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DIVISION OF RECLAMATION
MINING AND SAFETY

March 11, 2016

Tim Cazier
Colorado Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, Colorado 80203

RE: Zephyr Gold USA Ltd (Zephyr)
Dawson Gold Project P-2013-002
NOI Modification, Revision No. MD-2

Dear Mr. Cazier,

Please accept Modification-2 to P-2013-002 in Section 14, Township 19 South, Range 71 West, Fremont County, Colorado to construct approximately 500 feet of road west of drill pad #1 instead of approximately 700 feet of road to proposed drill pad #5.

On February 23, 2016, road construction began as approved by MD-1. Construction of the road leading to drill pad #4 did not encounter the resource as anticipated. The road to drill pad #4 was completed but exploration drilling is no longer needed from drill pad #5 approved by MD-1. The road and the pad, therefore, will not be constructed.

Subsequent vicinity surface investigation revealed resource potential near the toe of Windy Gulch, west of drill pad #1, west of the existing mountain road within privately held Last Show Placer. Zephyr submits this request to modify the NOI to construct approximately 500 feet of road west of drill pad #1.

The currently posted bond includes reclamation of 1700 linear feet of road. This modification does not increase linear feet but rather replaces a portion of the MD-1 approved road with the same or less linear feet of proposed road.

Thank you in advance for your time and attention. Please contact me directly with any questions.

Respectfully submitted,

Angela M. Bellantoni Ph.D.

Cc:
Loren Komperdo
Will Felderhof

Dave Felderhof
Environmental Alternatives Inc.
Stephanie Carter, BLM

1107 Main Street, Cañon City, CO 81212
www.envalternatives.com • e-mail: eai@bresnan.net
Phone: 719-275-8951 • Fax: 719-275-1715

