June 19, 2009

Ms. Marianne Evans
12 Williamsburg Estate Drive
St. Louis, Missouri 63131

RE: Site Assessment of the Deheeya Ranch Mine Claims; Ornament Mill Site (6B, 42B), Ohio North Mill Site (8B), Ohio South Mill Site (9B), Sentinel Mill Site (10B), and Trade Dollar Mill Site (7B, 43B)

Dear Ms. Evans:

The Idaho Department of Environmental Quality (DEQ) has completed a review of historical mining data and geological information of the above referenced claim. Subsequent to that review, DEQ conducted a site visit of the Deheeya Ranch. During the site visit, possible mining activity was observed and mapped in order to apply the necessary analysis to complete an Abbreviated Preliminary Assessment.

PAs are conducted according to the Federal Comprehensive Environmental Response, Compensation and Liabilities (CERCLIS) Act. The reasons to complete a Preliminary Assessment include:

1) To identify those sites which are not CERCLIS caliber because they do not pose a threat to public health or the environment (No Remedial Action Planned (NRAP));

2) To determine if there is a need for removal actions or other programmatic management of sites;

3) To determine if a Site Investigation, which is a more detailed site characterization, is needed; and/or

4) To gather data to facilitate later evaluation of the release of hazardous substances through the Hazard Ranking System (HRS).

DEQ has also completed PAs under contract with the U.S. Environmental Protection Agency in order to identify risks to human health and the environment, and make recommendations to land owners regarding how risks might be managed, if necessary.
No samples were collected during the site visit because no significant mine waste dumps or effluent discharges were observed. There was no evidence of acid mine drainage or impacted surface waters. Based on a number of factors discussed in the following report, IDEQ has determined that No Remedial Action is Planned (NRAP) for this property.

Attached is an Abbreviated Preliminary Assessment Checklist. The checklist was used because it was relatively obvious that this site would likely not score through the Hazard Ranking System. Also enclosed is a copy of the mine history, limited geologic information, and maps of the property and surrounding area, and a brief checklist of how DEQ came to its determination that the property status is a NRAP.

DEQ very much appreciates your cooperation and approval for our access, and looks forward to addressing any questions you may have regarding our findings. Please call me (208) 373-0554 if you have any comments, questions, or if I may be of any other assistance.

Sincerely,

Bruce A. Schulz
Mine Waste Projects Coordinator
Waste Management and Remediation Division

cc: Ken Marcie – U.S. Environmental Protection Agency
    Megan Stelma-Blaine County
    Blaine C. Porter, P.O. Box 1334, Hailey, ID 83333
    Deheeya Ranch File
Photo 1. Shallow pits (<100 cubic yards) on dumps, Shallow cut trends east (upper left).

Photo 2. Upper prospect (top center) is largest dump, shallow cut at right of dump
All of the workings are southeast of the property fence line.
Photo 3. Southwest view of trench with water, no evidence of adits were found.

Photo 4. Southwest view of trench, vegetation re-established, no signs of waste piles or sulfides on Deheeya Ranch property.
ABBREVIATED PRELIMINARY ASSESSMENT CHECKLIST

This checklist can be used to help the site investigator determine if an Abbreviated Preliminary Assessment (APA) is warranted. This checklist should document the rationale for the decision on whether further steps in the site investigation process are required under CERCLA. Use additional sheets, if necessary.

Checklist Preparer:  Tina Elayer  6/19/09
(Name/Title)  (Date)
1410 N. Hilton, Boise, ID  83706  (Address)  (208) 373-0563
(Phone)
tina.elayer@deq.idaho.gov  (E-Mail Address)

Site Name:   Deheeya Ranch

Previous Names (if any):
Ornament Mill Site (6B, 42B), Ohio North Mill Site (8B), Ohio South Mill Site (9B), Sentinel Mill Site (10B), and Trade Dollar Mill Site (7B, 43B)

Site Location:   Kelly Creek Gulch area off Croy Creek road. Approx. 7 miles SW of Hailey, Idaho

Township 1N  Range 17E  Section 3/4

Latitude:  N 43º27’13.49”  Longitude:  W 114º26’15.49”

Describe the release (or potential release) and its probable nature: This site was investigated for potential releases of heavy metals and sediment from mine waste dumps, and potential discharges of other deleterious materials, such as petroleum products and ore processing chemicals.

