

OPERATOR: Mark Hughes
PERMIT NUMBER: EXNI-437
INSPECTION TYPE: Pre-Inspection
DATE: March 9, 2021
TIME IN: 12:30 am MDT
TIME OUT: 1:45 pm MDT
INSPECTORS: Roberta Hudson, Eric Holm, and Mark Keenihan
ACCOMPANIED BY: Mark Hughes (operator), Jonathan Manning (USFS), Stan Michals (GFP), and Lisa Nesselbeck and Cassie Vogt (ARC)
WEATHER: Sunny,

On March 9, 2021, Roberta Hudson, Eric Holm, and Mark Keenihan conducted a pre-inspection of Mark Hughes' proposed exploration project located approximately 6 miles west of Custer, South Dakota. The legal description for this site is in NW ¼ Section 3; T4S-R3E. Also, in attendance at the inspection were Mark Hughes and his wife, Stan Michals from the Department of Game, Fish and Parks, Lisa Nesselbeck and Cassie Vogt from the Archaeological Research Center and Jonathan Manning from the United States Forest Service (USFS).

The group met at the Big D Sinclair gas station in Custer at 12 pm MDT. We waited approximately 20 minutes for Jonathan Manning to arrive. When he did not, we decided to go ahead and drive to the site. Upon arrival to the site, we encountered Mr. Manning just leaving the access road into the site. After a brief discussion on the condition of the road and the best access to the site with Mr. Manning, the group continued to the site following the planned access road. The road back to the site was very muddy and slick due to snow melt in the area. The initial portion of the road appeared to primarily be used as a powerline access road.

The group arrived at the proposed exploration area at 12:30 pm MDT. One small pit had been hand dug adjacent to the road. Mr. Hughes also pointed out four posts that had been placed at the four corners of the proposed one-acre disturbance limit. This boundary extended both to the east and west of the road. The posts had been placed by USFS during initial review of the Plan of Operations. Mr. Hughes plans on exploring for gold, hematite, tantalum and garnet in this area. The operation will consist of digging several trenches. Mr. Hughes indicated digging would be started along the side of the road and proceed to the east and then possibly to the west. As a trench progresses, it would be backfilled before proceeding to the next trench. He said all excavated material is hauled to his home and processed with a small mechanized gold pan. During the inspection, Mr. Hughes was not certain of the total depth of the trenches but did not anticipate them being deep.

Roberta Hudson also discussed an issue of concern that had been noted during review the Exploration Notice of Intent. There was a conflict with the legal location identified on the BLM mineral claim and the EXNI application (NE¼ Section 3; T4S-R3E) and the legal location of the proposed exploration site (NW ¼ Section 3; T4S-R3E). Since the exploration notice of intent requires the operator to show the right of mineral access to the area being proposed for operation, Ms. Hudson stated this conflict would need to be resolved prior to activity at the site. Mr. Hughes said he used the legal location on the claim for the EXNI application and agreed to investigate it immediately and see where the problem was. (Note: After the inspection Mr. Hughes contacted BLM and the agency determined it was their fault that the original claim paperwork had the wrong legal location. The corrected EXNI application forms and BLM mineral claim information were submitted to the department on March 15, 2021.)

Ms. Hudson also reiterated that because under SDCL 45-6C, exploration activities are not allowed until both a bond had been submitted and the surface owner had agreed to the reclamation plan, the department would not issue the restriction letter for the proposed operation until these two items had been submitted to the department. This would prevent confusion on when operations could begin. The agreement from the surface owner on the reclamation plan is accepted as the approved Plan of Operations from the US Forest Service. During the process of obtaining the Plan of Operations, a bond amount would be agreed to and could be supplied to the state at that time.

Prior to leaving the site, Ms. Hudson asked if either the Archaeological Research Center or Department of Game, Fish and Parks had noted any items of concern during the inspection. No concerns were noted from either agency.

Ms. Hudson also asked Jonathan Manning about the status of the Plan of Operations. He stated they were currently working on getting a one-year Categorical Exclusion approved. However, with the new Biden administration taking over, everything is currently on hold and he was not sure when the categorical exclusion would be issued. Mr. Manning also said since the Forest Service will likely not issue categorical exclusions in the future and it is only effective for one year, it would work on an Environmental Assessment for the site. Once the Environmental Assessment is complete, the Plan of Operations is would be valid for five-year time spans and need renewals. Since the state's Notice of Intent does not have the same deadlines as the US Forest Service Plan of Operations, Ms. Hudson agreed to place a restriction on Notice of Intent to ensure the operator would supply the state with renewed Plans of Operations to ensure they were operating in compliance with US Forest Service requirements.



Photo 1. Small hand dug pit alongside road.

The inspection ended at 1:00 pm MDT.

Inspector: \s/

Date: 06/15/2021