



Minerals Exploration/Sampling/Testing Inspection
U.S. Department of the Interior
Bureau of Land Management
Royal Gorge Field Office



REVISED

The BLM has conducted an inspection of your operations, which concludes whether the documented operations on file with BLM are compliant or non-compliant. Any non-compliance issues are reported in the Additional Actions Necessary section of this inspection.

Operation Type: ☐ 3600 ☐ 3809 w/ occupancy ☒ 3809 w/o occupancy

Date: 09/14/18 Time: 10:18 am Weather: Sunny	Operation Name: Dawson Mountain Operator: Zephyr Case Number: COC077472 CDRMS #: P2013002
Attendees BLM: Stephanie Carter & Amber Sanderson Operator(s): Mark Graves, Will Felderhof & Loren Komperdo Other(s): Angela Bellantoni	General Operation(s) are in compliance with documentation on file <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Operation(s) and disturbance on-site coincide with the operations and access on file <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

Inspection Purpose: ☐ Pre-Operations ☒ General ☐ Final ☐ Trespass ☐ Complaint

Inspection Items	Compliant	Non-Compliant	N/A
1. Method of Operations			
Drilling, Trenching/Surface Excavation & Underground Excavation			
a. Drilling <ul style="list-style-type: none">Pad ConstructionMud PitsBorehole Abandonment/Monitoring Well Conversion<ul style="list-style-type: none"><input type="checkbox"/> Complete<input checked="" type="checkbox"/> IncompletePad Reclamation	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
b. Trenching/Surface Excavation <ul style="list-style-type: none">Trench/Excavation ConstructionTrench/Excavation StabilityTrench/Excavation Reclamation	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
c. Underground Excavation <ul style="list-style-type: none">Portal ConstructionBlasting OperationsPortal Reclamation/Conversion of Entry	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2. Site Conditions			
a. Material/Waste Rock Management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Erosion & Stormwater Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Man-made Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Weed Management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Safety Conditions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Interim Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Inspection Items	Compliant	Non-Compliant	N/A
3. Housekeeping			
a. Container Management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Spills/Leaks Observed	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Hazardous Substances/POL Management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. General Housekeeping	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Access			
a. Road Management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Berms	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Security	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Signage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Surface Water Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Quality Assurance/Quality Control			
a. Routine Site Conditions Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Air, Water, Noise, Other Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Monitoring Reporting	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Regulatory Submittals	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Other Agency/Entity Permits	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Final Reclamation			
a. Exploration/Sampling Location	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Access Roads/Trails	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Removal of Structures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Free of Trash	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional Actions Necessary

Non-Compliance Issues to be addressed by Operator

None

Final Notes

General Comments:

- No drilling on BLM lands as of Notice Mod 3. Exploration on BLM lands is via trenching followed by collecting samples along the excavated western face of the trench (trench 1-3; ref. images below).
- Sluffing along trench 1 (middle trench) where loose material has collected along on the western face and trench center.
- Operator plans to complete interim reclamation of trench 1 & 2 within the next month. Depending upon the fire assay and petrographic results, trench 3 (highest elevated trench) may remain open as an access road for future exploration and hauling.
- 4 additional holes remain to be drilled. The operator plans to drill the remaining holes within the next couple of weeks.
 - 2 holes are located NE of BLM lands & the other 2 holes along the access road/switch back to the BLM lands and trench excavation (ref. images below).
- The 2016 Mod 3 road design was constructed differently on both the private and BLM lands due to the steep topography and geology. Multiple switch backs were excluded from the original road

design (ref images). The road realignment included 1 switchback to the north and 2 additional switchbacks to the south and southwest (ref. images 8-10).

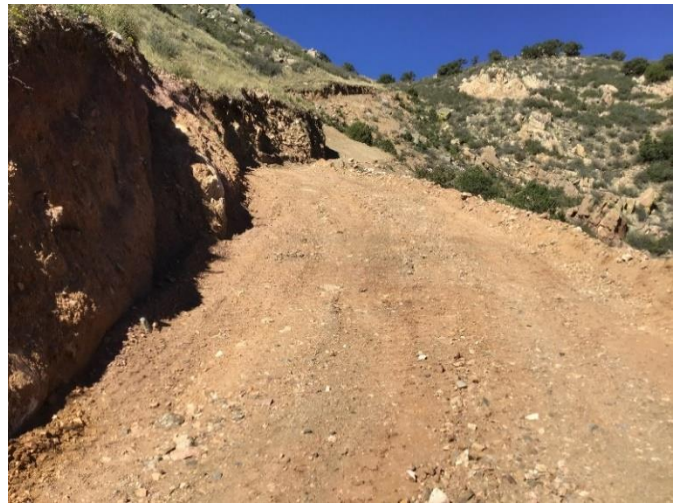
- Future Exploration: May expand exploration to unpatented claims SE of the current operations.
- Information Needed from Operator:
 - Am't of ore-bearing material removed from federal minerals since 2013 Notice was filed with BLM
 - Total surface disturbance of public lands since 2013 Notice was filed with BLM
 - Sample size taken from core drilling and trenching?