Part 1 - Superfund Eligibility Evaluation

If all answers are “no” go on to Part 2, otherwise proceed to Part 3.  YES  NO

1. Is the site currently in CERCLIS or an “alias” of another site?  x
2. Is the site being addressed by some other remedial program (Federal, State, or Tribal)?  x
3. Are the hazardous substances potentially released at the site regulated under a statutory exclusion (e.g., petroleum, natural gas, natural gas liquids, synthetic gas usable for fuel, normal application of fertilizer, release located in a workplace, naturally occurring, or regulated by the NRC, UMTRCA, or OSHA)?  x
4. Are the hazardous substances potentially released at the site excluded by policy considerations (i.e., deferred to RCRA corrective action)?  x
5. Is there sufficient documentation to demonstrate that no potential for a release that could cause adverse environmental or human health impacts exists (e.g., comprehensive remedial investigation equivalent data showing no release above ARARs, completed removal action, documentation showing that no hazardous substance releases have occurred, or an EPA approved risk assessment completed)?  x

Please explain all “yes” answer(s).
Historical records research and site visit confirmed that contaminants of concern do not exist in concentrations that present a threat to human health or the environment.
Part 2 - Initial Site Evaluation

For Part 2, if information is not available to make a “yes” or “no” response, further investigation may be needed. In these cases, determine whether an APA is appropriate. Exhibit 1 parallels the questions in Part 2. Use Exhibit 1 to make decisions in Part 3.

If the answer is “no” to any of questions 1, 2, or 3, proceed directly to Part 3.

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

If the answers to questions 1, 2, and 3 above were all “yes” then answer the questions below before proceeding to Part 3.

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>X</td>
<td>X</td>
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<td>X</td>
<td>X</td>
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<tr>
<td>X</td>
<td>X</td>
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</table>

Notes:
The area observed by DEQ staff contained one trench approximately 275’x 8’x 4’ with a small pool of water, vegetation has reclaimed the disturbed areas. No adits were observed on the site.
EXHIBIT 1 SITE ASSESSMENT DECISION GUIDELINES FOR A SITE

Exhibit 1 identifies different types of site information and provides some possible recommendations for further site assessment activities based on that information. You will use Exhibit 1 in determining the need for further action at the site, based on the answers to the questions in Part 2. Please use your professional judgement when evaluating a site. Your judgement may be different from the general recommendations for a site given below.

<table>
<thead>
<tr>
<th>Suspected/Documented Site Conditions</th>
<th>APA</th>
<th>Full PA</th>
<th>PA/SI</th>
<th>SI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. There are no releases or potential to release.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>2. No uncontained sources with CERCLA-eligible substances are present on site.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>3. There are no on-site, adjacent, or nearby targets.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>4. There is documentation indicating that a target (e.g., drinking water wells, drinking surface water intakes, etc.) has been exposed to a hazardous substance released from the site.</td>
<td>Option 1: APA SI</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Option 2: PA/SI</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>5. There is an apparent release at the site with no documentation of targets, but there are targets on site or immediately adjacent to the site.</td>
<td>Option 1: APA SI</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Option 2: PA/SI</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>6. There is an apparent release and no documented on-site targets and no documented targets immediately adjacent to the site, but there are nearby targets. Nearby targets are those targets that are located within 1 mile of the site and have a relatively high likelihood of exposure to a hazardous substance migration from the site.</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>7. There is no indication of a hazardous substance release, and there are uncontained sources containing CERCLA hazardous substances, but there is a potential to release with targets present on site or in proximity to the site.</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
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</table>

Part 3 - EPA Site Assessment Decision

When completing Part 3, use Part 2 and Exhibit 1 to select the appropriate decision. For example, if the answer to question 1 in Part 2 was "no," then an APA may be performed and the "NFRAP" box below should be checked. Additionally, if the answer to question 4 in Part 2 is "yes," then you have two options (as indicated in Exhibit 1): Option 1 -- conduct an APA and check the "Lower Priority SI" or "Higher Priority SI" box below; or Option 2 -- proceed with a combined PA/SI assessment.

Check the box that applies based on the conclusions of the APA:

<table>
<thead>
<tr>
<th>x</th>
<th>NFRAP</th>
<th>Refer to Removal Program - further site assessment needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Priority SI</td>
<td>Refer to Removal Program - NFRAP</td>
<td></td>
</tr>
<tr>
<td>Lower Priority SI</td>
<td>Site is being addressed as part of another CERCLIS site</td>
<td></td>
</tr>
<tr>
<td>Defer to RCRA Subtitle C</td>
<td>Other: ______________________________________</td>
<td></td>
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<tr>
<td>Defer to NRC</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Regional EPA Reviewer: ___________________________________________ Print Name/Signature  Date
PLEASE EXPLAIN THE RATIONALE FOR YOUR DECISION: ________________________________

Mining activity has occurred below the subject site at the Liberty Gem mine on BLM property. The trench may have been part of the Liberty Gem mine. No significant threats to human health and the environment were observed. No evidence of historical mill sites was found on the property.
Figure 1. Location of the Deheeya Ranch with Blaine County 2009 Parcel Data (Approximate) overlay. (Map source: Blaine County NAIP)
Figure 2. Geology of the Deheeya Ranch property and surrounding areas. (Map source: USGS 24k)
Figure 3. Drinking water well locations and source water delineations. 15-mile Target Distance Limit (TDL). (Map source: Blaine County NAIP)
Figure 4. Sensitive species near Deheeya Ranch. (Map source: Blaine County NAIP)