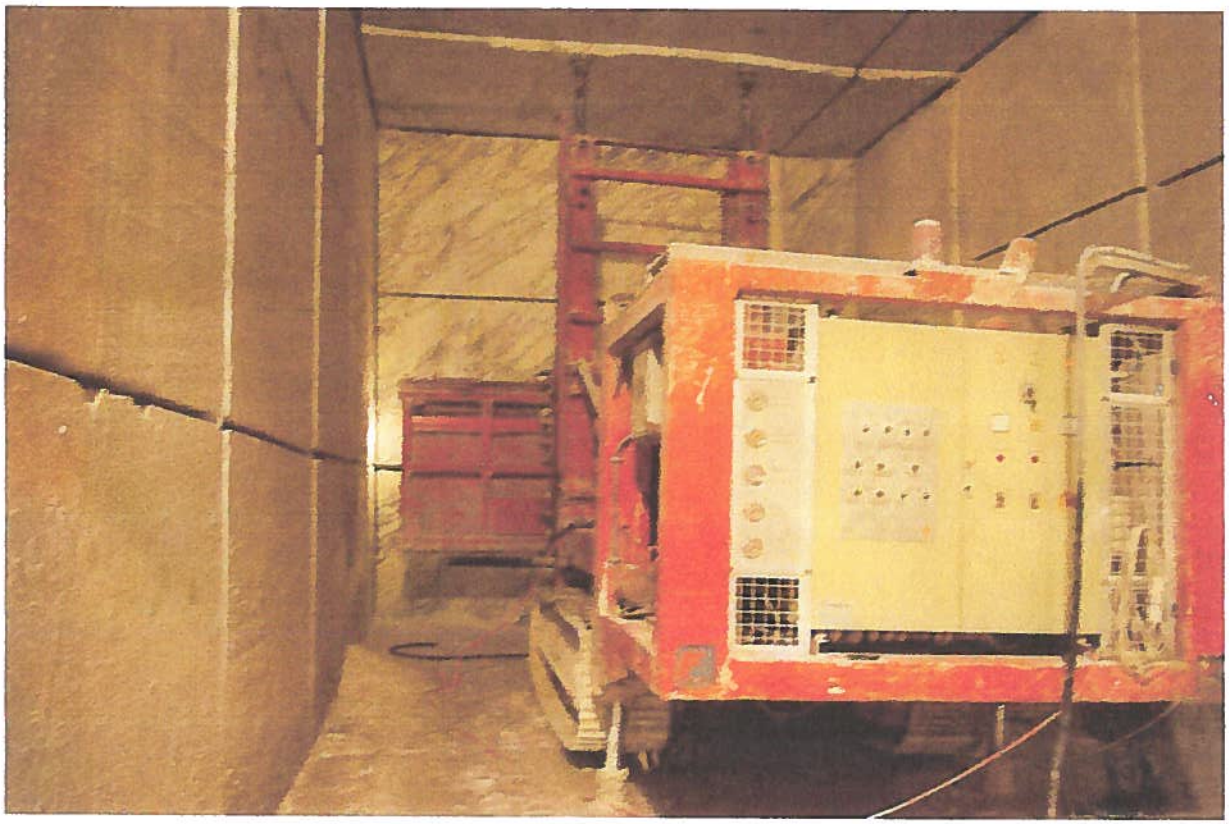


Photo #4. Typical cutting machine in operation for underground openings in marble.

Photo #5. Typical portal in a mountainside (marble quarry in Levigliani, Carrara, Italy)

