

**FLORENCE COPPER INC.
FLORENCE COPPER PROJECT
FIRST QUARTER 2003 MONITORING REPORT
U.I.C. PERMIT AZ396000001
AND
A.P.P. PERMIT 101704**

APRIL 28, 2003

MERRILL MINING, LLC
975 Johnson Ferry Road, Suite 450
Atlanta, Georgia 30342
404-495-9577 Fax: 404-495-9578

HUGH NOWELL
CORPORATE COUNSEL

April 28, 2003

Mr. Martin Zeleznik
Ground Water Office WTR-0
US Environmental Protection Agency Region IX
Water Management Division (WTR-9)
75 Hawthorne Street
San Francisco, California 94105-3901

**RE: MONITORING REPORT FOR UIC PERMIT NUMBER AZ396000001-
FIRST QUARTER 2003**

Dear Mr. Zeleznik,

This report is submitted in accordance with the reporting requirements of Parts II.G.2.(a) through (j) of the referenced permit. It pertains to monitoring activities conducted at the Florence In-Situ Mine Site from January 1 through March 31, 2003. Copies of records required by Part II.G.1 are maintained at the Mine Site along with other information that is summarized in the following:

(a) A map showing the current status of the mine

Figure 1 shows the current monitoring area including the Point of Compliance (POC) wells and the wellfield. Figure 2 shows the approximate layout of the wellfield and denotes the four well pairs. There are four injection/recovery wells and nine pumping wells. Five observation wells were installed to demonstrate net inward hydraulic gradient for the 90 days required by the permit. Solution injection began on October 31, 1997, and ceased on February 8, 1998.

(b) A table and graph showing daily cumulative injection flows and extraction flows in each active mine block over the reporting period.

Daily flowrates for each well have been recorded to show the relationship of flow into and out of the wellfield. The flow rates have been combined and are shown in Figure 1 of Attachment 1. Note that injection last occurred in early 1998 and that water has been continuously withdrawn since that time.

(c) A table and graph comparing average daily head in the four observation wells

Figures 2 through 5 of Attachment 1 and the supporting data compare the average daily water levels in the five observation wells with their nearest inward neighbor. Readings are either taken by continuous down-hole measurements recorded on the system computer or done manually. The figures show the hydraulic gradients were maintained throughout the quarter meeting the permit conditions.

(d) A table showing POC monitoring wells analytical results and alert levels

The attached report *Florence Project Quarterly Compliance Monitoring Report – First Quarter 2003* by Brown and Caldwell and sealed by Ms. Tekla King, Registered Professional Geologist (Attachment 2), contains the POC monitoring records and results. Brown and Caldwell, along with Project personnel, conducted compliance sampling during the period January 6 through January 8, 2003. Quarterly parameters were conducted for 29 of the 31 POC monitor wells. POC monitor wells M32-UBF and M33-UBF were dry and could not be sampled. All results were below the Alert Level concentrations (ALs). The results are discussed in the report.

(e) Results of the monthly analyses of organic in the injectate

Organic analyses are not required because no solution was injected during the reporting period.

(f) Results of monitoring required by 40 CFR 146.33 (b)(1)

No solution was injected.

(g) Results of the mechanical integrity tests

No mechanical integrity test was required.

(h) Results of the annular conductivity monitoring

Although injection ceased in early 1998, annular conductivity measurements have continued to the present time. A graph showing measurement results for this reporting period is presented in Attachment 1, Figure 6. No unusual conditions were noted.

Mr. Martin Zeleznik
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(i) Well and core hole plugging and abandonment.

None of the existing wells and core holes were abandoned during the report period.

(j) A summary of closure operations during the reporting period.

There were no closure operations during the reporting period.

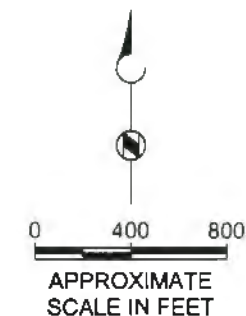
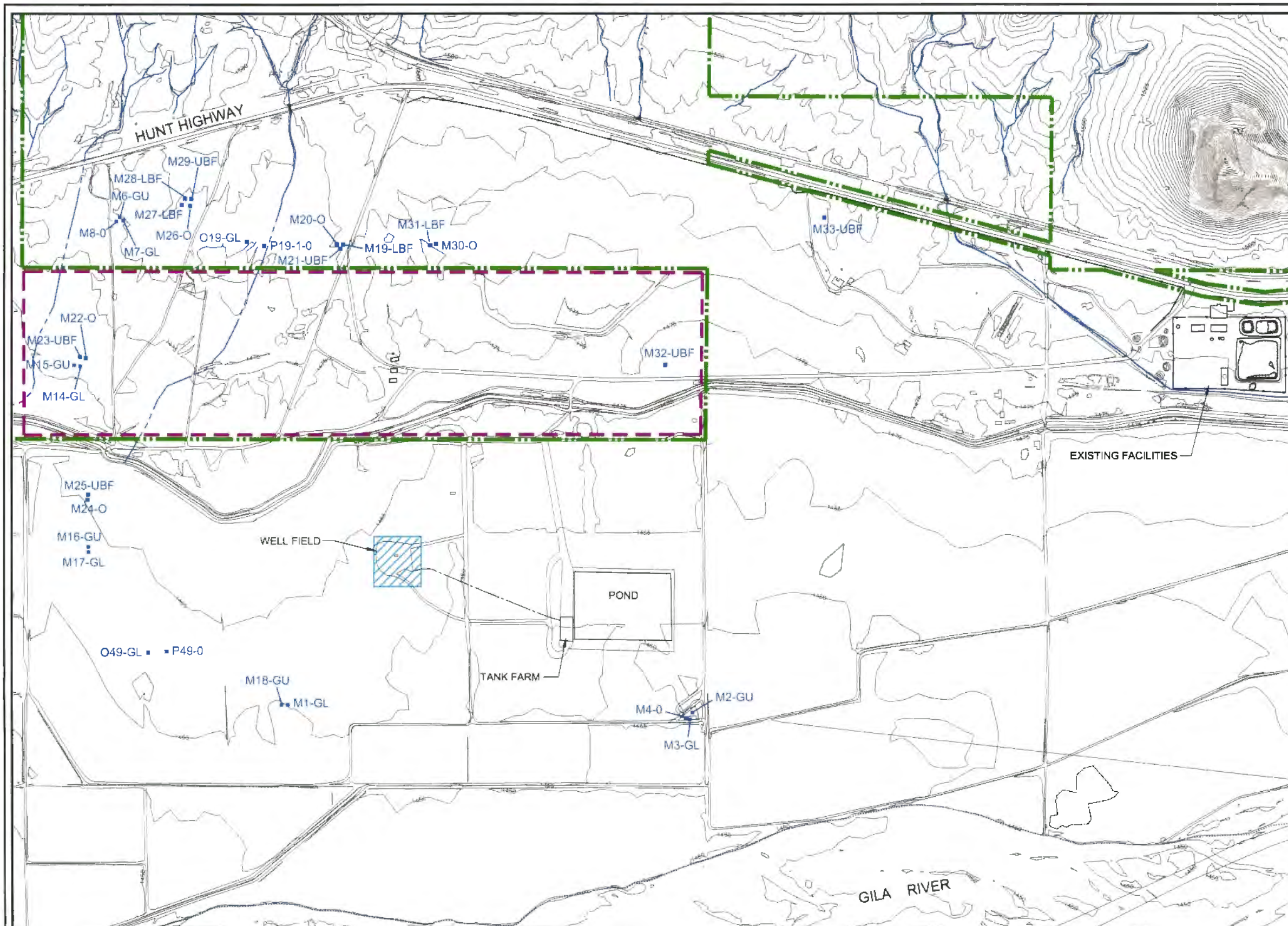
Florence Copper, Inc., believes that you will find this report complete and in compliance with all permit conditions. Please contact me at (404) 495-9577 should you have any questions regarding this report.

Sincerely,

A handwritten signature in cursive script, appearing to read "Hugh Nowell".

