

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

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SEP 02 2016
MINERALS & MINING PROGRAM

NOTICE OF INTENT TO CONDUCT
MINERAL EXPLORATION OPERATION
(Excluding Uranium)
Pursuant to SDCL 45-6C

Name of Operator: Kenneth & Nancy Denke (Queen Bee)

Address:
21150 Creighton Road
Creighton, SD 57790 -6411

Name and Address of Operator's Resident Agent in South Dakota:
Kenneth & Nancy Denke
21150 Creighton Road
Creighton, SD 57790

Telephone Number:
(605) 457-2266

Telephone Number:
(605) 515-0090

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).

Exploring for gold, silver and platinum. We estimate that less than 1 acre of surface will be disturbed above ground. We plan to use air and/or water generated jack legs and drills to a depth of 6-8 feet. Micro blasting power loads may be used to crack rock to enable us to obtain the best possible samples. The drilling and blasting will all be underground. Since this is private property it is currently all accessible and no new roads are planned at this time. Other equipment that may be used in the process to include generators, skid steer, truck and trailers and back hoe, gold cube, vibration table, gold pans, rock crusher, pick, shovel. Some will

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

Date Exploration Will Commence:
July 15, 2016

Legal Description of Land to be Explored by Section, Township, and Range:
All land lays within T1NR4E, Sec 22, 23, 26 & 27. Known as New Holland MS#2, Sec 26 & 26 (8.15 Ac); Queen Bee MS #609, Sec 22 & 26 (10.33 Ac); Landis MS#612, Sec 26 & 27 (9.80 Ac); Hidden Treasure MS#607, Sec 26 (10.33 Ac); Summer Cloud MS#611, Sec 26 & 27 (8.31 Ac) Queen Bee MS#608, Sec 23 & 26 (6.60 Ac); Western Bell MS#610, Sec 22, 23, 26 & 27(10.33 Ac)

County:
Pennington

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 _____

Also be mailed out for analysis. Since all equipment at this time is small, hobby type equipment, we have the option of processing anywhere. Both on and off the property. Eventually all processing will be completed in the proposed building.

The skid steer will be used for moving the rock/ore to area to be processed. We currently do not have a back hoe. This item was will be used when and if needed. At this time the bulk sampling will be from the underground workings. Any additional test holes, if drilled will be backfilled, plugged and capped as per the state regulations then covered with the saved topsoil and seeded to match the surrounding areas.

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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.

Kenneth J. Denke
Signature

7, 18 16
Date

Owner
Title

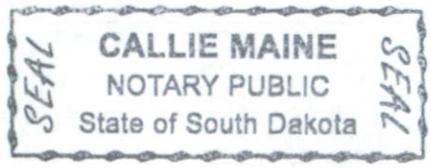
STATE OF South Dakota
COUNTY OF Pennington

On this 18 day of July, 20 16, before me personally appeared Kenneth Denke who acknowledged himself to be the owner (Title) for _____ (Operator)

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

Callie Maine
Notary Public

My Commission Expires: July 21, 2022 My Commission Expires



FOR DEPARTMENT USE ONLY

DATE APPROVED: _____ BOND AMOUNT: _____ EXNI NUMBER: _____
Chairman, SD Board of Minerals & Environment

Department of Environment and Natural Resources
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EXPLORATION RECLAMATION PLAN
MINERALS & MINING PROGRAM Pursuant to SDCL 45-6C-8 and 45-6D-9

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.

Spoke with Matt Odden, District Conservationist for Pennington County. (See attached letter.) Reclaimed land will be restored grassland. No grazing is intended at this time. Most all exploration will be done within the established or reopened mines and will not require reclamation. All reclamation on the property will be done to standards that will allow the most natural, safest and best outcome for personal use.

- 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.

No timeframe has been established as this is a private family project being done as time permits. All reclamation will be done in a timely and ongoing fashion.

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

As this is private property all reclamation will be done to enhance the property for personal use and beauty. All grass seed used will be as directed by Mike Odden, District Conservationist for Pennington County. (See attached letter.) Other reclamation will be determined at the proper time as to the best use.

- 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).

In the event there are any test holes outside of the current underground or reopened mines they will be refilled with the extracted material when possible. The remainder will be filled following current guidelines.

- 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.

No estimates at this time.

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: _____

Kenneth S. Reese

Title: Owner

Date: _____

8/23/14



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SEP 02 2016

MINERALS & MINING PROGRAM

June 7, 2016

Dear Nancy,

I am writing in response to your request for information in regards to reclamation of mining areas. The best time to seed for highest success of seedlings is early spring prior to May 15th for most cool and warm season species. Depending on moisture conditions of the site, seeding between August 1 – September 1 can also work for cool season species in some years but only if enough moisture is available. Dormant seeding, typically after November 1 can be successful as well but may not be realistic in some areas that get snow early.

Planting with a drill typically produces the best results as it gets the seed to soil contact that is desired. In reclamation it is not always possible to plant with a drill, in these situations if broadcast seeding will be done the seeding rate should be increased by 1.5-2 times the drilled rate. Also if broadcast seeding, using a drag or harrow to incorporate the seed into the soil after broadcasting will improve results.

In regards to species, I would recommend use of native species as their long term survival will likely be the best. There are also many tame (introduced) grass species that are well adapted to the Black Hills. If erosion may be a concern prior to establishment of the perennial species then a fast growing annual should be included for quick cover such as oats, annual ryegrass, etc.

You mentioned that in the past you had used the Black Hills mix from Warne Chemical. I looked up this mix and it would certainly work, it is primarily introduced species but the species included are all known to do well in the Black Hills. The seed mix details from the website are listed below:

BLACK HILLS RECLAMATION MIX

- 20% Kentucky Bluegrass
- 15% Timothy Climax
- 15% Western Wheatgrass VNS
- 15% Canada Bluegrass VNS
- 10% Alsike Clover VNS
- 10% Slender Wheatgrass VNS
- 10% Annual Ryegrass VNS
- 5% Medium Red Clover

A blend for reclamation of area disturbed by grading, digging and disturbed top soils. Rate: 20-28 pounds per acre broadcast; 8-12 pounds per acre drilled.

A seeding mix that I have seen recommended by Forest Service, which would also work on your site is:

- Slender Wheatgrass 6.5 lb. PLS(Pure Live Seed)/acre
- Prairie Junegrass 1.3 lb. PLS/ac.
- Western Wheatgrass 7.8 lb. PLS/ac.
- Canada Wildrye 7.8 lb. PLS/ac.
- Annual Ryegrass 2.6 lb. PLS/ac.

Either of these seeding mix options would be acceptable, if you would like to plant something different please contact my office and we can come up with a custom mix that will work for your site. Let me know if you have any questions.

Sincerely,

Matthew Odden
District Conservationist