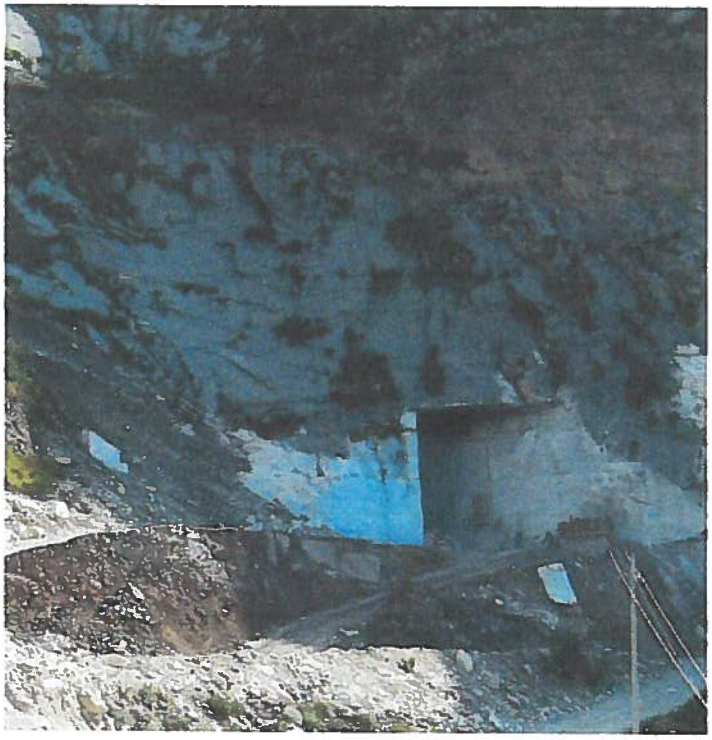
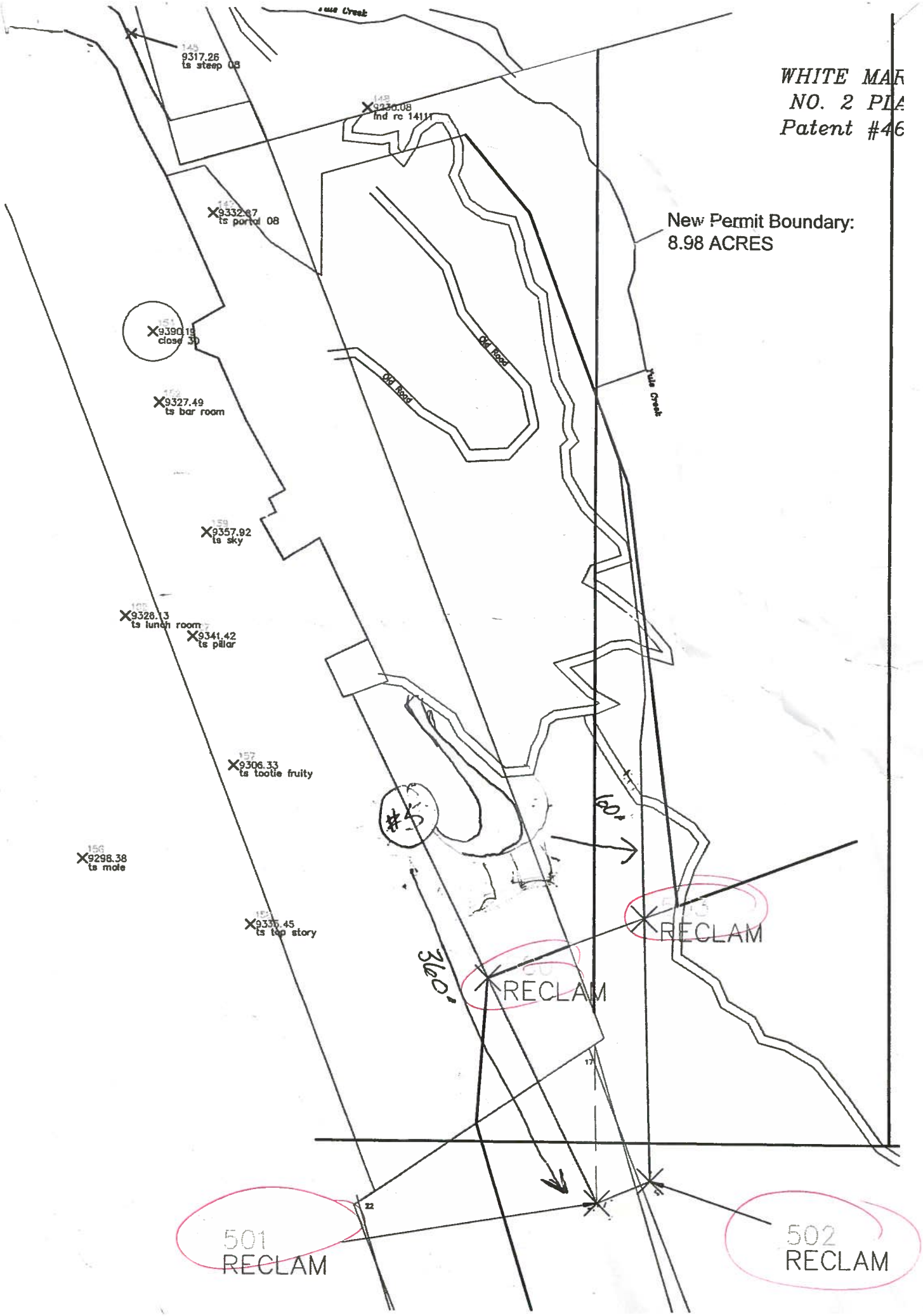