Hugh Nowell
Corporate Counsel

BAS:sdw
Attachments

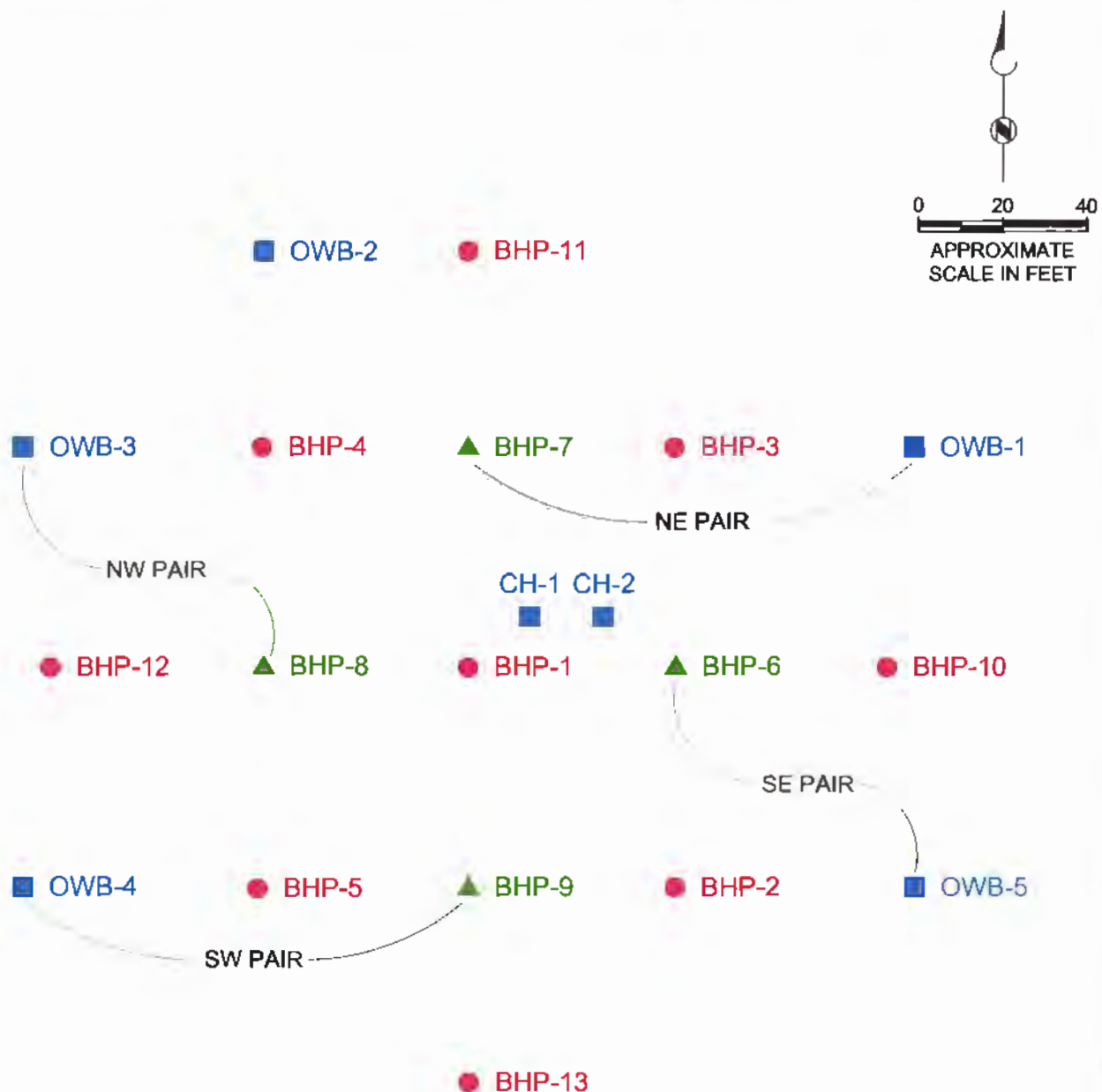


EXPLANATION

- APPROXIMATE PROPERTY BOUNDARY
- STATE LEASE LAND BOUNDARY
- O19-GL POC MONITORING WELL
- ENLARGED AREA ON FIGURE 2

**BROWN AND
CALDWELL**

Figure 1
MONITORING AREA
MERRILL MINING, L.L.C.
FLORENCE, ARIZONA



EXPLANATION

- BHP-10 PUMPING WELL (CURRENTLY INACTIVE)
- OWB-2 OBSERVATION WELL
- ▲ BHP-8 INJECTION / RECOVERY WELL (RECOVERY MODE SINCE 1998)

BROWN AND
CALDWELL

Figure 2
WELLFIELD LAYOUT
MERRILL MINING, L.L.C.
FLORENCE, ARIZONA

Attachments

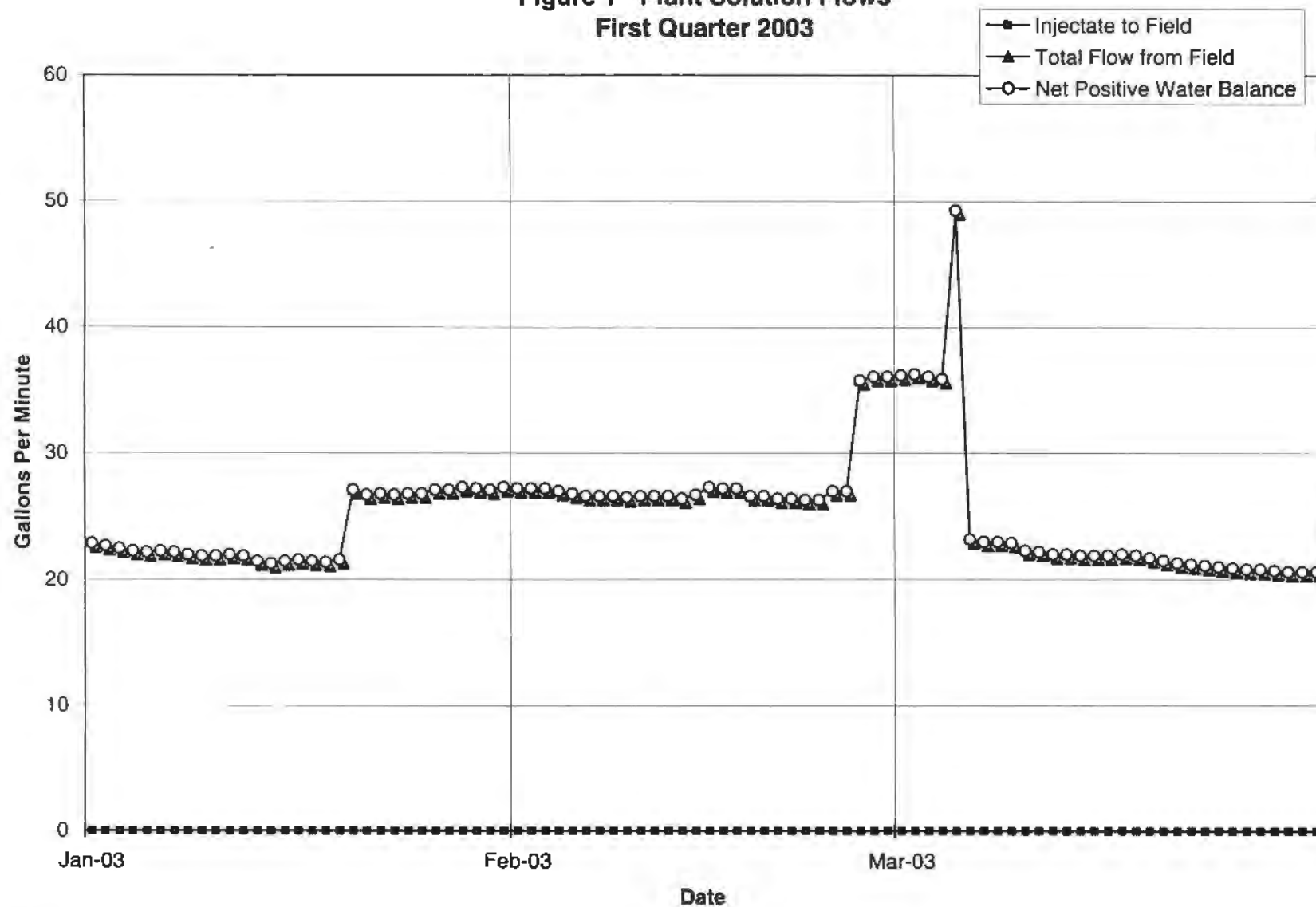




ATTACHMENT 1

MINE OPERATIONS MONITORING

**Figure 1 - Plant Solution Flows
First Quarter 2003**



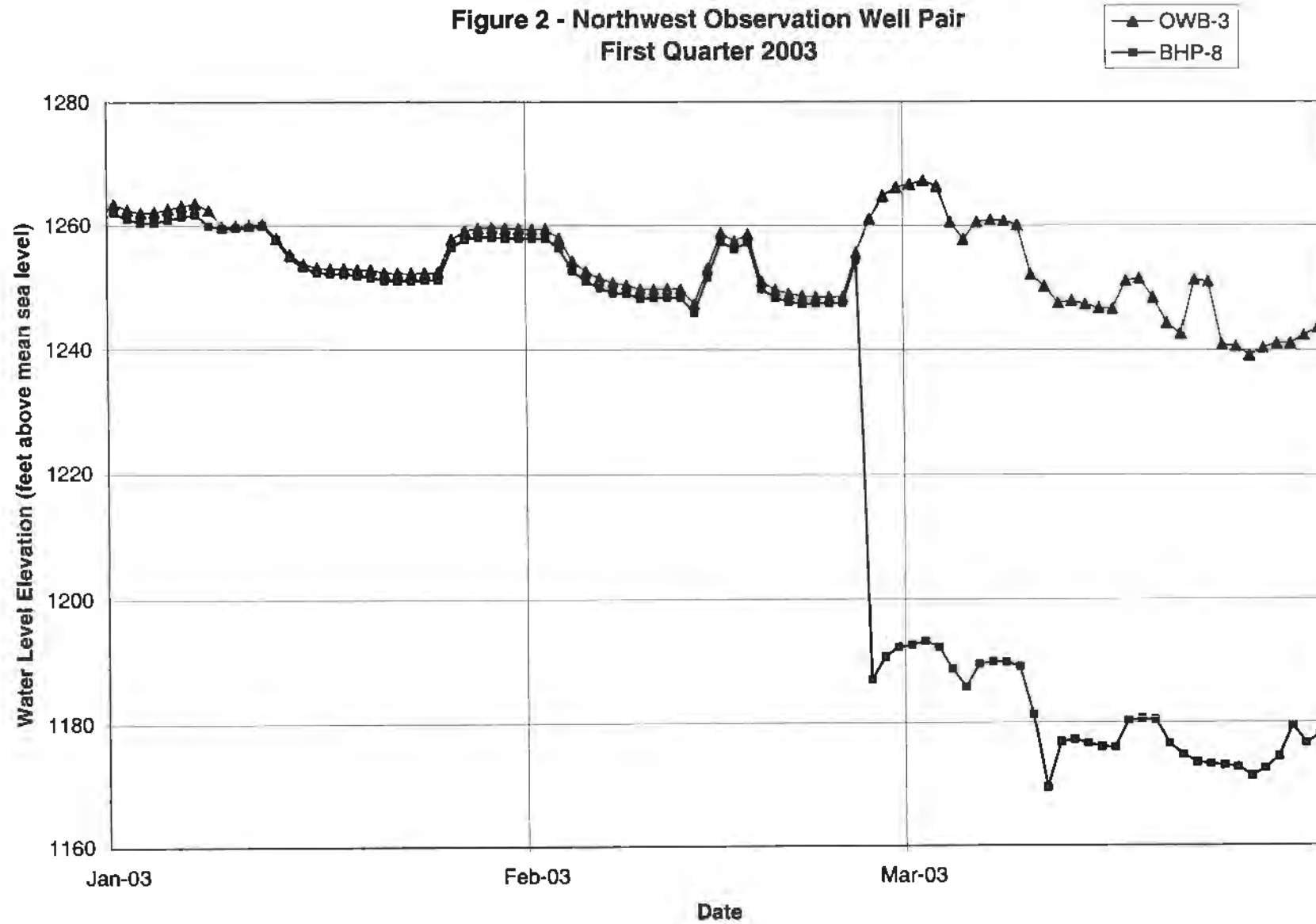
Plant Solution Flows - Daily Averages
First Quarter 2003

