

SD EForm - 0429 V2

Department of Environment and Natural Resources
Minerals and Mining Program
Joe Foss Building
523 East Capitol Avenue
Pierre, South Dakota 57501-3182
Telephone: (605) 773-4201 Fax: (605) 773-5286

**NOTICE OF INTENT TO CONDUCT
MINERAL EXPLORATION OPERATION
(Excluding Uranium)**

Pursuant to SDCL 45-6C

Name of Operator: Wharf Resources (USA), Inc.

Address:

10928 Wharf Road
Lead, SD 57754

Name and Address of Operator's Resident
Agent in South Dakota:

CT Corporation
319 S. Coteau Street
Pierre, SD 57501

Telephone Number:

(605) 584-4134

Telephone Number:

(605) 224-5826

Brief Description of the Type of Exploration to be Conducted. Include a list of all minerals to be explored and a description of methods (e.g. drill rig type, proposed depth for each test hole, length of access road construction, and/or other).

Application submittal for gold and silver exploration along the Portland Ridgeline. Wharf plans to use two current EXNIs (#387 & 406) to drill in the same area; this third EXNI will increase the number of holes drilled and decrease hole spacing. Exploration drilling will employ a reverse circulation rig. Maximum planned hole depth is 2,000 feet, and sumps will be used during drilling. Up to 200 drill pads will be constructed under this EXNI, each approximately 20 feet by 40 feet. Trail width is estimated at 16 feet. 7,500 feet of new trails may be established, and up to 14,000 feet of existing trails may be used.

Will the Operator Conduct Uranium Exploration? Y N If Yes, a Permit Pursuant to SDCL 45-6D Must be Obtained.

Date Exploration Will Commence:

April 1, 2021

Legal Description of Land to be Explored by Section, Township, and Range:

N 1/2 of S2 and S3, T4N, R2E

County:

Lawrence

What Legal Authority Does the Operator Have to Conduct Exploration on the Above-Described Land? Attach copy if available.

Deed Lease US Forest Service Permit Pending US Forest Service Permit

Other _____

INSTRUCTIONS (Reference SDCL 45-6C):

This Notice of Intent Must be Accompanied by:

1. A Plan of Reclamation Pursuant to Section 8.
2. A Topographic Map Pursuant to Section 9.
3. A Fee of \$250 Pursuant to Section 17.
4. A Surety Bond in an Amount to be Determined by the Department Pursuant to Section 19.
5. Any Written Landowner Consultations Giving Alternative Preferences for the Reclamation of the Affected Land Pursuant to Section 16.

Applicant affirms that the surface owner has been notified of the proposed mineral development and that said surface owner is aware of his rights to compensation for damages to property pursuant to SDCL 45-5A. Applicant hereby affirms that the mineral exploration will be conducted pursuant and subject to the provisions of SDCL 45-6C, and all regulations promulgated thereunder, that he will grant access to the Board of Minerals and Environment or its agents to the area under notice from the date of the notice and thereafter to assure compliance with the provisions of SDCL 45-6C.

I declare and affirm under the penalties of perjury that this claim (petition, application, information) has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

Ken Nelson
Signature

1-20-21
Date

General Manager
Title

STATE OF South Dakota

COUNTY OF Lawrence

On this 20 day of January, 20 21, before me personally appeared Ken Nelson who acknowledged himself to be

the General Manager for Wharf Resources (USA), Inc.
(Title) (Operator)

and that he is authorized to execute this Notice for the purposes contained therein.

Kourtney Peterson
Notary Public

My Commission Expires: April 2, 2025



FOR DEPARTMENT USE ONLY

DATE APPROVED: BOND AMOUNT: EXNI NUMBER:

Chairman, SD Board of Minerals & Environment

In preparing this Reclamation Plan, please address each item in detail, following SDCL 45-6C-8 and 45-6D-9. Also, refer to the reclamation standards outlined under SDCL 45-6C-27 through 45-6C-34, SDCL 45-6D-33 through 45-6D-39, and the state's hole plugging regulations as detailed under ARSD 74:11.

- 1.) Describe the type of reclamation the operator proposes to achieve in the reclamation of the affected land.