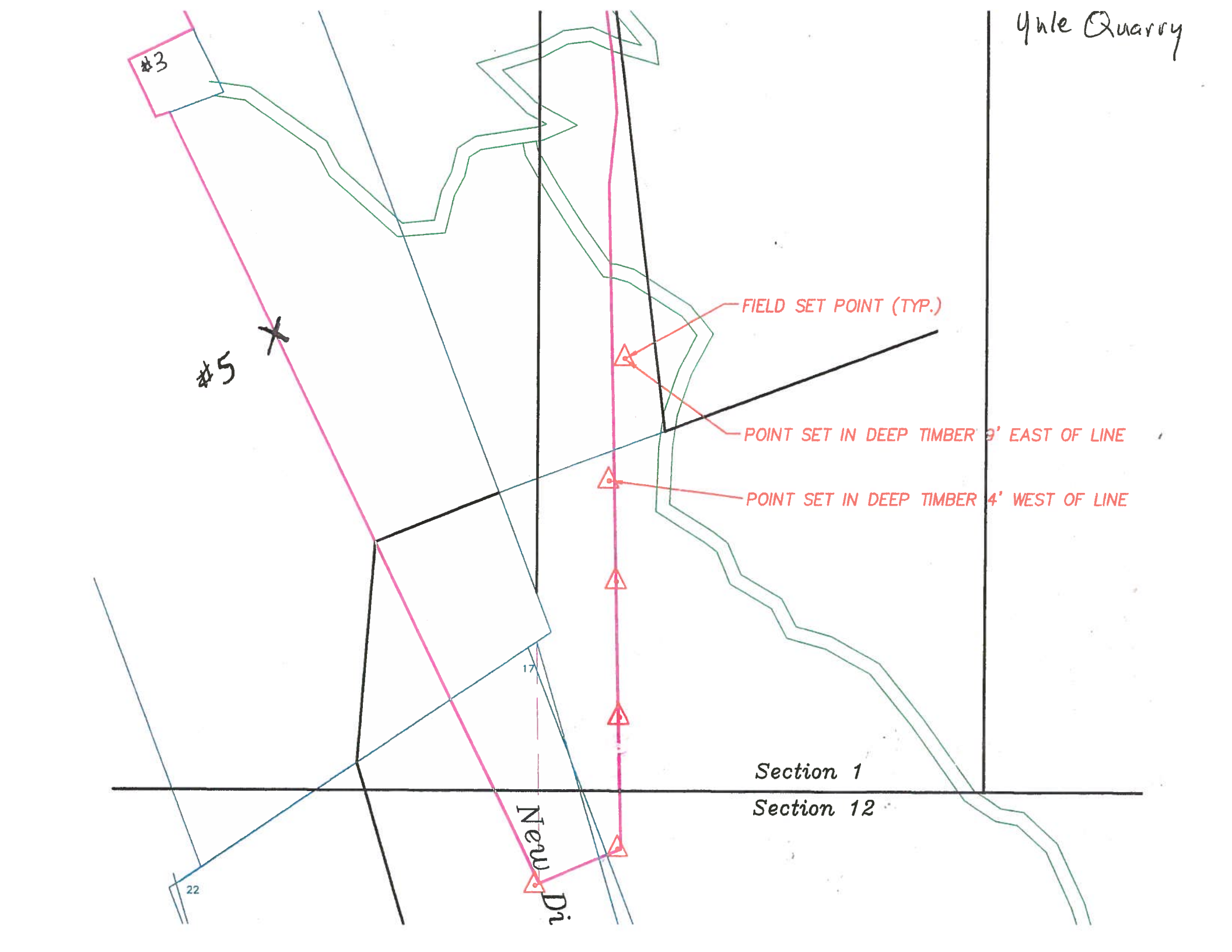
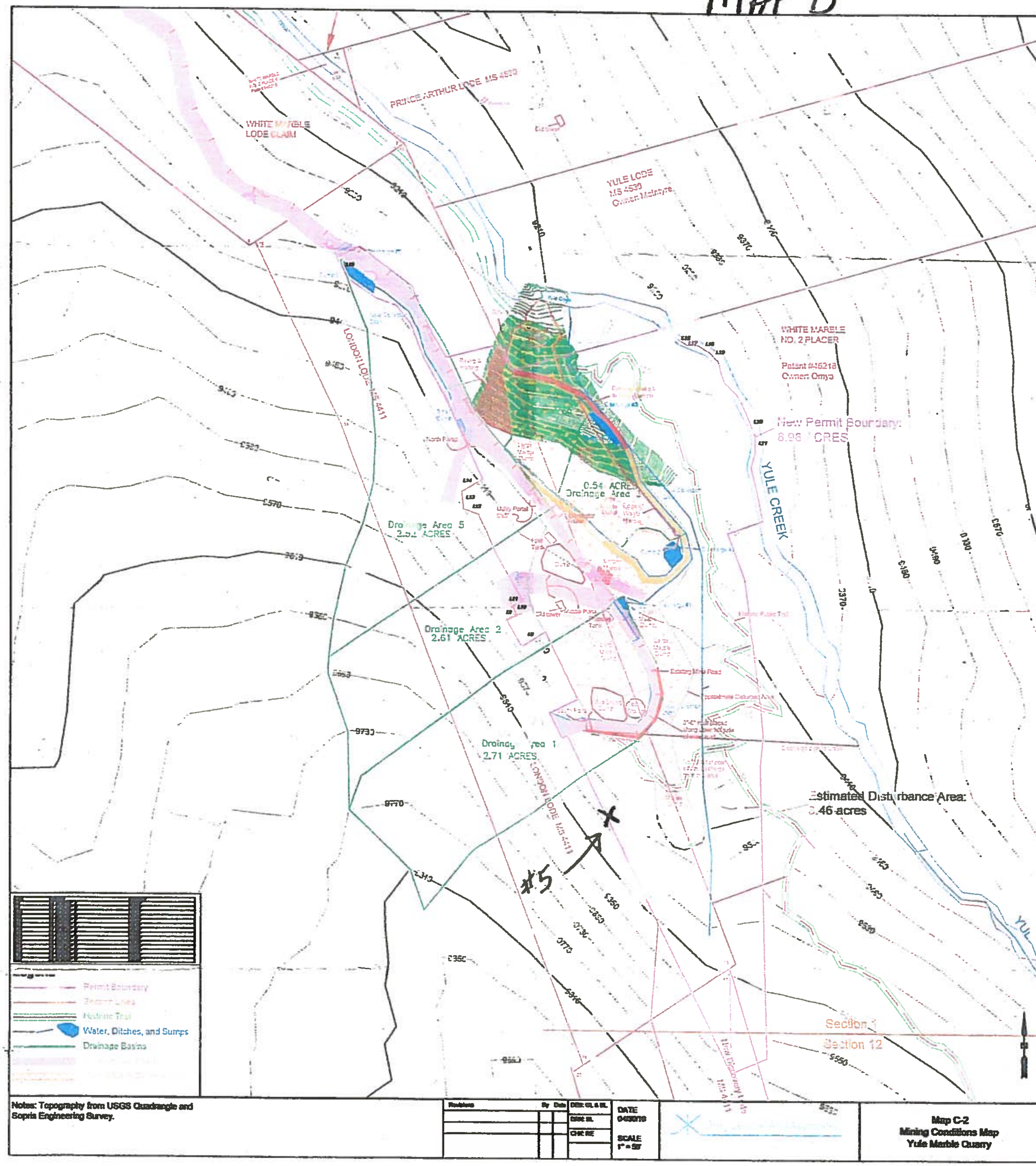