Date	Injectate to Field (gpm)	BHP-6 (gpm)	BHP-7 (gpm)	BHP-8 (gpm)	BHP-9 (gpm)	Total Flow from Field (gpm)	Net Positive Water Balance (gpm)	Maintained Hydrologic Control (Yes/No)
1/1/2003	0	0.0	9.8	0.0	13.1	22.9	22.9	Yes
1/2/2003	0	0.0	9.6	0.0	13.1	22.7	22.7	Yes
1/3/2003	0	0.0	9.4	0.0	13.1	22.5	22.5	Yes
1/4/2003	0	0.0	9.2	0.0	13.1	22.3	22.3	Yes
1/5/2003	0	0.0	9.2	0.0	13.0	22.2	22.2	Yes
1/6/2003	0	0.0	9.2	0.0	13.1	22.3	22.3	Yes
1/7/2003	0	0.0	9.1	0.0	13.1	22.2	22.2	Yes
1/8/2003	0	0.0	9.0	0.0	13.0	22.0	22.0	Yes
1/9/2003	0	0.0	8.9	0.0	13.0	21.9	21.9	Yes
1/10/2003	0	0.0	8.8	0.0	13.1	21.9	21.9	Yes
1/11/2003	0	0.0	8.9	0.0	13.1	22.0	22.0	Yes
1/12/2003	0	0.0	8.8	0.0	13.1	21.9	21.9	Yes
1/13/2003	0	0.0	8.6	0.0	12.9	21.5	21.5	Yes
1/14/2003	0	0.0	8.5	0.0	12.8	21.3	21.3	Yes
1/15/2003	0	0.0	8.7	0.0	12.8	21.5	21.5	Yes
1/16/2003	0	0.0	8.8	0.0	12.8	21.6	21.6	Yes
1/17/2003	0	0.0	8.7	0.0	12.8	21.5	21.5	Yes
1/18/2003	0	0.0	8.6	0.0	12.8	21.4	21.4	Yes
1/19/2003	0	0.0	8.8	0.0	12.8	21.6	21.6	Yes
1/20/2003	0	14.4	0.0	0.0	12.7	27.1	27.1	Yes
1/21/2003	0	14.0	0.0	0.0	12.7	26.7	26.7	Yes
1/22/2003	0	14.1	0.0	0.0	12.7	26.8	26.8	Yes
1/23/2003	0	14.0	0.0	0.0	12.7	26.7	26.7	Yes
1/24/2003	0	14.1	0.0	0.0	12.7	26.8	26.8	Yes
1/25/2003	0	14.1	0.0	0.0	12.7	26.8	26.8	Yes
1/26/2003	0	14.2	0.0	0.0	12.9	27.1	27.1	Yes
1/27/2003	0	14.2	0.0	0.0	12.9	27.1	27.1	Yes
1/28/2003	0	14.3	0.0	0.0	13.0	27.3	27.3	Yes
1/29/2003	0	14.3	0.0	0.0	12.9	27.2	27.2	Yes
1/30/2003	0	14.2	0.0	0.0	12.9	27.1	27.1	Yes
1/31/2003	0	14.3	0.0	0.0	13.0	27.3	27.3	Yes
2/1/2003	0	14.3	0.0	0.0	12.9	27.2	27.2	Yes
2/2/2003	0	14.3	0.0	0.0	12.9	27.2	27.2	Yes
2/3/2003	0	14.3	0.0	0.0	12.9	27.2	27.2	Yes
2/4/2003	0	14.1	0.0	0.0	12.9	27.0	27.0	Yes
2/5/2003	0	14.1	0.0	0.0	12.7	26.8	26.8	Yes
2/6/2003	0	14.0	0.0	0.0	12.6	26.6	26.6	Yes
2/7/2003	0	14.0	0.0	0.0	12.6	26.6	26.6	Yes
2/8/2003	0	14.0	0.0	0.0	12.6	26.6	26.6	Yes
2/9/2003	0	13.9	0.0	0.0	12.6	26.5	26.5	Yes
2/10/2003	0	14.0	0.0	0.0	12.6	26.6	26.6	Yes
2/11/2003	0	14.0	0.0	0.0	12.6	26.6	26.6	Yes
2/12/2003	0	14.0	0.0	0.0	12.6	26.6	26.6	Yes
2/13/2003	0	13.9	0.0	0.0	12.5	26.4	26.4	Yes
2/14/2003	0	14.0	0.0	0.0	12.7	26.7	26.7	Yes
2/15/2003	0	14.3	0.0	0.0	13.0	27.3	27.3	Yes
2/16/2003	0	14.3	0.0	0.0	12.9	27.2	27.2	Yes
2/17/2003	0	14.3	0.0	0.0	12.9	27.2	27.2	Yes

Plant Solution Flows - Daily Averages
First Quarter 2003

Date	Injectate to Field (gpm)	BHP-6 (gpm)	BHP-7 (gpm)	BHP-8 (gpm)	BHP-9 (gpm)	Total Flow from Field (gpm)	Net Positive Water Balance (gpm)	Maintained Hydrologic Control (Yes/No)
2/18/2003	0	14.0	0.0	0.0	12.6	26.6	26.6	Yes
2/19/2003	0	14.0	0.0	0.0	12.6	26.6	26.6	Yes
2/20/2003	0	13.8	0.0	0.0	12.6	26.4	26.4	Yes
2/21/2003	0	13.9	0.0	0.0	12.5	26.4	26.4	Yes
2/22/2003	0	13.8	0.0	0.0	12.5	26.3	26.3	Yes
2/23/2003	0	13.8	0.0	0.0	12.5	26.3	26.3	Yes
2/24/2003	0	14.2	0.0	0.0	12.8	27.0	27.0	Yes
2/25/2003	0	14.2	0.0	0.0	12.8	27.0	27.0	Yes
2/26/2003	0	14.3	0.0	8.6	12.9	35.8	35.8	Yes
2/27/2003	0	14.5	0.0	8.6	13.0	36.1	36.1	Yes
2/28/2003	0	14.5	0.0	8.6	13.0	36.1	36.1	Yes
3/1/2003	0	14.6	0.0	8.6	13.0	36.2	36.2	Yes
3/2/2003	0	14.5	0.0	8.7	13.1	36.3	36.3	Yes
3/3/2003	0	14.5	0.0	8.6	13.0	36.1	36.1	Yes
3/4/2003	0	14.4	0.0	8.6	12.9	35.9	35.9	Yes
3/5/2003	0	14.1	14.1	8.4	12.7	49.3	49.3	Yes
3/6/2003	0	0.0	14.5	8.7	0.0	23.2	23.2	Yes
3/7/2003	0	0.0	14.3	8.7	0.0	23.0	23.0	Yes
3/8/2003	0	0.0	14.3	8.7	0.0	23.0	23.0	Yes
3/9/2003	0	0.0	14.3	8.6	0.0	22.9	22.9	Yes
3/10/2003	0	0.0	13.8	8.5	0.0	22.3	22.3	Yes
3/11/2003	0	0.0	13.8	8.4	0.0	22.2	22.2	Yes
3/12/2003	0	0.0	13.7	8.3	0.0	22.0	22.0	Yes
3/13/2003	0	0.0	13.6	8.4	0.0	22.0	22.0	Yes
3/14/2003	0	0.0	13.6	8.3	0.0	21.9	21.9	Yes
3/15/2003	0	0.0	13.6	8.3	0.0	21.9	21.9	Yes
3/16/2003	0	0.0	13.6	8.3	0.0	21.9	21.9	Yes
3/17/2003	0	0.0	13.6	8.4	0.0	22.0	22.0	Yes
3/18/2003	0	0.0	13.5	8.4	0.0	21.9	21.9	Yes
3/19/2003	0	0.0	13.3	8.4	0.0	21.7	21.7	Yes
3/20/2003	0	0.0	13.2	8.3	0.0	21.5	21.5	Yes
3/21/2003	0	0.0	13.1	8.2	0.0	21.3	21.3	Yes
3/22/2003	0	0.0	13.0	8.2	0.0	21.2	21.2	Yes
3/23/2003	0	0.0	12.9	8.2	0.0	21.1	21.1	Yes
3/24/2003	0	0.0	12.8	8.2	0.0	21.0	21.0	Yes
3/25/2003	0	0.0	12.7	8.2	0.0	20.9	20.9	Yes
3/26/2003	0	0.0	12.6	8.2	0.0	20.8	20.8	Yes
3/27/2003	0	0.0	12.6	8.2	0.0	20.8	20.8	Yes
3/28/2003	0	0.0	12.5	8.2	0.0	20.7	20.7	Yes
3/29/2003	0	0.0	12.4	8.2	0.0	20.6	20.6	Yes
3/30/2003	0	0.0	12.4	8.2	0.0	20.6	20.6	Yes
3/31/2003	0	0.0	12.4	8.2	0.0	20.6	20.6	Yes