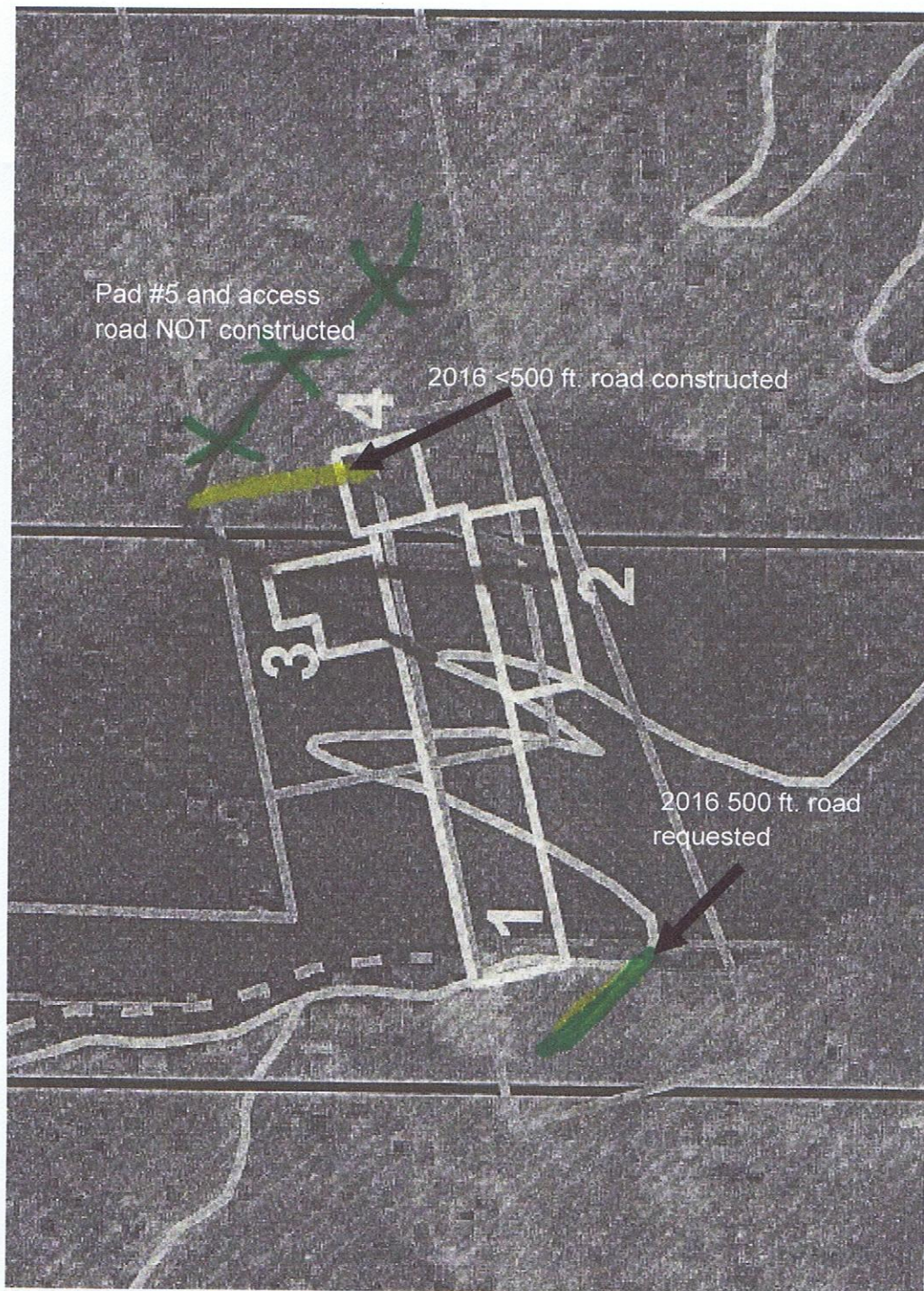


Figure 1: 2016 Proposed road relocation.

EnVironmental Alternatives Inc.,

1107 Main Street, Cañon City, CO 81212
www.envalternatives.com • e-mail: eai@bresnan.net
Phone: 719-275-8951 • Fax: 719-275-1715

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY Department of Natural Resources

1313 Sherman St., Room 215
Denver, Colorado 80203
Phone: (303) 866-3567
FAX: (303) 832-8106



FORM 2 (Public File) NOTICE OF INTENT TO CONDUCT PROSPECTING OPERATIONS FOR HARD ROCK/METAL MINES

CHECK ONE:

☐

There is an NOI Number Already Assigned to this Operation

☐

P- (Please reference the file number assigned to this operation)

☐

New NOI

☒

Modification to an Existing NOI

NOI# P-2013-002 (Provide for Modifications to an existing NOI)

GENERAL OPERATION INFORMATION

Type or print clearly, in the space provided, ALL information described below.

I. GENERAL INFORMATION

1. **DATE NOI RECEIVED BY THE DIVISION:** _____ (office use only)

2. **PROJECT NAME:** Dawson Gold Project

8. **PROSPECTOR:**

Name: David Felderhof

Title: President

Company Name: Zephyr Gold USA Ltd

Street: 1959 Upper Water Street, S

P.O. Box:

City: Halifax

State: Nova Scotia, Canada

Zip Code: B3J 3N2

Telephone Number: (902) 446-4189

Fax Number: (866) 941-4715

PERSON MLRB SHOULD CONTACT:

Name: Angela Bellantoni

Title: Consultant

Company Name: Environmental Alternatives Inc.

Street: 1107 Main Street

P.O. Box:

City: Canon City

State: Colorado

Zip Code: 81212

Telephone Number: (719) 275-8951

Fax Number:

9. **APPLICATION FEE:** \$86. (NOIs and modifications require an \$86 fee which must accompany this notice or it cannot be processed by the Division).