Wharf will use a backhoe, loader, and/or bulldozer, as necessary, to conduct the earthwork required for reclamation. After sloping and topsoiling is complete, Wharf will seed the affected land with broadcast seeders or a hydroseeder, depending on location and availability. Wharf will use its nurse crop and permanent seed mix, both previously approved by DENR and Lawrence County NRCS, to complete seeding.

- 2.) Provide a proposed timetable for seeding and replanting indicating when and how the reclamation plan will be implemented. Such timetable shall be developed after consulting with the County District Conservationist as to the nature of the soils and native vegetation in the area of the proposed operation. These recommendations shall be followed, if any are provided, and copies of all correspondence shall be provided to the Department.

Reclamation will generally occur during the fall, after exploration drilling has concluded. Drill pads and trails that have no future use will be reclaimed during the same year. Drill pads and trails that are needed for reentry, additional drilling, or other ancillary uses on Wharf land will be reclaimed following the conclusion of those activities.

- 3.) Describe how the reclamation plan will rehabilitate the affected land.

Reclamation activities are designed to return the land to approximately original topography. Seed mixes are designed to achieve sustained success at elevation, to ensure soil stability, and to provide forage and cover use for wildlife.

- 4.) Describe the anticipated temporary and permanent plugging and capping procedures to be used (refer to SDCL 45-6C-28 through 45-6C-30, SDCL 45-6D-33 through 45-6D-35, and the state's hole plugging regulations as detailed under ARSD 74:11).

All drilling and plugging of exploration holes will be conducted by a certified drilling contractor. Wharf and the contractor will adhere to all applicable South Dakota laws and regulations.

- 5.) Provide the estimated cost of: a) implementing and completing the proposed reclamation and; b) the estimated cost of plugging and sealing each test hole.

Hole plugging costs covered under existing \$20,000 Wharf statewide surety.

I declare and affirm under the penalties of perjury that this claim (petition, application, information) has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

Operator Signature: _____

H. C. W.

Title: _____

General Manager

Date: _____

1-20-21

STATE OF SOUTH DAKOTA
BEFORE THE SECRETARY OF

THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

IN THE MATTER OF THE)
APPLICATION OF)
Wharf Resources (USA), Inc.)
STATE OF South Dakota)
COUNTY OF Lawrence)

CERTIFICATION OF
APPLICANT

I, Ken Nelson, the applicant in the above matter after being duly sworn upon oath hereby certify the following information in regard to this application:

I have read and understand South Dakota Codified Law Section 1-40-27 which provides:

"The secretary may reject an application for any permit filed pursuant to Titles 34A or 45, including any application by any concentrated swine feeding operation for authorization to operate under a general permit, upon making a specific finding that:

- (1) *The applicant is unsuited or unqualified to perform the obligations of a permit holder based upon a finding that the applicant, any officer, director, partner, or resident general manager of the facility for which application has been made:*
 - (a) *Has intentionally misrepresented a material fact in applying for a permit;*
 - (b) *Has been convicted of a felony or other crime involving moral turpitude;*
 - (c) *Has habitually and intentionally violated environmental laws of any state or the United States which have caused significant and material environmental damage;*
 - (d) *Has had any permit revoked under the environmental laws of any state or the United States; or*
 - (e) *Has otherwise demonstrated through clear and convincing evidence of previous actions that the applicant lacks the necessary good character and competency to reliably carry out the obligations imposed by law upon the permit holder; or*
- (2) *The application substantially duplicates an application by the same applicant denied within the past five years which denial has not been reversed by a court of competent jurisdiction. Nothing in this subdivision may be construed to prohibit an applicant from submitting a new application for a permit previously denied, if the new application represents a good faith attempt by the applicant to correct the deficiencies that served as the basis for the denial in the original application.*

All applications filed pursuant to Titles 34A and 45 shall include a certification, sworn to under oath and signed by the applicant, that he is not disqualified by reason of this section from obtaining a permit. In the absence of evidence to the contrary, that certification shall constitute a prima facie showing of the suitability and qualification of the applicant. If at any point in the application review, recommendation or hearing process, the secretary finds the applicant has intentionally made any material misrepresentation of fact in regard to this certification,

consideration of the application may be suspended and the application may be rejected as provided for under this section.

