

OPERATOR:	F3 Gold, LLC.
PERMIT NUMBER:	EXNI-436
INSPECTION TYPE:	Pre-Inspection
DATE:	September 23, 2020
TIME IN:	9:00 am MDT
TIME OUT:	2:00 pm MDT
INSPECTORS:	Roberta Hudson, Eric Holm, and Mark Keenihan
ACCOMPANIED BY:	Brandon Isakson (F3 Gold), Stan Michals (GFP), and Dave Williams and Dustin Lloyd (ARC)
WEATHER:	Sunny, 70's

On September 23, 2020, Roberta Hudson, Eric Holm and Mark Keenihan conducted a pre-inspection of F3 Gold's proposed exploration located approximately one-half to four miles to the north of Silver City, South Dakota. The legal description for the site includes portions of Sections 19, 30, and 31 T2N R5E, and portions of Section 13, 14, 24, and 25 T2N R4E. The other people in attendance were Brandon Isakson (F3 Gold), Stan Michals (GFP), Dave Williams (ARC), and Dustin Lloyd (ARC).

The group met at the trailhead parking area for the Deer Field Trail #40, off the Silver City Road just past the Whispering Pines Campground. After introductions, we had a brief meeting. Mr. Isakson said since the EXNI application was submitted, F3 Gold had to move some roads to address US Forest Service concerns.

The group drove down Silver City Road before turning north on the Jenny Gulch Rd. Some deer were noted in the area. Our initial stop was at a local historic mine. The first proposed drill site is located immediately adjacent to some of the site relics. The group did a short walk up the hill from the parking area at the site and came across the first proposed drill site near an aspen grove (photo 1). The area was immediately adjacent to an old relic foundation. Ms. Hudson asked Mr. Williams what the requirements may be to protect the site. He indicated the site was eligible to the National Register of Historic Places and the company should try to maintain at least 50 feet from the foundation to protect it. Several other holes had been proposed in the vicinity of the historic mine area, though these had been requested to be moved by the USFS. This appeared to be done in part to protect some of the historic assets of old mine area as well as the nearby Jenny Gulch Creek.

We then moved further north along the Jenny Gulch Road. The next two holes had been moved to the other side of the road from the historic mine workings at the behest of the USFS. The first site, Hole 003, was located only a short distance further down the road while the second proposed drill site was located another 100 yards further to the north on the opposite side of a cattle guard noted across the road (photo 2 and 3). The hole was located at the bottom of the road ditch with approximately a 7-foot drop noted from the road to the bottom of the ditch. A road would need to be installed at this point.





Photo 1. Approximate location of first drill site inspected.



Photo 2. Proposed location of second drill site from inspection.





Photo 3. Proposed location of next hole near cattle guard located further down the road.

From proposed Hole 003, the group hiked across the Jenny Gulch Creek Valley (photo 4) and began traversing the opposing hillside back towards the south. Several proposed drill sites were located along this hillside. The holes had mostly been moved out of the Jenny Gulch drainage at the request of the USFS in order to prevent impacts to the immediate drainage. While walking along the hillside, Mr. Isakson noted a new road would need to be constructed along the distance for these proposed sites. He estimated the road would be built as much along flat areas as possible, though for the most part it appeared to be primarily located just within the tree line on this side of the drainage. Some of the road may need to be cut into the hillside with a dozer. Some thistle and mullein noted along the route of the road may need to be sprayed during the exploration operation.

As we continued the walk to the south, we noted several relic prospect pits throughout the area and at least one relic mine shaft that appeared to have caved in. It is possible there had been some adits in this area, though with none being open, it is difficult to state for certain whether any of them were adits or just prospect pits in the side of the mountain. In some areas, we noted the road had taken a more circuitous route above the relic prospect pits. One drill site appeared to be within a landing for one of the prospect pits (photo 5). Questions were briefly raised over the whether there might be concerns of disturbing the old prospect pits, but Mr. Williams indicated this should not be a problem. From this site, we could see our vehicles in the parking area across the drainage.





Photo 4. Jenny Gulch Creek Valley.



Photo 5. Proposed drill site in landing of old prospect pit.



