

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Royal Gorge Field Office 3028 East Main Street Cañon City, Colorado 81212



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Zephyr Gold USA Ltd. Attn: David Felderhof 1300-1959 Upper Water St. Purdy's Wharf Tower 1 Halifax, Nova Scotia B3J 3N2 Canada

Surface Management

Dear Mr. Felderhof,

Zephyr Gold USA Ltd. provided additional information regarding Notice Modification (MD-3) on March 15, 2017.

Based on the review of data that is currently available, there does not appear to be a direct conflict with archeological sites or threatened and/or endangered species and their habitat within the proposed disturbance boundary. Although not currently identified, continued awareness during project implementation is critical so cultural resources are not inadvertently disturbed or destroyed. Regulations outlined in 43 CFR 3809.420 provide further details on performance standards that also apply to your notice operation, which include those related to cultural resources and threatened or endangered species.

After fully reviewing this submittal, it has been determined that your notice modification is complete. In accordance with 43 CFR 3809.312(c), a financial guarantee was submitted prior to beginning exploration operations under the notice. BLM has determined that this existing financial warranty is not currently adequate to include the proposed activities associated with this modification. This office will coordinate with CDRMS on the reclamation cost estimate you provided for this project, now that the notice is complete. 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.

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

Sincerely,

Keith E. Berger Field Manager Royal Gorge Field Office

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