

MINE CONTACT REPORT FORM

Date of Call: _____ Date of E-mail: 3/25, 27, and 29/24, 4/2/24

Telephone call to: _____ DENR Employee Contacted: Eric Holm

Operator Contacted: Ryan Fredsall

Company: Pacer Minerals

Telephone: _____

Staff Signature: _____ \s/

From: Holm, Eric
 Sent: Tuesday, April 2, 2024 7:54 AM
 To: Ryan Fredsall <Ryan@pacerminerals.com>
 Subject: RE: [EXT] Updates Letter

That works too. Thanks.

From: Ryan Fredsall <Ryan@pacerminerals.com>
 Sent: Friday, March 29, 2024 10:26 AM
 To: Holm, Eric <Eric.Holm@state.sd.us>
 Subject: [EXT] Updates Letter

Hi Eric,

I amended item #4. Please let me know if this will work. Corrected Item #4 is in BOLD type

Thanks
Ryan

From: Holm, Eric <Eric.Holm@state.sd.us>
 Sent: Wednesday, March 27, 2024 8:57 AM
 To: Ryan Fredsall <Ryan@pacerminerals.com>
 Cc: Holm, Eric <Eric.Holm@state.sd.us>
 Subject: RE: Send da ta from MFP13810080 03/22/2024 12:10

In the temporary cessation request, you state that Pacer is in contact with the Forest Service and at this point reclamation activities do not need to commence. After checking with Jonathan Manning of the Forest Service, he confirmed that the statement is currently true. However, he also told me that If operations will not be up and running until 2025, then Pacer **will be required** to complete interim shutdown reclamation activities; specifically, spreading native grass seed to disturbed areas, removal of all equipment, and maintain current erosion/sediment control structures (and implement new structures where needed). Since Pacer is required under ARSD 74:29:09:02(6) to comply with the concurrent reclamation requirements of ARSD 74:29:08, Pacer will need to revise the statement in the first item number 4 of the temporary cessation cover letter and explain what reclamation activities will occur to comply with the US Forest Service requirements outlined by Mr. Manning. If you have any questions, please feel free to contact me.



Eric Holm
Engineer III
 Department of Agriculture and Natural Resources
 Minerals, Mining, and Superfund Program
 523 E. Capitol Ave. Pierre SD, 57501

605.773.4201
danr.sd.gov

From: Holm, Eric
Sent: Tuesday, April 2, 2024 7:54 AM
To: Ryan Fredsall <Ryan@pacerminerals.com>
Subject: RE: [EXT] Cessation Reason

The letter will work. Thanks.

From: Ryan Fredsall <Ryan@pacerminerals.com>
Sent: Friday, March 29, 2024 10:01 AM
To: Holm, Eric <Eric.Holm@state.sd.us>
Subject: [EXT] Cessation Reason

Hi Eric,

Please see the attached letter. This is a copy of what I sent explaining the reason for cessation. Will this suffice for your response below?

Thanks
Ryan

From: Holm, Eric <Eric.Holm@state.sd.us>
Sent: Monday, March 25, 2024 2:13 PM
To: Ryan Fredsall <Ryan@pacerminerals.com>
Cc: Holm, Eric <Eric.Holm@state.sd.us>
Subject: RE: [EXT] Send da ta from MFP13810080 03/22/2024 12:10

We received the hard copy of the temporary cessation request today. On the revised application form, you did not address the reason for non-production which was addressed on the previous form. Please submit a corrected form or send a letter explaining the reason for non-production.



Eric Holm
Engineer III
Department of Agriculture and Natural Resources
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1.800.568.2432 info@pacerminerals.com www.pacerminerals.com
25429 US Highway 385, Custer, SD 57730 ISO 9001:2008/14001:2004

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MAR 29 2024

MINERALS & MINING PROGRAM

December 13, 2023

Attn:

Eric Holm

Engineer III

Department of Agriculture and Natural Resources

Minerals, Mining, and Superfund Program

523 E. Capitol Ave. Pierre SD, 57501

To Eric,

As a follow-up to the conversation we had, Pacer Minerals, LLC will be suspending operations for the near future, effective November 1, 2023. At this time, we are evaluating the business to determine a path forward for the company. There is potential that another party may purchase Pacer Minerals, LLC. Once a decision has been made about the future of the company, we will send you a notification.

Best regards,

Ryan Fredsall

General Manager

Pacer Minerals, LLC

C: 828.385.6210

Email: ryan@pacerminerals.com



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MAR 29 2024

MINERALS & MINING PROGRAM

Temporary Cessation of Mining Permit

Permit # 467

Pacer Minerals, LLC.

25429 US Highway 385

Custer, SD. 55730

1. Currently Pacer Minerals, LLC is in the process of being sold. There is not a firm timeline as to when operations will resume, but it is anticipated that it will be sometime in the first quarter of 2025.
2. The mines are inspected routinely by Pacer's remaining personnel. Items inspected are berms, sediment ponds, erosion. Any items issues found are addressed in a timely manner.
3. All mines are gated and have a lock. The mines are checked weekly to ensure that the sites remain secure.
4. Mining operations ceased in November 2024. Mine roads were blocked to limit access. There are currently several stockpiles of ore. To this point there have been no reclamation activities. The USFS has been notified that operations have been idled. Pacer is in contact with the USFS routinely and at this point reclamation activities do not need to commence. **In the event that that reclamation activities need to commence Pacer Minerals, LLC will conduct the reclamation items as outlined in the Plan of Operations on file with the U.S Forest service.**
5. See attachment that the USFS has been notified.

Below added per Eric Holm:

1. Please describe how the sediment ponds will be monitored and how any accumulated sediment will be removed during the period of temporary cessation.
 - **The sediment pond is monitored on a routine basis. Accumulated material will be removed from the pond via excavator and placed in the mine tailings.**
2. Please describe how trash and other waste that accumulates at the mine during the period of temporary cessation will be removed and disposed of.
 - **Any trash or other waste will be removed and disposed of at the Pacer Minerals Plant.**
3. Since noxious weeds such as canada thistle and black henbane have been noted at the mine, please explain how these and other noxious weeds will be controlled during the period of temporary cessation.
 - **Pacer will bring in a weed spraying contractor on a routine basis like what has been done in the past.**
4. Please discuss whether all chemicals, petroleum products, and explosives have been removed from the mine and disposed of or if these items have been stored in a secure facility.



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- All chemicals and petroleum products have been removed for the 4 mines (Brite-X, White Elephant, Virginia, and Pink Monster). The only remaining equipment that remains is at the Brite-X, which includes an excavator and crusher. All other mines have no equipment or storage buildings at them at this point.
6. Please describe how fire protection will be maintained during the period of temporary cessation.
- The mines are visited on a regular basis by Pacer's remaining personnel. As mentioned above all trash, chemicals, and petroleum products have been removed from the mines.
7. Please describe the equipment, tools and power that will be available to conduct maintenance at the mine during the period of temporary cessation.
- All mobile equipment is back at the Pacer Plant. Equipment can be mobilized to the mines as needed for repairs or maintenance.
8. Pacer is required to collect quarterly surface water samples along tenderfoot Creek and a pond at the mine. Please describe how these samples will be collected and analyzed during the period of temporary cessation.
- The water quality samples will continue to be collected by Pacer personnel on a quarterly basis as has been done in the past.

Ryan Fredsall
General Manager
Pacer Minerals, LLC.