Figure 2 - Northwest Observation Well Pair
First Quarter 2003



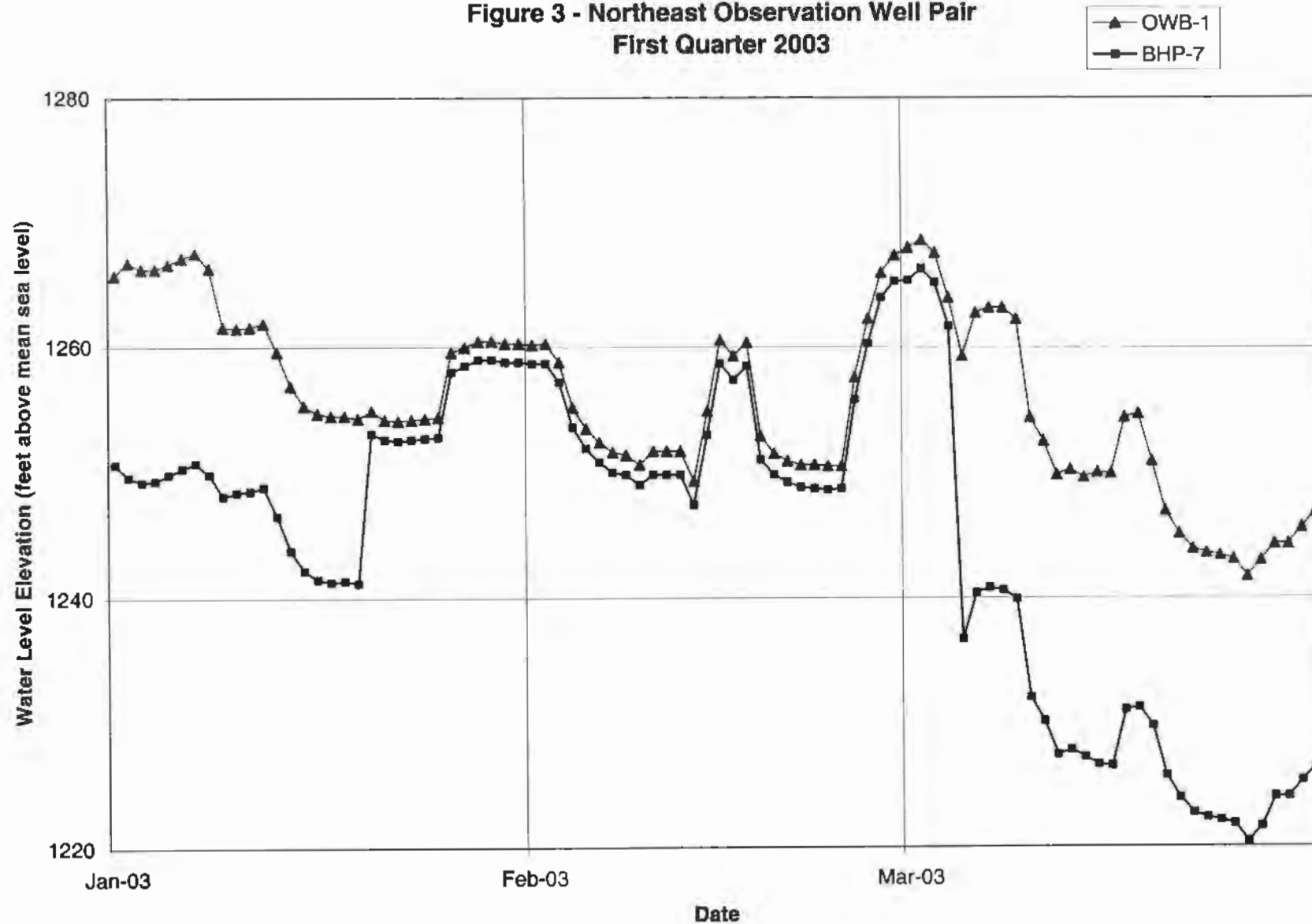
**Northwest Observation Well Pair
First Quarter 2003**

Date	BHP-8	OWB-3	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
1/1/2003	1262.1	1263.5	-1.4	Yes
1/2/2003	1261	1262.6	-1.6	Yes
1/3/2003	1260.4	1262.1	-1.7	Yes
1/4/2003	1260.4	1262.2	-1.8	Yes
1/5/2003	1260.9	1262.7	-1.8	Yes
1/6/2003	1261.4	1263.2	-1.8	Yes
1/7/2003	1261.8	1263.6	-1.8	Yes
1/8/2003	1259.9	1262.5	-2.6	Yes
1/9/2003	1259.5	1259.8	-0.3	Yes
1/10/2003	1259.6	1260	-0.4	Yes
1/11/2003	1259.7	1260.1	-0.4	Yes
1/12/2003	1260	1260.3	-0.3	Yes
1/13/2003	1257.7	1258	-0.3	Yes
1/14/2003	1254.9	1255.4	-0.5	Yes
1/15/2003	1253.3	1253.9	-0.6	Yes
1/16/2003	1252.6	1253.3	-0.7	Yes
1/17/2003	1252.4	1253.1	-0.7	Yes
1/18/2003	1252.3	1253.2	-0.9	Yes
1/19/2003	1252.1	1253	-0.9	Yes
1/20/2003	1251.8	1253	-1.2	Yes
1/21/2003	1251.3	1252.5	-1.2	Yes
1/22/2003	1251.2	1252.4	-1.2	Yes
1/23/2003	1251.2	1252.4	-1.2	Yes
1/24/2003	1251.3	1252.5	-1.2	Yes
1/25/2003	1251.4	1252.6	-1.2	Yes
1/26/2003	1256.6	1257.8	-1.2	Yes
1/27/2003	1257.8	1259.2	-1.4	Yes
1/28/2003	1258.2	1259.6	-1.4	Yes
1/29/2003	1258.2	1259.7	-1.5	Yes
1/30/2003	1258	1259.6	-1.6	Yes
1/31/2003	1258	1259.5	-1.5	Yes
2/1/2003	1257.9	1259.4	-1.5	Yes
2/2/2003	1257.9	1259.5	-1.6	Yes
2/3/2003	1256.4	1258	-1.6	Yes
2/4/2003	1252.8	1254.4	-1.6	Yes
2/5/2003	1251.1	1252.7	-1.6	Yes
2/6/2003	1250	1251.6	-1.6	Yes
2/7/2003	1249.2	1250.9	-1.7	Yes
2/8/2003	1249.1	1250.5	-1.4	Yes
2/9/2003	1248.3	1249.8	-1.5	Yes
2/10/2003	1248.4	1249.8	-1.4	Yes
2/11/2003	1248.5	1249.9	-1.4	Yes
2/12/2003	1248.4	1249.8	-1.4	Yes
2/13/2003	1246	1247.4	-1.4	Yes
2/14/2003	1251.7	1253.1	-1.4	Yes
2/15/2003	1257.4	1258.8	-1.4	Yes

**Northwest Observation Well Pair
First Quarter 2003**

Date	BHP-8	OWB-3	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
2/16/2003	1256.2	1257.5	-1.3	Yes
2/17/2003	1257.3	1258.6	-1.3	Yes
2/18/2003	1249.8	1251.1	-1.3	Yes
2/19/2003	1248.4	1249.7	-1.3	Yes
2/20/2003	1247.8	1249.1	-1.3	Yes
2/21/2003	1247.4	1248.7	-1.3	Yes
2/22/2003	1247.5	1248.6	-1.1	Yes
2/23/2003	1247.5	1248.6	-1.1	Yes
2/24/2003	1247.6	1248.6	-1	Yes
2/25/2003	1254.5	1255.7	-1.2	Yes
2/26/2003	1187	1261.1	-74.1	Yes
2/27/2003	1190.7	1264.8	-74.1	Yes
2/28/2003	1192.2	1266.2	-74	Yes
3/1/2003	1192.7	1266.7	-74	Yes
3/2/2003	1193.3	1267.3	-74	Yes
3/3/2003	1192.3	1266.4	-74.1	Yes
3/4/2003	1188.8	1260.6	-71.8	Yes
3/5/2003	1185.9	1257.8	-71.9	Yes
3/6/2003	1189.6	1260.6	-71	Yes
3/7/2003	1190	1260.9	-70.9	Yes
3/8/2003	1189.9	1260.8	-70.9	Yes
3/9/2003	1189.2	1260.1	-70.9	Yes
3/10/2003	1181.3	1252.2	-70.9	Yes
3/11/2003	1169.4	1250.3	-80.9	Yes
3/12/2003	1176.7	1247.6	-70.9	Yes
3/13/2003	1177.1	1248	-70.9	Yes
3/14/2003	1176.5	1247.4	-70.9	Yes
3/15/2003	1175.9	1246.8	-70.9	Yes
3/16/2003	1175.8	1246.7	-70.9	Yes
3/17/2003	1180.3	1251.2	-70.9	Yes
3/18/2003	1180.5	1251.6	-71.1	Yes
3/19/2003	1180.4	1248.5	-68.1	Yes
3/20/2003	1176.4	1244.4	-68	Yes
3/21/2003	1174.6	1242.6	-68	Yes
3/22/2003	1173.4	1251.4	-78	Yes
3/23/2003	1173.1	1251.1	-78	Yes
3/24/2003	1172.9	1240.9	-68	Yes
3/25/2003	1172.6	1240.6	-68	Yes
3/26/2003	1171.2	1239.2	-68	Yes
3/27/2003	1172.4	1240.4	-68	Yes
3/28/2003	1174.3	1241.1	-66.8	Yes
3/29/2003	1179.3	1241.1	-61.8	Yes
3/30/2003	1176.5	1242.4	-65.9	Yes
3/31/2003	1177.8	1243.6	-65.8	Yes