10. **LOCATION INFORMATION:**

County: Fremont

PRINCIPAL MERIDIAN (check one) ☒ 6th (Colorado) ☐ 10th (New Mexico) ☐ (Ute)

SECTION (write number): S 14

TOWNSHIP (write number and check direction) T 19 North ☐ South ☒

RANGE (write number and check direction) R71 East ☐ West ☒
 QUARTER SECTION (check one): ☐ NE ☐ NW ☐ SE ☒ SW
 QUARTER/QUARTER SECTION (check one): ☐ NE ☐ NW ☐ SE ☐ SW

GENERAL DESCRIPTION: (the number of miles and direction to the nearest town and the approximate elevation):
4.2 miles southwest of Canon City, CO , Elevation 6540 feet

NOTE: Supply longitude and latitude or UTM coordinates if lands have not been surveyed or as supplemental information to this NOI. GPS measurements will be acceptable for this purpose: 38o23'26.18"N, 105o17'48.06"W

11. LAND OWNERSHIP

Private ☒ Public Domain (BLM) ☒ National Forest (USFS) ☐
 State ☐ State Sovereign Lands ☐ Other (please describe): _____

If prospecting is located on BLM or USFS land the remaining section must be completed, otherwise go to section II Maps & Drawings

12. PROSPECTING ON BUREAU OF LAND MANAGEMENT (BLM) LAND AND U.S. FOREST SERVICE (USFS) LAND

The Division and the BLM/USFS have entered into cooperative agreements that eliminate the need for a prospector to post a financial warranty with each agency and allow them to coordinate the review of the NOI in order to minimize administrative processing time and effort.

G. CLAIMANT:

Name: Jascan Resources USA
 Address: 1595 Upper Water Street, Suite 1700
Halifax, Nova Scotia, Canada
B3J 3N2
 Telephone: (902) 446-4189
 Fax Number: (866) 941-4715

H. SITE/CLAIM INFORMATION:

List names, serial numbers and provide legal description to nearest quarter-quarter section of all sites or claims (attach additional page, if necessary).

NAME	SERIAL NUMBER	LEGAL DESCRIPTION
SAM 8	CMC2408	SWSE Sec 14, T19S, R21W
SAM 10	CMC2410	SWSW Sec 14, T19S, R21W
SAM 11	CMC2411	SWSW Sec 14, T19S, R21W
Copper King Load		
Last Show Load		

I. **LOCATION MAP:** Attach a USGS 7.5 minute quad, or similar map of adequate scale, which locates the prospecting site(s).

J. Are prospect sites (e.g., drill holes, trench locations, etc...) staked on the ground? Yes ☐ No ☒

K. Specify the Land Management Agency, Address and Telephone Number:

Stephanie Carter

US BLM Royal Gorge Field Office

3028 East Main Street

Canon City, CO 81212

L. The prospector is required to document that the NOI has been sent to the BLM or the USFS. Processing of the NOI will not begin until the prospector has submitted evidence acceptable to the Division that the NOI was sent to the BLM or USFS. Check one:

- ☒ Evidence of notification is attached to this NOI for BLM Land
☐ Evidence of notification is attached to this NOI for USFS Land.
☐ Other proof of notice is attached to this NOI

II. MAPS & DRAWINGS

Accurate topographic base map showing the location of the proposed project must be submitted with this notice. The prospector may submit a U.S.G.S. 7.5 minute quadrangle, or similar map of adequate scale that:

3. identifies the proposed prospecting site(s) or activity areas involving surface disturbance. Activity areas include all drill holes, mud pits, excavations, trenches, adits, shafts, tunnels, rock dumps, stockpiles, impoundments and prospecting roads, and
4. includes sufficient detail to identify and locate known prospecting features and facilities that may be affected and those that are not anticipated to be affected. This includes the location of all drill holes, mud pits, excavations, trenches, adits, shafts, tunnels, rock dumps, stockpiles, impoundments and prospecting roads. Color photographs, adequately labeled (including date, orientation and location), of the prospecting site may be used to fulfill this requirement if included with the NOI submittal.

