



## United States Department of the Interior

### BUREAU OF LAND MANAGEMENT

Royal Gorge Field Office  
3028 East Main Street  
Cañon City, Colorado 81212



3809 LLCOF02000  
COC 77472

DEC 12 2016

Zephyr Gold USA Ltd.  
Attn: David Felderhof  
1959 Upper Water St.  
Halifax, Nova Scotia B3J 3N2:  
Canada

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Surface Management

Dear Mr. Felderhof,

The Zephyr Gold USA Ltd. Notice Modification (MD-3) to construct new roads for use in exploration in T19S, R71W, section 14 in Fremont County, CO was received in this office on November 21, 2016.

Consistent with the surface management regulations at 43 CFR 3809.311(a), the BLM has reviewed the Notice Modification to determine if it meets the content requirements at 43 CFR 3809.301(b). Based on our review, the following information is still needed from Zephyr Gold USA Ltd. in order for BLM to continue processing the Notice.

- In the Modification, the target area for the proposed roads was described as being “mountain face[s] and rock outcrop[s]” and the equipment to construct the roads was described as being a “grader and/or blade”. Please clarify the level of roadwork required. Additionally, as the proposed roads will be cut across “mountain face[s] and rock outcrop[s]” please specify the vertical cut dimension and grade for the proposed roads.
- At present, the Modification’s reclamation plan does not include the revegetation of the reclaimed and re-contoured exploration roads. Hand seeding the roads needs to be done for successful reclamation. The existing seed mixture from the 11/03/2015 filing would be sufficient for such purposes.
- Fluid Drilling was identified as the type/method of proposed prospecting; however, it appeared that the Modification was focused on air drilling. Please clarify. Additionally, the Modification needs to include details for drill hole abandonment, in accordance with CDRMS regulations.

Until a complete Notice Modification is filed with this office, the BLM is unable to determine that your proposed operations will not result in unnecessary or undue degradation as defined under 43 CFR 3809.5.

Required Financial Guarantee – The Colorado Division of Reclamation, Mining and Safety (CDRMS) currently holds a financial guarantee in the amount of \$51,275 for these exploration operations. This office will coordinate with CDRMS on the reclamation cost estimate you provided for this project.

The financial guarantee must be redeemable by both the Secretary and the State and BLM must concur in the approval, release, or forfeiture of a financial guarantee for public lands. Therefore, please coordinate with CDRMS to obtain the appropriate paperwork that will include BLM as a co-obligee on the financial guarantee for this operation.

If you have any questions, please contact Stephanie Carter at 719.269.8551.

Sincerely,

A handwritten signature in black ink, appearing to read 'KEB', is written over a horizontal line.

Keith E. Berger  
Field Manager  
Royal Gorge Field Office

cc: Angela Bellantoni, Ph.D., EAI  
Tim Cazier, CDRMS