Figure 3 - Northeast Observation Well Pair
First Quarter 2003



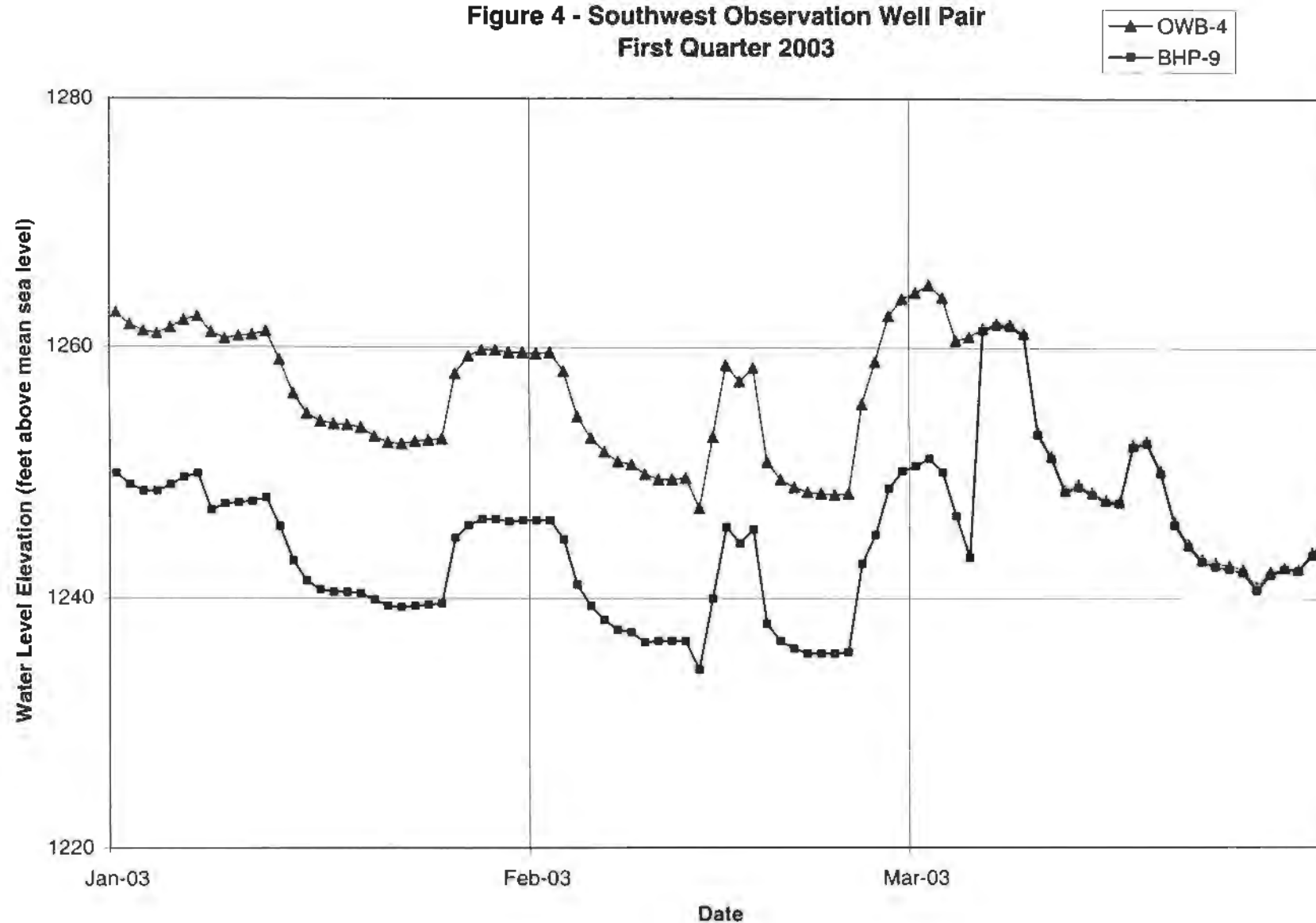
**Northeast Observation Well Pair
First Quarter 2003**

Date	BHP-7	OWB-1	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
1/1/2003	1250.6	1265.7	-15.1	Yes
1/2/2003	1249.6	1266.7	-17.1	Yes
1/3/2003	1249.2	1266.2	-17	Yes
1/4/2003	1249.3	1266.2	-16.9	Yes
1/5/2003	1249.8	1266.6	-16.8	Yes
1/6/2003	1250.3	1267.1	-16.8	Yes
1/7/2003	1250.7	1267.5	-16.8	Yes
1/8/2003	1249.8	1266.3	-16.5	Yes
1/9/2003	1248.1	1261.6	-13.5	Yes
1/10/2003	1248.4	1261.5	-13.1	Yes
1/11/2003	1248.5	1261.6	-13.1	Yes
1/12/2003	1248.8	1261.9	-13.1	Yes
1/13/2003	1246.5	1259.6	-13.1	Yes
1/14/2003	1243.8	1256.9	-13.1	Yes
1/15/2003	1242.2	1255.3	-13.1	Yes
1/16/2003	1241.5	1254.7	-13.2	Yes
1/17/2003	1241.3	1254.5	-13.2	Yes
1/18/2003	1241.4	1254.5	-13.1	Yes
1/19/2003	1241.2	1254.3	-13.1	Yes
1/20/2003	1253.1	1254.9	-1.8	Yes
1/21/2003	1252.6	1254.2	-1.6	Yes
1/22/2003	1252.5	1254.1	-1.6	Yes
1/23/2003	1252.6	1254.2	-1.6	Yes
1/24/2003	1252.7	1254.3	-1.6	Yes
1/25/2003	1252.8	1254.4	-1.6	Yes
1/26/2003	1258	1259.6	-1.6	Yes
1/27/2003	1258.5	1260	-1.5	Yes
1/28/2003	1259	1260.5	-1.5	Yes
1/29/2003	1259	1260.5	-1.5	Yes
1/30/2003	1258.8	1260.3	-1.5	Yes
1/31/2003	1258.8	1260.3	-1.5	Yes
2/1/2003	1258.7	1260.2	-1.5	Yes
2/2/2003	1258.7	1260.3	-1.6	Yes
2/3/2003	1257.2	1258.8	-1.6	Yes
2/4/2003	1253.6	1255.2	-1.6	Yes
2/5/2003	1251.9	1253.5	-1.6	Yes
2/6/2003	1250.8	1252.4	-1.6	Yes
2/7/2003	1250	1251.6	-1.6	Yes
2/8/2003	1249.8	1251.4	-1.6	Yes
2/9/2003	1249	1250.6	-1.6	Yes
2/10/2003	1249.8	1251.7	-1.9	Yes
2/11/2003	1249.8	1251.7	-1.9	Yes
2/12/2003	1249.8	1251.7	-1.9	Yes
2/13/2003	1247.4	1249.3	-1.9	Yes
2/14/2003	1253	1254.9	-1.9	Yes
2/15/2003	1258.7	1260.6	-1.9	Yes

**Northeast Observation Well Pair
First Quarter 2003**

Date	BHP-7	OWB-1	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
2/16/2003	1257.4	1259.3	-1.9	Yes
2/17/2003	1258.5	1260.4	-1.9	Yes
2/18/2003	1251	1252.9	-1.9	Yes
2/19/2003	1249.8	1251.5	-1.7	Yes
2/20/2003	1249.2	1250.9	-1.7	Yes
2/21/2003	1248.8	1250.6	-1.8	Yes
2/22/2003	1248.7	1250.6	-1.9	Yes
2/23/2003	1248.6	1250.5	-1.9	Yes
2/24/2003	1248.7	1250.5	-1.8	Yes
2/25/2003	1255.8	1257.6	-1.8	Yes
2/26/2003	1260.3	1262.3	-2	Yes
2/27/2003	1264	1266	-2	Yes
2/28/2003	1265.3	1267.4	-2.1	Yes
3/1/2003	1265.37	1268	-2.63	Yes
3/2/2003	1266.3	1268.6	-2.3	Yes
3/3/2003	1265.2	1267.6	-2.4	Yes
3/4/2003	1261.7	1264	-2.3	Yes
3/5/2003	1236.7	1259.3	-22.6	Yes
3/6/2003	1240.4	1262.8	-22.4	Yes
3/7/2003	1240.8	1263.2	-22.4	Yes
3/8/2003	1240.6	1263.2	-22.6	Yes
3/9/2003	1239.9	1262.3	-22.4	Yes
3/10/2003	1232	1254.4	-22.4	Yes
3/11/2003	1230.1	1252.5	-22.4	Yes
3/12/2003	1227.4	1249.8	-22.4	Yes
3/13/2003	1227.8	1250.2	-22.4	Yes
3/14/2003	1227.2	1249.6	-22.4	Yes
3/15/2003	1226.6	1250	-23.4	Yes
3/16/2003	1226.5	1249.9	-23.4	Yes
3/17/2003	1231	1254.4	-23.4	Yes
3/18/2003	1231.2	1254.7	-23.5	Yes
3/19/2003	1229.7	1250.9	-21.2	Yes
3/20/2003	1225.7	1246.9	-21.2	Yes
3/21/2003	1223.9	1245.1	-21.2	Yes
3/22/2003	1222.7	1243.9	-21.2	Yes
3/23/2003	1222.3	1243.6	-21.3	Yes
3/24/2003	1222.1	1243.4	-21.3	Yes
3/25/2003	1221.8	1243.1	-21.3	Yes
3/26/2003	1220.4	1241.7	-21.3	Yes
3/27/2003	1221.6	1243	-21.4	Yes
3/28/2003	1224	1244.3	-20.3	Yes
3/29/2003	1224	1244.3	-20.3	Yes
3/30/2003	1225.3	1245.6	-20.3	Yes
3/31/2003	1226.5	1246.8	-20.3	Yes