III. PROJECT DESCRIPTION

7. Mineral(s) and/or Resource(s) being Investigated: Gold

8. Estimated dates of commencement and completion:

Commencement: 11/15/2015,

Completion: 06/01/2016,

9. Amount of material to be extracted, moved or proposed to be moved: 2.00

10. Identify the type or method of prospecting proposed and quantity (place an "X")

- | | | | |
|---------------------------------------|--|--|-----------------------------------|
| <input type="checkbox"/> Cuts | <input type="checkbox"/> Pits | <input type="checkbox"/> Trenches | <input type="checkbox"/> Declines |
| <input type="checkbox"/> Shafts | <input type="checkbox"/> Tunnels | <input type="checkbox"/> Adits | |
| <input type="checkbox"/> Air Drilling | <input checked="" type="checkbox"/> Fluid Drilling | <input type="checkbox"/> Drilling & Blasting | |

11. Describe proposed surface excavation or other land disturbance, including roads, pits, trenches, waste piles, drill pads and collar areas of underground workings, ponds, etc...

Approximately 500 feet of road was constructed at the top Windy Gulch. The rock formation did not display during road construction as predicted. Based on the field findings, the remaining 500 feet of road will be constructed at the toe of Windy Gulch near location #1 in the road as presented on the enclosed diagram.

12. **Proposed Disturbance** (approximate) Describe the proposed drilling to be conducted, including anticipated number of holes, diameter, depth, location, etc... Submit additional pages if necessary:

- A. Drill Pads: Quantity 0.00 Average Width _____ (ft) Average Length _____ (ft)
 B. Drill Holes: Quantity 0.00 Depth _____ (ft) Diameter _____ (in)
 C. Mud Pits: Quantity 0.00 Average Width _____ (ft) Average Length _____ (ft)
 Average Depth 0.00 (ft)

Described proposed underground work, including reopening of old workings, advancement of adits or shafts, trenches, pits, cuts, rock dumps, or other types of disturbance, describe type, quantity and general dimensions:

- F. Other Disturbances (please describe):

NA

- G. Indicate Chemicals and Fuels used or stored on site. List type, quantity and method to store.

NA

- F. New Road(s): Length 500.00 (ft) Width 10.00 (ft)
 Significantly Upgraded Road(s) Length 0.00 (ft) Width _____ (ft)

Are culverts or other crossings proposed? If so, please describe: _____

No

G. Total project area to be disturbed 0.11 (acres)

K. Describe the equipment to be used for the prospecting operations:

Grader and/or blade

L. Describe and locate any structures to be constructed (i.e. stockpiles, ponds, impoundments):

None

M. Describe anticipated relationship to surface water and groundwater (proximity to streams, penetration of ground water aquifers):

No surface or groundwater is in the area.

IV. OPERATION AND RECLAMATION MEASURES:

1. The Board suggests that a photographic record of the pre-prospecting and post-prospecting conditions be kept by the prospector. These photos should be taken from the same location and by the same method to clearly show the pre-prospecting condition of the land and the reclamation efforts. Upon completion of reclamation and request for bond or surety release, the Board may consider the photos as evidence of adequate reclamation, and thus, be able to act more quickly on the request for release.
2. Provide a description of the native vegetation of the area to be disturbed, including tree, shrub, and grass communities of the area. Color photographs, sufficient to adequately represent the ecology of the site and adequately labeled (including date, orientation and location), may be used in lieu of a written description. Based on the quality of the photographs, the Division may require additional detail.

Native vegetation includes pinyon and juniper with an understory of sciberber needlegrass, western sheatgrass, blue grama, sideoats grama, gambel oak and mountain mahogany.

8. Describe the estimated topsoil depth and how topsoil will be salvaged, stockpiled and redistributed for the re-establishment of vegetation. Specify approximate topsoil redistribution depth:

The target area is rugged mountain with minimal topsoil, less than four inches in areas of interest.