Date inspection shared with CDRMS: 10/17/18

Date inspection shared with Operator: 10/17/18

Images

Image 1:



Comment: SW access road (Mod 3; 11/21/16) leading to the surface excavation on BLM lands

Image 2:



Comment: Fork in the access road leading to the 3 excavated trenches on BLM lands

Images

Image 3:



Comment: Trench 2 (lower trench)

Image 4:





Comment: Trench 1 (middle trench) with sluffing along western face

Image 5:



Comment: Trench 3 (highest trench)

Image 6:



Comment: Drill hole (WP-18-18) located along the access road (Mod 3). 2 drill holes remain to be drilled at this site.

Image 7:



Comment: Trench 3 located along access road

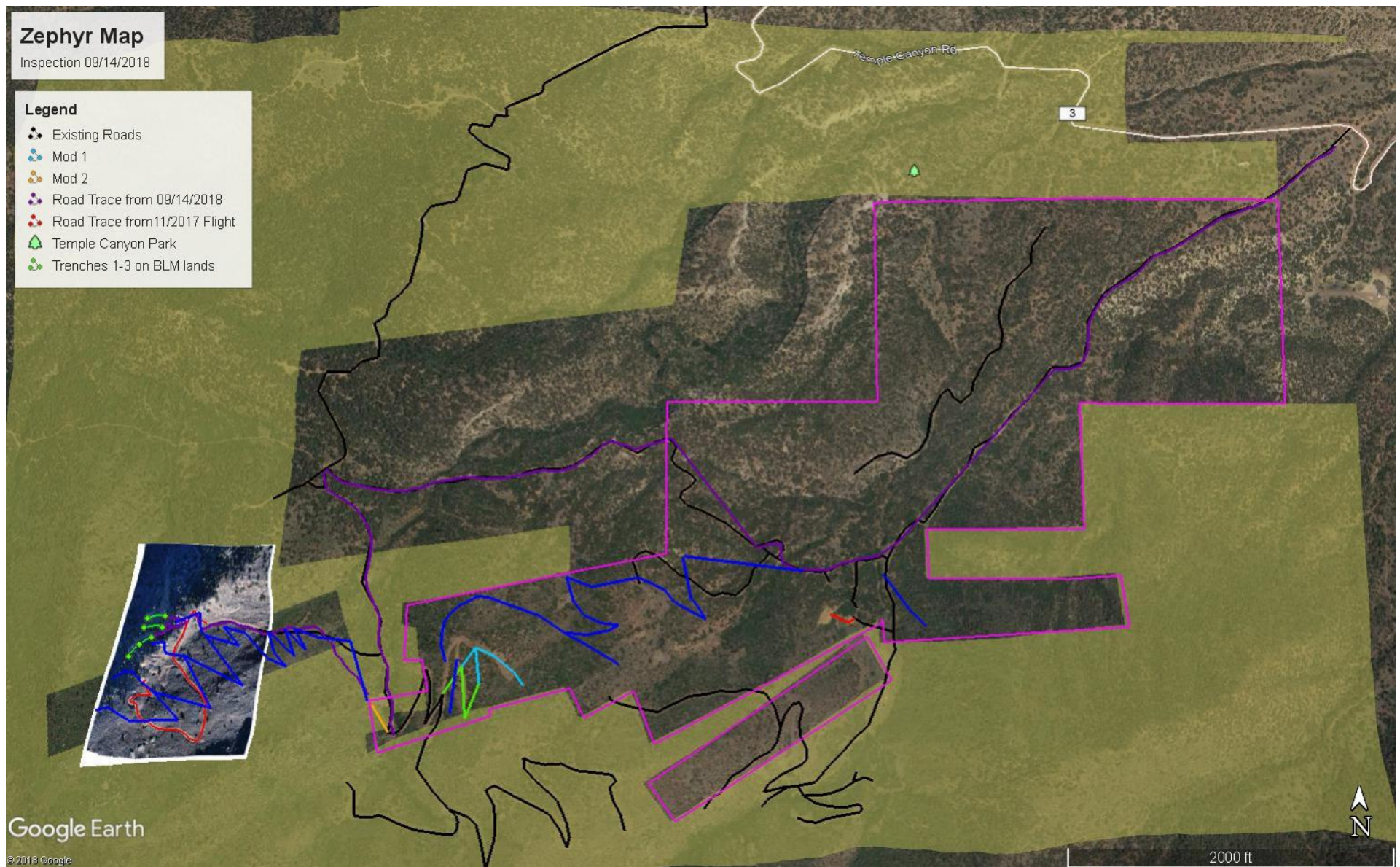


Image 8: Map of Zephyr operational boundary (pink), Mods 1-3 (light blue, orange & blue), road trace from 09/14/18 inspection (purple), road trace of 11/2017 flight (red) and BLM lands (yellow). Road realignment was traced from the 11/2017 flight.