**Figure 4 - Southwest Observation Well Pair
First Quarter 2003**



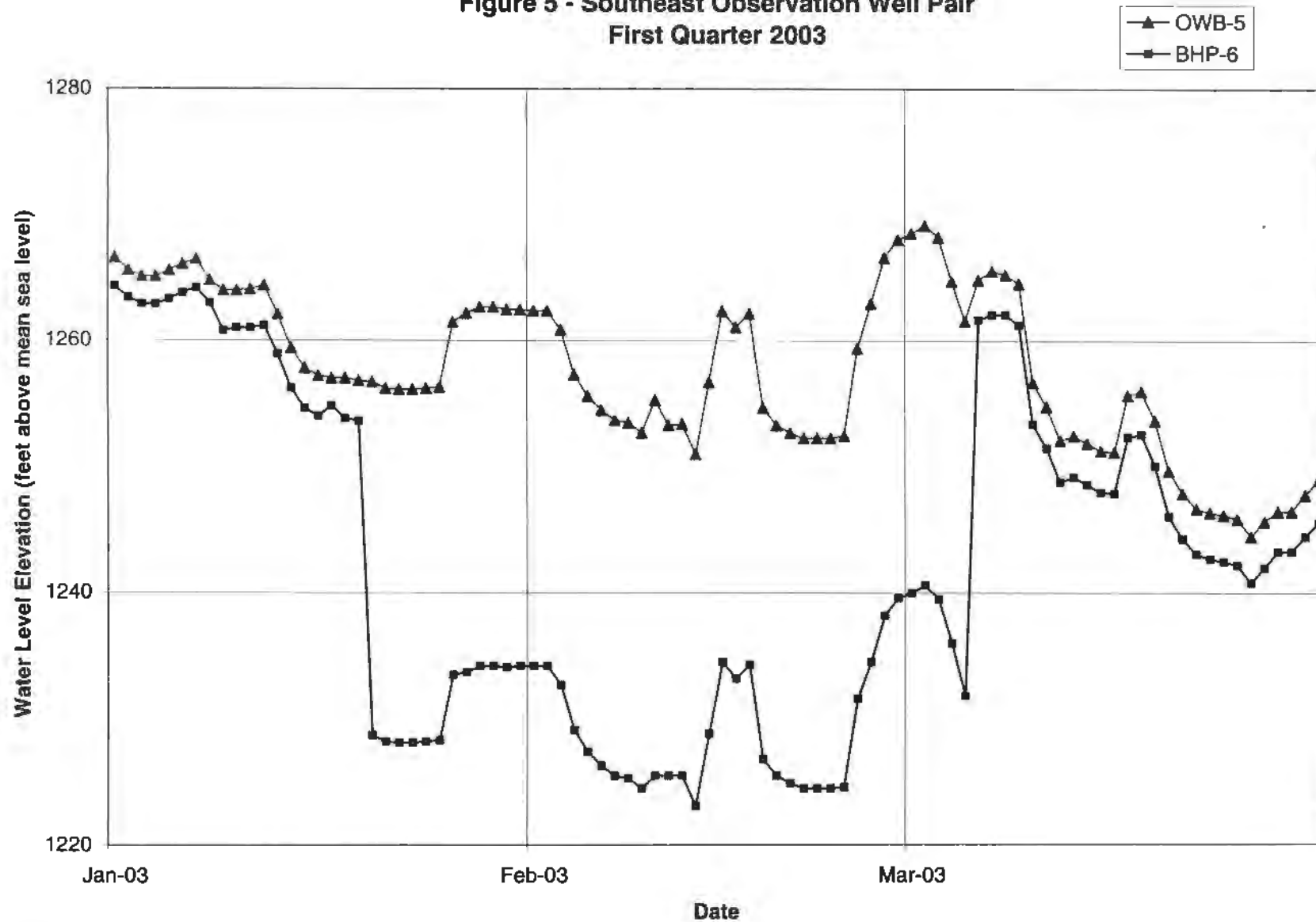
**Southwest Observation Well Pair
First Quarter 2003**

Date	BHP-9	OWB-4	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
1/1/2003	1249.9	1262.8	-12.9	Yes
1/2/2003	1249	1261.8	-12.8	Yes
1/3/2003	1248.5	1261.3	-12.8	Yes
1/4/2003	1248.5	1261.1	-12.6	Yes
1/5/2003	1249	1261.6	-12.6	Yes
1/6/2003	1249.6	1262.2	-12.6	Yes
1/7/2003	1249.9	1262.5	-12.6	Yes
1/8/2003	1247	1261.2	-14.2	Yes
1/9/2003	1247.5	1260.7	-13.2	Yes
1/10/2003	1247.6	1260.9	-13.3	Yes
1/11/2003	1247.7	1261	-13.3	Yes
1/12/2003	1248	1261.3	-13.3	Yes
1/13/2003	1245.7	1259	-13.3	Yes
1/14/2003	1243	1256.3	-13.3	Yes
1/15/2003	1241.4	1254.7	-13.3	Yes
1/16/2003	1240.7	1254.1	-13.4	Yes
1/17/2003	1240.5	1253.9	-13.4	Yes
1/18/2003	1240.5	1253.8	-13.3	Yes
1/19/2003	1240.4	1253.6	-13.2	Yes
1/20/2003	1239.9	1252.9	-13	Yes
1/21/2003	1239.4	1252.4	-13	Yes
1/22/2003	1239.3	1252.3	-13	Yes
1/23/2003	1239.4	1252.5	-13.1	Yes
1/24/2003	1239.5	1252.6	-13.1	Yes
1/25/2003	1239.6	1252.7	-13.1	Yes
1/26/2003	1244.8	1257.9	-13.1	Yes
1/27/2003	1245.8	1259.3	-13.5	Yes
1/28/2003	1246.3	1259.8	-13.5	Yes
1/29/2003	1246.3	1259.8	-13.5	Yes
1/30/2003	1246.1	1259.6	-13.5	Yes
1/31/2003	1246.2	1259.6	-13.4	Yes
2/1/2003	1246.2	1259.5	-13.3	Yes
2/2/2003	1246.2	1259.6	-13.4	Yes
2/3/2003	1244.7	1258.1	-13.4	Yes
2/4/2003	1241.1	1254.5	-13.4	Yes
2/5/2003	1239.4	1252.8	-13.4	Yes
2/6/2003	1238.3	1251.7	-13.4	Yes
2/7/2003	1237.5	1250.9	-13.4	Yes
2/8/2003	1237.3	1250.7	-13.4	Yes
2/9/2003	1236.5	1249.9	-13.4	Yes
2/10/2003	1236.6	1249.5	-12.9	Yes
2/11/2003	1236.6	1249.5	-12.9	Yes
2/12/2003	1236.6	1249.6	-13	Yes
2/13/2003	1234.3	1247.2	-12.9	Yes
2/14/2003	1240	1252.9	-12.9	Yes
2/15/2003	1245.7	1258.6	-12.9	Yes

**Southwest Observation Well Pair
First Quarter 2003**

Date	BHP-9	OWB-4	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
2/16/2003	1244.4	1257.3	-12.9	Yes
2/17/2003	1245.5	1258.4	-12.9	Yes
2/18/2003	1238	1250.9	-12.9	Yes
2/19/2003	1236.6	1249.5	-12.9	Yes
2/20/2003	1236	1248.9	-12.9	Yes
2/21/2003	1235.6	1248.5	-12.9	Yes
2/22/2003	1235.6	1248.4	-12.8	Yes
2/23/2003	1235.6	1248.3	-12.7	Yes
2/24/2003	1235.7	1248.4	-12.7	Yes
2/25/2003	1242.8	1255.5	-12.7	Yes
2/26/2003	1245.1	1258.9	-13.8	Yes
2/27/2003	1248.8	1262.6	-13.8	Yes
2/28/2003	1250.2	1264	-13.8	Yes
3/1/2003	1250.6	1264.5	-13.9	Yes
3/2/2003	1251.2	1265.1	-13.9	Yes
3/3/2003	1250.1	1264.1	-14	Yes
3/4/2003	1246.6	1260.6	-14	Yes
3/5/2003	1243.3	1260.9	-17.6	Yes
3/6/2003	1261.4	1261.6	-0.2	Yes
3/7/2003	1261.8	1262	-0.2	Yes
3/8/2003	1261.7	1261.9	-0.2	Yes
3/9/2003	1261	1261.2	-0.2	Yes
3/10/2003	1253.1	1253.3	-0.2	Yes
3/11/2003	1251.2	1251.4	-0.2	Yes
3/12/2003	1248.5	1248.7	-0.2	Yes
3/13/2003	1248.9	1249.1	-0.2	Yes
3/14/2003	1248.3	1248.5	-0.2	Yes
3/15/2003	1247.7	1247.9	-0.2	Yes
3/16/2003	1247.6	1247.8	-0.2	Yes
3/17/2003	1252.1	1252.3	-0.2	Yes
3/18/2003	1252.4	1252.6	-0.2	Yes
3/19/2003	1250	1250.2	-0.2	Yes
3/20/2003	1245.9	1246.2	-0.3	Yes
3/21/2003	1244.2	1244.4	-0.2	Yes
3/22/2003	1243	1243.2	-0.2	Yes
3/23/2003	1242.6	1242.9	-0.3	Yes
3/24/2003	1242.4	1242.7	-0.3	Yes
3/25/2003	1242.1	1242.4	-0.3	Yes
3/26/2003	1240.7	1241	-0.3	Yes
3/27/2003	1241.9	1242.2	-0.3	Yes
3/28/2003	1242.4	1242.5	-0.1	Yes
3/29/2003	1242.3	1242.4	-0.1	Yes
3/30/2003	1243.5	1243.7	-0.2	Yes
3/31/2003	1244.7	1244.9	-0.2	Yes

Figure 5 - Southeast Observation Well Pair
First Quarter 2003



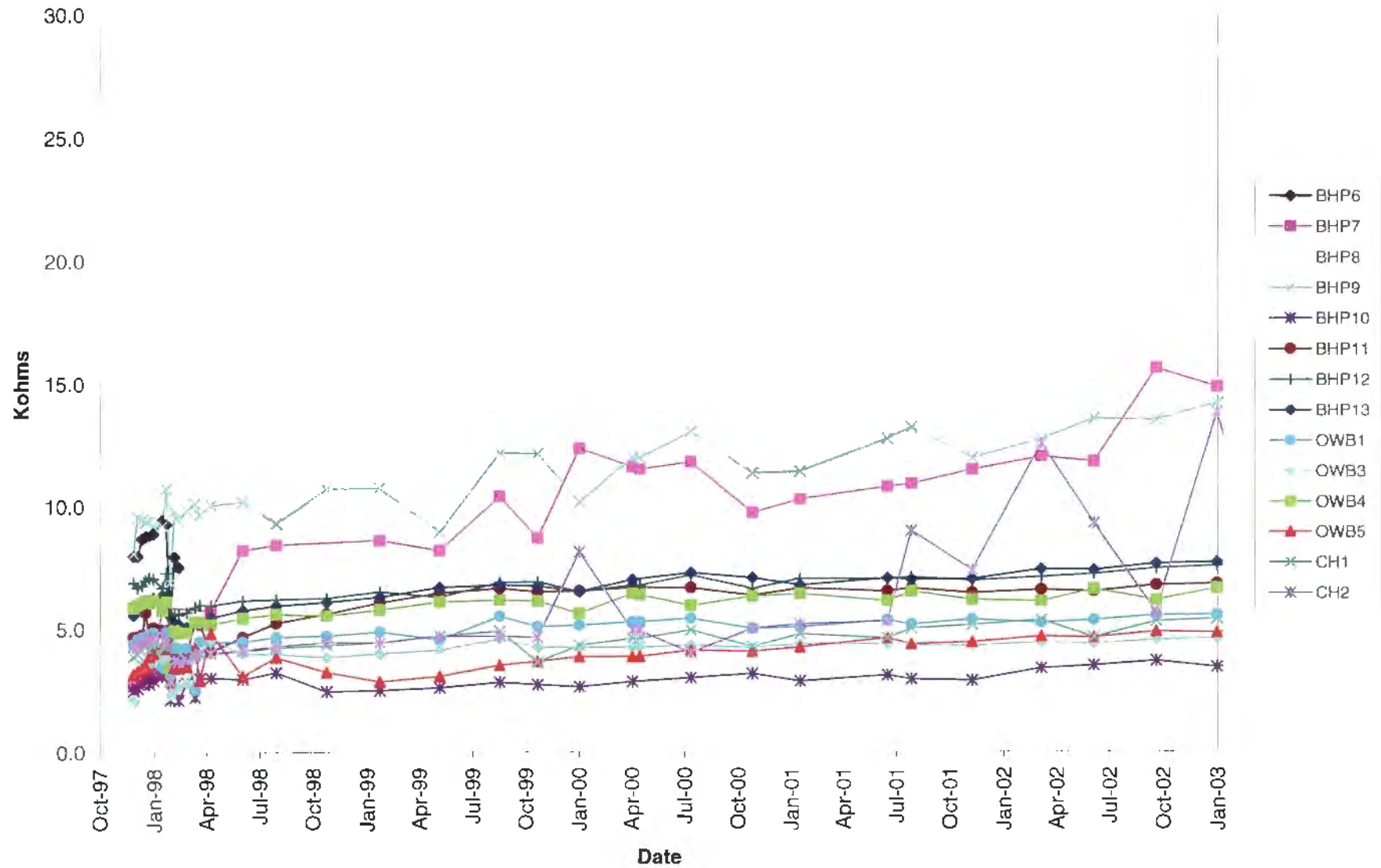
**Southeast Observation Well Pair
First Quarter 2003**