Photo #6. Typical consolidation application in a new portal in a marble quarry (Carrara, Italy)


WHITE MAR
NO. 2 PLA
Patent #46
New Permit Boundary:
8.98 ACRES
9317.26
ts steep 08
9330.08
ind rc 14111
9332.87
ts portal 08
9390.19
close 30
9327.49
ts bar room
9357.92
ts sky
9328.13
ts lunch room
9341.42
ts pillar
9306.33
ts tootie fruity
9298.38
ts mole
9335.45
ts top story
08 Road
08 Road
Tule Creek
#5
60'
360'
RECLAM
RECLAM
501
RECLAM
502
RECLAM


Yule Quarry
#3
#5
FIELD SET POINT (TYP.)
POINT SET IN DEEP TIMBER 9' EAST OF LINE
POINT SET IN DEEP TIMBER 4' WEST OF LINE
17
Section 1
Section 12
New Di
22

MAP B


PRINCE ARTHUR LODE MS 4550
WHITE MARBLE LODE CLAIM
YULE LODE
MS 4539
Owner McIntyre
WHITE MARBLE
NO. 2 PLACER
Patent #46218
Owner Omya
New Permit Boundary:
8.96 ACRES
YULE CREEK
LONDON LODE MS 4411
0.54 ACRES
Drainage Area 3
Drainage Area 5
2.51 ACRES
Drainage Area 2
2.61 ACRES
Drainage Area 1
2.71 ACRES
Estimated Disturbance Area:
.46 acres
#5
Existing Mine Road
Section 1
Section 12
Water, Ditches, and Sumps
Drainage Basins
Notes: Topography from USGS Quadrangle and Sopris Engineering Survey.
DATE
SCALE
Map C-2
Mining Conditions Map
Yule Marble Quarry