

Department of Natural Resources

1313 Sherman Street, Room 215 Denver, CO 80203

April 27, 2016

Mr. David Felderhol Zephyr Gold USA Ltd 1959 Upper Water St. Halifax, Nova Scotia B3J 3N2 Canada

Re: Dawson Gold Project, DRMS NOI File No. P-2013-002; Notice of Deficiencies for NOI Modification, Revision No. MD-2

Dear Mr. Felderhol:

On April 21, 2016, the Division of Reclamation, Mining and (Division) received your modification application fee for your Notice of Intent to Conduct Prospecting Operations (NOI) Modification (MD-02). The Division assumes <u>no</u> information in the NOI application is to be considered confidential as only Form 2 was submitted and the application presents similar changes to what was proposed for MD-01 which was non-confidential. The Division requires clarification on the following:

The cover letter explains the rationale for changing the location and alignment of the proposed drill road. However, there is no discussion on the subject of a drill pad at the end of the proposed new location/alignment. Please confirm no new pad is proposed and drilling will occur within the width and length of the proposed road.

If no new drill pad is proposed, the current bond is considered adequate for the existing and proposed disturbance.

Pursuant to Rule 5.1.3(c), the above deficiencies are required to be addressed within 60 days of this notice or the Division may deny the modification application. Please be advised the Dawson Gold Project Prospecting Modification Application may be deemed deficient and the application may be denied on May 23, 2016 unless the abovementioned deficiencies are addressed to the satisfaction of the Division.

If you have any questions, please contact me (303-866-3567 ext. 8169).

Sincerely,

Timothy A. Cazier, P.E.

Environmental Protection Specialist

ec: Wally Erickson, DRMS

DRMS file

Dr. Angela Bellantoni, EAI Stephanie Carter, BLM