9. Describe how drill holes will be plugged (refer to Rule 5.4 of the Rules for required abandonment procedures):

NA

10. Describe how portals, adits, shafts, ponds, excavations, or other disturbances will be reclaimed (refer to Rule 3 and Rule 5 for specific reclamation performance standards). You may wish to contact the Division for closure specifications.

Upon completion of exploration, surface material will be distributed and graded with a dozer to blend with surrounding topography. Seeding and mulching will occur as directed by US BLM and the Division.

11. Describe how roads will be reclaimed or returned to their pre-prospecting (or better) condition:

Roads built during exploration that will not be part of the mine plan will be graded to match surrounding topography. The target area is mountain face and outcrop. Rock debris in the vicinity will be placed on the graded surface.

12. List the seed mixture to be used in the re-establishment of vegetation. See the attached seed mixture calculation to obtain PLS/acre. For assistance with formulating seed mixtures and rates, contact the local NRCS if on private land, BLM/USFS if on public land or State Land Board if on state land.

A. Provide plant name and seeding rate

Plant Name	Seeding Rate (PLS/acre)
NA	

B. Describe the method for seed bed preparation, and application method for grass/forb seeding:

NA

V. TERMS AND CONDITIONS FOR PROSPECTING OPERATIONS:

3. Reclamation measures shall be fulfilled in a timely manner and completed within five (5) years of completion of prospecting activities.
4. The prospecting operations described in this Notice will be conducted in such a manner as to minimize surface disturbances. In addition to the measures required in Rule 5, precautions to be taken include:
 - A. Confinement of operations to areas near existing roads or trails, where practicable. Existing roads which are to remain as permanent roads after prospecting activities are completed shall be left in a condition equal to or better than the pre-prospecting condition;
 - B. Drilling shall be conducted in such a way as to prevent cuttings and fluids from directly entering any dry or flowing stream channel. Drill cuttings must be spread to a depth no greater than one-half (1/2) inch or buried in an approved disposal pit;

VIII. SIGNATURE REQUIREMENT

Please place your initials on the line provided:

DF

I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned prospecting site as required by the Colorado Mined Reclamation Act and the rules as specified in the Hard Rock/Metal Mining Rules and Regulations and this NOI form.

DF

I have enclosed the required permit fee.

DF

I authorize the Division to contact and copy the BLM and/or USFS on any correspondence related to the prospecting operation, if the prospecting operation is located on federal public land.

DF

I have also enclosed the appropriate reclamation surety amount or will post an amount as determined by the office, based on the projected costs of reclamation.

DF

I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Reclamation, Mining and Safety.

DF

I accept and agree to comply with the foregoing terms and conditions and with all of the provisions of Rules 3 and 5, and C.R.S. 34-32-101.

DF

I hereby certify that concurrent with submittal of this NOI to the Division, I have sent notice to the Boards of County Commissioners in the Counties where the proposed activities will occur. This notice also indicated that non-confidential information regarding the proposed activities will be available for review at the Division's website.

This form has been approved by the Mined Land Reclamation Board pursuant to section 34-32-113, C.R.S., of the Mined Land Reclamation Act. Any alteration or modification of this form shall result in voiding any NOI issued on the altered or modified form and subject the operator to cease and desist orders and civil penalties for operating without a NOI pursuant to section 34-32-123, C.R.S.

I, the undersigned, being the NOI holder or the person authorized to sign on behalf of the NOI holder, declare that the information given in this NOI form is true and correct.

SIGNATURES MUST BE IN BLUE INK

Signed and dated this 8 day of March, 2016.

Signature of NOI holder or person authorized to sign:

David Feklerhof

Name (typed or print) David Feklerhof

Title/Position: President

Yellow road was built
Grey road with green X was
not built.
Green road is the new additional
road