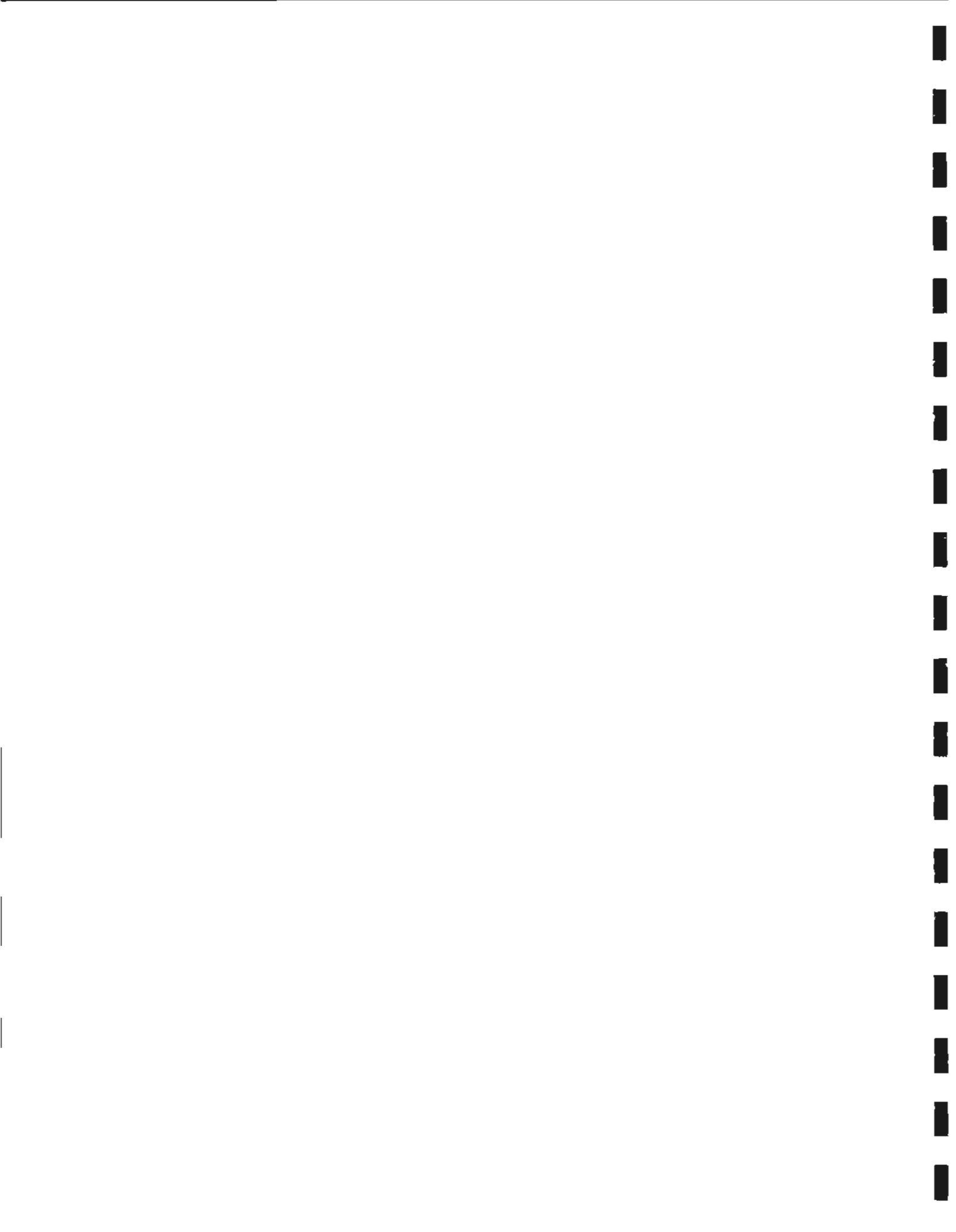
Date	BHP-6	OWB-5	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
1/1/2003	1264.3	1266.6	-2.3	Yes
1/2/2003	1263.4	1265.6	-2.2	Yes
1/3/2003	1262.9	1265.1	-2.2	Yes
1/4/2003	1262.9	1265.1	-2.2	Yes
1/5/2003	1263.3	1265.6	-2.3	Yes
1/6/2003	1263.8	1266.1	-2.3	Yes
1/7/2003	1264.2	1266.5	-2.3	Yes
1/8/2003	1263	1264.8	-1.8	Yes
1/9/2003	1260.8	1264	-3.2	Yes
1/10/2003	1261	1264	-3	Yes
1/11/2003	1261	1264.1	-3.1	Yes
1/12/2003	1261.2	1264.4	-3.2	Yes
1/13/2003	1258.9	1262.1	-3.2	Yes
1/14/2003	1256.2	1259.4	-3.2	Yes
1/15/2003	1254.6	1257.8	-3.2	Yes
1/16/2003	1254	1257.2	-3.2	Yes
1/17/2003	1254.8	1257	-2.2	Yes
1/18/2003	1253.8	1257	-3.2	Yes
1/19/2003	1253.6	1256.8	-3.2	Yes
1/20/2003	1228.7	1256.7	-28	Yes
1/21/2003	1228.2	1256.2	-28	Yes
1/22/2003	1228.1	1256.1	-28	Yes
1/23/2003	1228.1	1256.1	-28	Yes
1/24/2003	1228.2	1256.2	-28	Yes
1/25/2003	1228.3	1256.3	-28	Yes
1/26/2003	1233.5	1261.5	-28	Yes
1/27/2003	1233.7	1262.2	-28.5	Yes
1/28/2003	1234.2	1262.7	-28.5	Yes
1/29/2003	1234.2	1262.7	-28.5	Yes
1/30/2003	1234.1	1262.5	-28.4	Yes
1/31/2003	1234.2	1262.5	-28.3	Yes
2/1/2003	1234.2	1262.4	-28.2	Yes
2/2/2003	1234.2	1262.4	-28.2	Yes
2/3/2003	1232.7	1260.9	-28.2	Yes
2/4/2003	1229.1	1257.3	-28.2	Yes
2/5/2003	1227.4	1255.6	-28.2	Yes
2/6/2003	1226.3	1254.5	-28.2	Yes
2/7/2003	1225.5	1253.7	-28.2	Yes
2/8/2003	1225.3	1253.5	-28.2	Yes
2/9/2003	1224.5	1252.7	-28.2	Yes
2/10/2003	1225.5	1255.3	-29.8	Yes
2/11/2003	1225.5	1253.3	-27.8	Yes
2/12/2003	1225.5	1253.4	-27.9	Yes
2/13/2003	1223.1	1251	-27.9	Yes
2/14/2003	1228.8	1256.7	-27.9	Yes
2/15/2003	1234.5	1262.4	-27.9	Yes

**Southeast Observation Well Pair
First Quarter 2003**

Date	BHP-6	OWB-5	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
2/16/2003	1233.2	1261.1	-27.9	Yes
2/17/2003	1234.3	1262.2	-27.9	Yes
2/18/2003	1226.8	1254.7	-27.9	Yes
2/19/2003	1225.5	1253.3	-27.8	Yes
2/20/2003	1224.9	1252.7	-27.8	Yes
2/21/2003	1224.5	1252.3	-27.8	Yes
2/22/2003	1224.5	1252.3	-27.8	Yes
2/23/2003	1224.5	1252.3	-27.8	Yes
2/24/2003	1224.6	1252.5	-27.9	Yes
2/25/2003	1231.6	1259.4	-27.8	Yes
2/26/2003	1234.5	1263	-28.5	Yes
2/27/2003	1238.2	1266.67	-28.47	Yes
2/28/2003	1239.6	1268.1	-28.5	Yes
3/1/2003	1240	1268.6	-28.6	Yes
3/2/2003	1240.6	1269.2	-28.6	Yes
3/3/2003	1239.5	1268.3	-28.8	Yes
3/4/2003	1236	1264.8	-28.8	Yes
3/5/2003	1231.8	1261.6	-29.8	Yes
3/6/2003	1261.7	1264.9	-3.2	Yes
3/7/2003	1262.1	1265.6	-3.5	Yes
3/8/2003	1262.1	1265.3	-3.2	Yes
3/9/2003	1261.3	1264.6	-3.3	Yes
3/10/2003	1253.4	1256.7	-3.3	Yes
3/11/2003	1251.5	1254.8	-3.3	Yes
3/12/2003	1248.8	1252.1	-3.3	Yes
3/13/2003	1249.2	1252.5	-3.3	Yes
3/14/2003	1248.6	1251.9	-3.3	Yes
3/15/2003	1248	1251.3	-3.3	Yes
3/16/2003	1247.9	1251.2	-3.3	Yes
3/17/2003	1252.4	1255.7	-3.3	Yes
3/18/2003	1252.6	1256	-3.4	Yes
3/19/2003	1250.1	1253.7	-3.6	Yes
3/20/2003	1246.1	1249.7	-3.6	Yes
3/21/2003	1244.3	1247.9	-3.6	Yes
3/22/2003	1243.1	1246.7	-3.6	Yes
3/23/2003	1242.7	1246.4	-3.7	Yes
3/24/2003	1242.5	1246.2	-3.7	Yes
3/25/2003	1242.2	1245.9	-3.7	Yes
3/26/2003	1240.8	1244.5	-3.7	Yes
3/27/2003	1242	1245.7	-3.7	Yes
3/28/2003	1243.3	1246.5	-3.2	Yes
3/29/2003	1243.3	1246.5	-3.2	Yes
3/30/2003	1244.5	1247.8	-3.3	Yes
3/31/2003	1245.6	1249	-3.4	Yes