Several drill sites were visited during the first hiking segment of the inspection. Throughout the inspection, we noted the potentially steep terrain in some areas. During the hike, Ms. Hudson expressed some concern regarding the installation of trails and topsoil stockpiling and erosion protections on this terrain. Mr. Isakson stated roads would be built primarily by removing the overbearing materials and using them as a berm alongside the downhill side of the road in order to prevent erosion and would include any topsoil materials. Both Ms. Hudson and Mr. Holm expressed concern over this as there was no preservation of topsoil if it is placed in a berm along the road. They explained the state would require topsoil to be salvaged and have erosion control features to protect the integrity of the topsoil and prevent it from eroding away. This would allow for easier reclamation of the roads when time comes. Mr. Isakson took notes on this requirement and indicated it should not be a problem to preserve the topsoil.

Mr. Holm asked Mr. Isakson about the timetable for plugging and reclamation of drill holes and associated disturbance. Mr. Isakson said F3 Gold will plug each hole after logging. It is possible that some holes may remain unplugged for a period of time. Ms. Hudson said any holes left open over 30 days will need approval by the Board of Minerals and Environment. He also said each drill pad, including sumps, will be reclaimed after the hole is plugged. Since F3 Gold is considering using tanks to recycle water, no sumps may be constructed.

Another site, near the end of our walk, had been moved out of a secondary dry gulch that fed into Jenny Gulch. Some of the historic prospect pits and mine shaft areas had been marked within an area noted to be eligible for the National Registry (photo 6). Proposed drill sites and a road that had originally been marked as coming from the south were now extended on to the route coming from the north. This area had appeared to have been moved so as not to disturb any areas within the boundaries of the eligible lands.



Photo 6. Historic mine workings near location of proposed road and drill site.



Once we completed the walk along the eastern side of the upper Jenny Gulch, we returned to the vehicles and drove a short distance to the south to look at another proposed drill site. This site was near another area that was eligible for the National Register of Historic Places. This site was near some power lines and was well away from the historic site. There was a slight incline in the proposed area (photo 7). An access road came nearly to the site along a portion of the powerlines, though it was noted that the road being constructed for the site was not following this access route and was coming through the forest to the north. Mr. Isakson was not certain why the road had not been marked to follow the easier access route along the powerlines but was going to investigate the reasons behind this to see if there was a way to minimize disturbance.



Photo 7. Proposed drill location near powerline access route.

The group returned to their vehicles and drove to the next site. This was near the intersection of Sunnyside Gulch Road and Jenny Gulch Rd. There are a couple of proposed drill sites in the vicinity of this intersection. One site was located at the point of a nearby ridgeline (photo 8) while the other was located to the south approximately halfway up a steep slope. Ms. Hudson then requested more information on construction of sumps for some of these sites that may be constructed on steep slopes. Mr. Isakson indicated the sumps would most likely be constructed on the downhill side of a drill pad. Ms. Hudson then mentioned there had been some concern in the past about seepage from a sump on the downhill side of a drill pad creating an overland flow situation of drill fluids away from a site. She mentioned if it was not possible to place the sumps along the upgradient side of the drill pad, F3 Gold may need to consider lining the sump in order to prevent seepage.





Photo 8. Proposed drill site near top of ridgeline.

Mr. Isakson said access to the holes would be along the top of the ridge. Stan Michals also noted the group was standing in a narrow drainage and that there was proposed road construction within the reaches of the drainage. He wanted to know what would be done to protect the drainage in the instance of a flow event. Ms. Hudson noted the group was standing at the entrance of a steep gully that did not appear to even maintain ephemeral flow except perhaps in the most extreme rain events. However, there was some discussion on providing appropriate sediment and erosion controls while operating or constructing within these narrow gullies. Mr. Michals suggested we utilize the Best Mineral Management Practices as a reference for guidance on appropriate sediment and erosion controls.

The inspection then continued as the group drove down Sunnyside Gulch Road. They stopped at one proposed drill site that had been flagged adjacent to the road (photo 9). The site was up in the delta of a small gully approximately eight feet above the road. The slope in the area was shallow and Mr. Michals again mentioned concern with controlling flows in a rain event. Ms. Hudson assured that the state would require sediment and erosion controls be in place during operations to ensure proper erosion controls.

Continuing down Sunnyside Gulch Road, the group stopped at an intersection with a small two-track trail the extended to the west (photo 10). Another proposed drill site was located near this intersection and another was located further down the road. The map showed a new trail was being constructed to about halfway down the two-track road before following the road the remainder of the way to the site. Again Ms. Hudson expressed confusion over the extra disturbance acreage when there was already an existing road back to the site. Mr. Isakson again indicated he would investigate it.