Applications rejected pursuant to this section constitute final agency action upon that application and may be appealed to circuit court as provided for under chapter 1-26.”

I certify pursuant to 1-40-27, that as an applicant, officer, director, partner, or resident general manager of the activity or facility for which the application has been made that I; a) have not intentionally misrepresented a material fact in applying for a permit; b) have not been convicted of a felony or other crime of moral turpitude; c) have not habitually and intentionally violated environmental laws of any state or the United States which have caused significant and material environmental damage; (d) have not had any permit revoked under the environmental laws of any state or the United States; or e) have not otherwise demonstrated through clear and convincing evidence of previous actions that I lack the necessary good character and competency to reliably carry out the obligations imposed by law upon me. I also certify that this application does not substantially duplicate an application by the same applicant denied within the past five years which denial has not been reversed by a court of competent jurisdiction. Further;

“I declare and affirm under the penalties of perjury that this claim (petition, application, information) has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.”

Dated this 20 day of January, 2021.

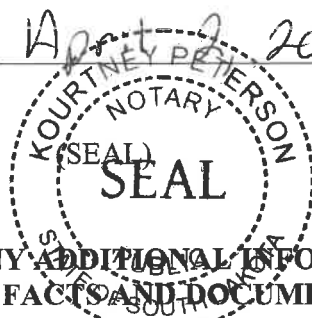
Ken Nelson
Applicant (print)

[Signature]
Applicant (signature)

Subscribed and sworn before me this 20 day of January, 2021.

[Signature]
Notary Public (signature)

My commission expires: April 2, 2025



PLEASE ATTACH ANY ADDITIONAL INFORMATION NECESSARY TO DISCLOSE ALL FACTS AND DOCUMENTS PERTAINING TO SDCL 1-40-27 (1) (a) THROUGH (e). ALL VIOLATIONS MUST BE DISCLOSED, BUT WILL NOT AUTOMATICALLY RESULT IN THE REJECTION OF AN APPLICATION

WHARF RESOURCES (U.S.A.), INC.

LIST OF NOTICES OF VIOLATION

Eight Notices of Violation have been issued to Wharf Resources since 1983.

1. Notice of Violation issued 5/24/84.
Reason: a. Wharf failed to install hypalon liner in the Overflow Pond prior to use.
 b. Wharf failed to allow a minimum of 2 feet of freeboard in the ponds.
 c. Wharf failed to report the possible release of cyanide into the environment within 24 hours as required.

2. Cease and Desist Order issued 6/12/84.
Reason: Failed to comply with 5/24/84 Notice of Violation and Order.

3. Two Notices of Violation issued 10/13/95.
Reason: From 8/21/95 through 8/28/95, Wharf discharged inadequately treated cyanide solution into Ross Valley and subsequently into Annie Creek. Two Notices of Violations were issued, one under mining and one under the water pollution laws.

4. Notice of Violation issued 12/12/97.
Reason: Wharf exceeded the nitrate ground water standard in two shallow wells and the total cyanide limit in its surface water discharge permit for Ross Valley and Annie Creek.

5. Notice of Violation issued 5/31/00.
Reason: Wharf exceeded the selenium standard for Annie Creek, exceeded the ammonia standard for the outfall from the Ross Valley denitrification facility and failed an acute whole effluent toxicity test in Ross Valley.

6. Notice of Violation issued 8/7/01.
Reason: Wharf exceeded the selenium standard for Annie Creek and had a failure of the Pregnant Pond Leak, Detection, Collection, and Recovery System (LDCRS) causing process solution to be released to the environment.

7. Notice of Violation issued 1/28/03.
Reason: Wharf exceeded the ammonia standard for Annie Creek, the nitrate standard for Ross Valley ground water, and the nitrate and bacteria standards in the drinking water supply well.

8. Notice of Violation issued 3/20/2008.
Reason: Wharf exceeded the Surface Water Discharge and Mining permits standards 26 times between March 2005 and March 2008.