Figure 6 - Annular Resistivity in Kohms







ATTACHMENT 2

POC QUARTERLY COMPLIANCE MONITORING REPORT

201 East Washington Street
Suite 500
Phoenix, Arizona 85004
Tel: (602) 567-4000
Fax: (602) 567-4001
www.browncaldwell.com

BROWN AND
CALDWELL

April 24, 2003

Mr. Adrian Taylor
Senior Vice President
Vanguard Properties, Inc.
3232 Cobb Parkway
PMB 315
Atlanta, Georgia 30339

15-21622.007

Subject: Florence Project
Quarterly Compliance Monitoring Report


Dear Mr. Taylor:

Please find enclosed a final copy of the Florence Project Quarterly Compliance Monitoring Report for the First Quarter 2003. This report is provided for inclusion in the quarterly submittals required by the Arizona Department of Environmental Quality (ADEQ) and the United States Environmental Protection Agency (USEPA) under Aquifer Protection Permit (APP) Number 101704 and Underground Injection Control (UIC) Permit Number AZ396000001.

If you should have any questions regarding this report, please do not hesitate to contact me at (602) 567-3894.

Very truly yours,

BROWN AND CALDWELL



Barbara A. Sylvester, E.I.T.
Engineer II

BAS:lld
Attachment

**FLORENCE MINE PROJECT
QUARTERLY COMPLIANCE MONITORING REPORT
FIRST QUARTER 2003**

Primary Sampling Activities

Quarterly compliance monitoring was conducted for the Florence Mine project on January 6 through January 8, 2003 (First Quarter 2003). Groundwater sampling and analysis was conducted in accordance with the requirements of Aquifer Protection Permit (APP) Permit Number 101704, Part IIE.3.d (Compliance Monitoring). Level I parameters, as listed in Part IV Table III.B of the APP were analyzed from the designated Point of Compliance (POC) wells. The Level I parameters are magnesium, sulfate, fluoride, and total dissolved solids (TDS).

During the First Quarter 2003 sampling event, 29 POC wells were sampled and a total of 116 constituents were analyzed. Two POC wells, M32-UBF and M33-UBF, were dry and could not be sampled. Of the 116 constituents analyzed, none had reported concentrations exceeding the approved alert levels (ALs).

Analyses of the samples were conducted by Nevada Environmental Laboratories (NEL). Analytical results for the POC wells for the indicator parameters are provided in Table 1 and field parameters measured during sampling are indicated in Table 2.

AL Exceedances and Verification Sampling

Part II.F.4 of the permit (AL, Aquifer Quality Limit [AQL], and Discharge Limit [DL] Contingencies) requires verification sampling for an AL exceedance. There were no AL exceedances during this quarterly sampling. No verification sampling was required.

Contingency Sampling Plan to be Implemented During Second Quarter 2003

There were no AL exceedances verified during this quarterly sampling. No contingency sampling plan is required during the Second Quarter of 2003.

Results of Contingency Sampling Plan Implemented from Fourth Quarter 2002

There were no AL exceedances during the Fourth Quarter 2002. Therefore, no contingency sampling plan was implemented.

Issues

There were no other issues to report during the First Quarter 2003.



TABLE 1. QUARTERLY SUMMARY OF ANALYTICAL RESULTS, LEVEL I PARAMETERS, IN MILLIGRAMS PER LITER (MG/L)

Well ID	Sample Date	Magnesium		Sulfate		Fluoride		Total Dissolved Solids	
		Concentration	Alert Level	Concentration	Alert Level	Concentration	Alert Level	Concentration	Alert Level
M1-GL	Jan 08 2003	19.0	31	86	109	1.0	1.3	630	1028
M2-GU	Jan 07 2003	23.0	39	97	275	0.9	1.4	706	1496
M3-GL	Jan 07 2003	18.0	36	94	187	0.7	1.3	621	1157
M4-O	Jan 07 2003	4.3	15	41	405	2.5	5.1	387	1072
M6-GU	Jan 07 2003	2.9	5.1	36	86	0.65	1.3	363	620
M7-GL	Jan 07 2003	<0.25	0.45	23	82	0.88	1.7	274	464
M8-O	Jan 07 2003	<0.25	0.75	57	122	2.0	3.6	340	609
M14-GL	Jan 07 2003	2.5	23	43	144	0.6	1.4	412	874
M14-GL (Dup)	Jan 07 2003	2.3	23	45	144	0.58	1.4	414	874
M15-GU	Jan 07 2003	27.0	44	52	126	0.44	1.2	735	1359
M16-GU	Jan 08 2003	28.0	52	130	248	0.58	1.1	895	1635
M17-GL	Jan 08 2003	5.8	9.3	100	209	0.73	1.6	451	831
M18-GU	Jan 08 2003	17.0	36	170	288	1.1	1.6	710	1323
M19-LBF	Jan 06 2003	10.0	21	35	89	0.48	0.92	449	794
M20-O	Jan 06 2003	9.4	14	50	112	0.76	1.7	474	809
M21-UBF	Jan 06 2003	41.0	87	200	487	0.67	1.1	1030	2867
M22-O	Jan 07 2003	5.4	8.6	43	86	0.7	1.3	397	1094
M23-UBF	Jan 07 2003	44.0	69	220	411	0.64	1.3	1380	2392
M24-O	Jan 08 2003	11.0	19	750	1364	1.3	2.5	1300	2363
M25-UBF	Jan 08 2003	36.0	76	150	387	0.73	1.6	945	2683
M26-O	Jan 06 2003	<0.25	0.53	53	105	1.7	3.4	303	556
M27-LBF	Jan 06 2003	27.0	51	100	179	<0.4	0.79	941	1745
M27-LBF (Dup)	Jan 06 2003	27.0	51	110	179	<0.4	0.79	943	1745
M28-LBF	Jan 06 2003	1.5	2.6	33	81	0.78	1.6	370	610
M29-UBF	Jan 06 2003	57.0	84	240	465	0.62	1.1	1350	2751
M30-O	Jan 06 2003	11.0	18	40	102	0.72	1.6	466	824
M31-LBF	Jan 06 2003	34.0	46	200	330	0.73	1.3	922	1665
O19-GL	Jan 08 2003	11.0	17	37	99	0.61	1.4	436	770
O49-GL	Jan 06 2003	7.5	18	54	159	0.54	0.89	488	849
P19-I-O	Jan 08 2003	6.2	12	66	107	1.5	2.8	430	767
P19-I-O (Dup)	Jan 08 2003	6.1	12	45	107	1.4	2.8	425	767
P49-O	Jan 06 2003	3.0	6.2	95	181	1.0	2	449	801
Laboratory Detection Limit		0.25		0.1		0.4		25.0	
Arizona Aquifer Water Quality Standard		-		-		4		-	
Notes: Bold indicates result exceeds alert level < = less than the laboratory practical quantitation limit									

TABLE 2. QUARTERLY SUMMARY OF WATER QUALITY FIELD PARAMETERS

Well ID	Sample Date	Temperature (°C)	Temperature (°F)	pH	Conductivity (µmhos/cm)
M1-GL	Jan 08 2003	22.0	71.6	7.30	1037
M2-GU	Jan 07 2003	19.9	67.8	7.36	1073
M3-GL	Jan 07 2003	21.6	70.9	7.50	1020
M4-O	Jan 07 2003	24.0	75.2	7.49	636
M6-GU	Jan 07 2003	24.8	76.6	8.60	682
M7-GL	Jan 07 2003	24.3	75.7	9.47	492
M8-O	Jan 07 2003	28.7	83.7	8.86	663
M14-GL	Jan 07 2003	26.5	79.7	8.56	802
M15-GU	Jan 07 2003	24.4	75.9	7.50	1290
M16-GU	Jan 08 2003	23.9	75.0	7.13	1512
M17-GL	Jan 08 2003	27.6	81.7	8.12	834
M18-GU	Jan 08 2003	19.4	66.9	7.14	1040
M19-LBF	Jan 06 2003	22.5	72.5	7.63	744
M20-O	Jan 06 2003	23.4	74.1	7.50	740
M21-UBF	Jan 06 2003	21.9	71.4	7.11	1485
M22-O	Jan 07 2003	27.7	81.9	8.13	763
M23-UBF	Jan 07 2003	21.7	71.1	7.26	2119
M24-O	Jan 08 2003	30.4	86.7	7.53	1966
M25-UBF	Jan 08 2003	20.8	69.4	6.85	1446
M26-O	Jan 06 2003	28.7	83.7	8.59	583
M27-LBF	Jan 06 2003	23.0	73.4	7.51	1566
M28-LBF	Jan 06 2003	25.7	78.3	8.38	660
M29-UBF	Jan 06 2003	21.9	71.4	7.07	2138
M30-O	Jan 06 2003	23.9	75.0	7.42	773
M31-LBF	Jan 06 2003	22.0	71.6	7.25	1373
O19-GL	Jan 08 2003	23.9	75.0	7.55	755
O49-GL	Jan 06 2003	25.6	78.1	7.70	880
P19-1-O	Jan 08 2003	24.6	76.3	7.37	741
P49-O	Jan 06 2003	27.4	81.3	7.64	791