Photo 9. Site flagged adjacent to the Sunnyside Gulch road.



Photo 10. Existing two track trail. Proposed drill site further down the road.



The group stopped at a few more sites to briefly inspect sites located adjacent to the roadway prior to crossing over private property. Two sites were located near the top of a ridgeline close to powerlines crossing through the area. The third site was back on a road marked as “No Outlet”. While we did not get out to view this site, Mr. Isakson indicated the proposed drill site was located near the end of the road. Two sites were located along the tops of a hillside in a mostly cleared area near some powerlines. Both sites had relatively shallow slopes and it is anticipated that erosion and sediment control would be relatively easy.

The group then continued through the private property to the southern half of Sunnyside Gulch. There were five final holes to evaluate in this portion of the proposed exploration area. The first hole we came across was adjacent to the road. While at this site, Stan Michals indicated this site was along the northern edge of the summer range area for Bighorn Sheep. He had concerns over possible drilling operations on the remaining holes to the south while the Bighorn Sheep may be within this area. Ms. Hudson assured him if he were to send restrictions detailing a date range to avoid drilling in this area, it would be added to the restriction letter.

The group drove further on Sunnyside Gulch down to an intersection with an existing two track. The road itself was blocked. The proposed drill site was located at a distance from the vehicle but was ultimately visible on the edge of a large meadow area a little way down the track (photo 11). Due to time constraints and a greater interest to see the final two sites on this portion of the inspection trip, it was ultimately decided not to walk back to the proposed drill area. The terrain was noted to be gentle and there were minimal concerns in this area.



Photo 11. Proposed drill site located back near tree line.



The next site was also located very near the road. It was located approximately halfway up the hill at the point where the shallower slope at the lower part of the hill then changed to a steeper grade (photo 12). No other concerns were noted with this site.



Photo 12. Proposed drill site about halfway up the hill.

The final two sites were of the greatest concern to Mr. Williams and Mr. Lloyd. These two drill sites were proposed for an area near the historic Gorman Properties and they wanted to ensure the sites would not have any impacts to existing archeological resources in the area. The first hole was located adjacent to the road near the bottom of the hill (photo 13). There were no concerns over the location for this site, except for a patch of thistle. Some spraying of thistle may be necessary in this area.

A road is to be constructed up over the top of the ridgeline and then roughly follow topography to the other side of a steep drainage. Concern was primarily associated with the proposed road and the second hole. At the top of the ridgeline, in the approximate location of the proposed roadway, the group came across a historic foundation or collared shaft. If it had been a shaft, it appeared to have been collapsed to within a few feet of the surface. A thin plywood board had been nailed over the top of the foundation area along with a thin black plastic layer. Boards, plywood and plastic were littered in the area immediately surrounding the foundation (photo 14). Upon inspection, this did not appear to be a site that had been previously recorded by other archeological assessments in the area. Ms. Hudson noted a narrow path coming up the hill side towards the foundation. The group then continued on the path another short distance. Mr. Williams and Mr. Lloyd recorded a couple more previously undocumented areas along the path, including a rock structure. Afterwards, we returned to the top of the hill and were looking at the



proposed road construction area. We recommended the site and pathway discovered at the top of the hill be avoided by adjusting the road a respectable distance to the north to avoid disturbing the area.



Photo 13. Proposed drill site.

This marked the end of the inspection for much of the group. Mr. Isakson was needed at another meeting and it was necessary for him to leave. As a result, the group separated upon returning to the vehicles. The final two sites were inspected by Eric Holm and Roberta Hudson. These sites were located to the north of the extent the group had already inspected along Jenny Gulch. The two sites were close to each other along the road. Both sites were found relatively easily, as they were marked by pink flags wrapped around trees. Both sites were located immediately adjacent to the road in a relatively flat drainage area (photo 15). One site was located adjacent to a small ponded area (photo 16). There should be minimal concern with erosion and sediment controls in these areas, though effort should be made to maintain any sumps away from the depressions noted in the area where there may be or is normal ponding of water.





Photo 14. Historic foundation near proposed trail construction



Photo 15. Flagged tree near proposed drill site.





Photo 16. Small ponded area adjacent to proposed drill area.

The inspection ended at 2:00 pm MT.

Inspector Signature: *Roberta Hudson*

*Eric Holm*

*Mark Keenihan*