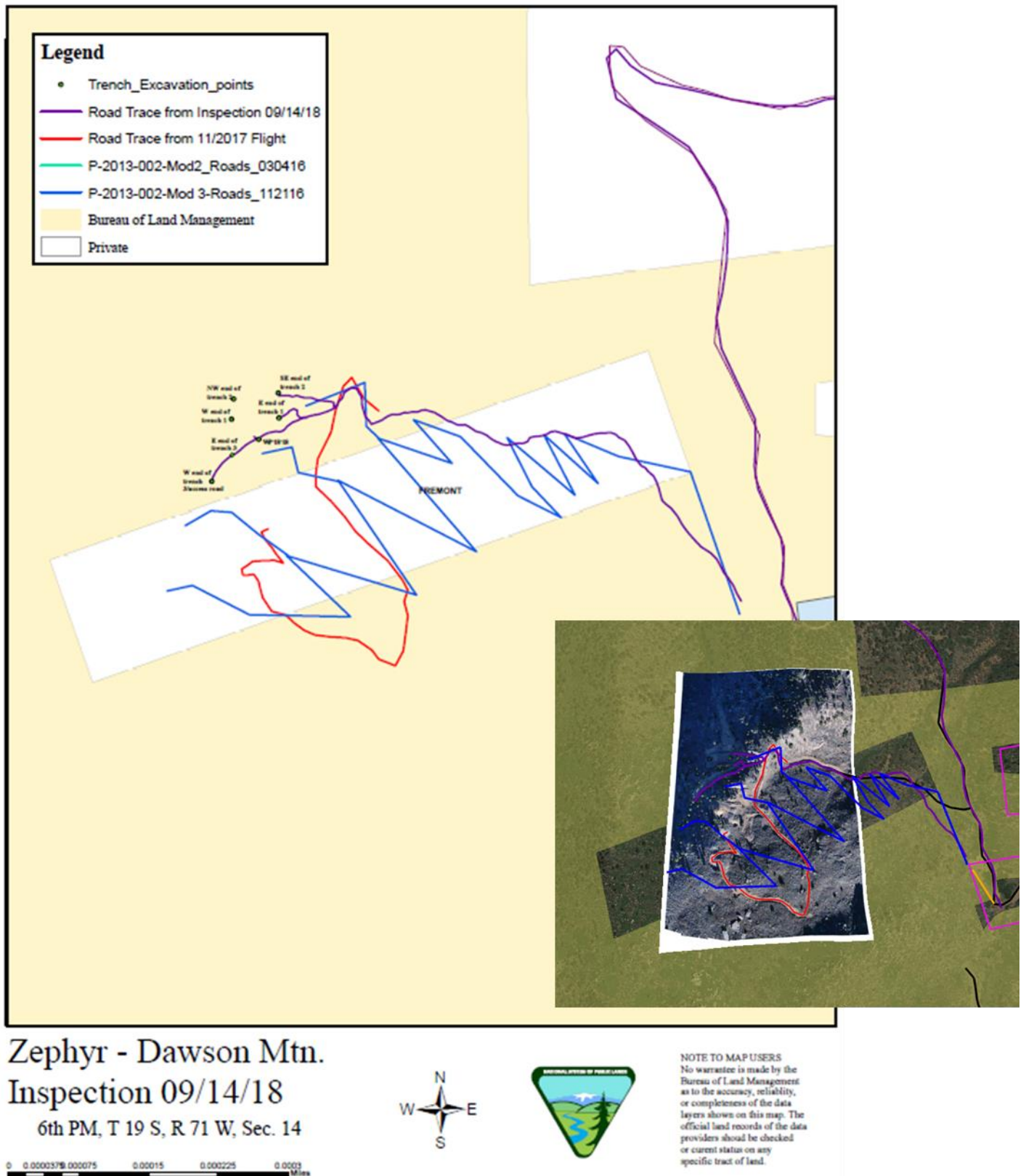


Image 9: Map of Zephyr Notice modifications (1-3) and the 11/2017 flight data of Mod-3 road realignment.

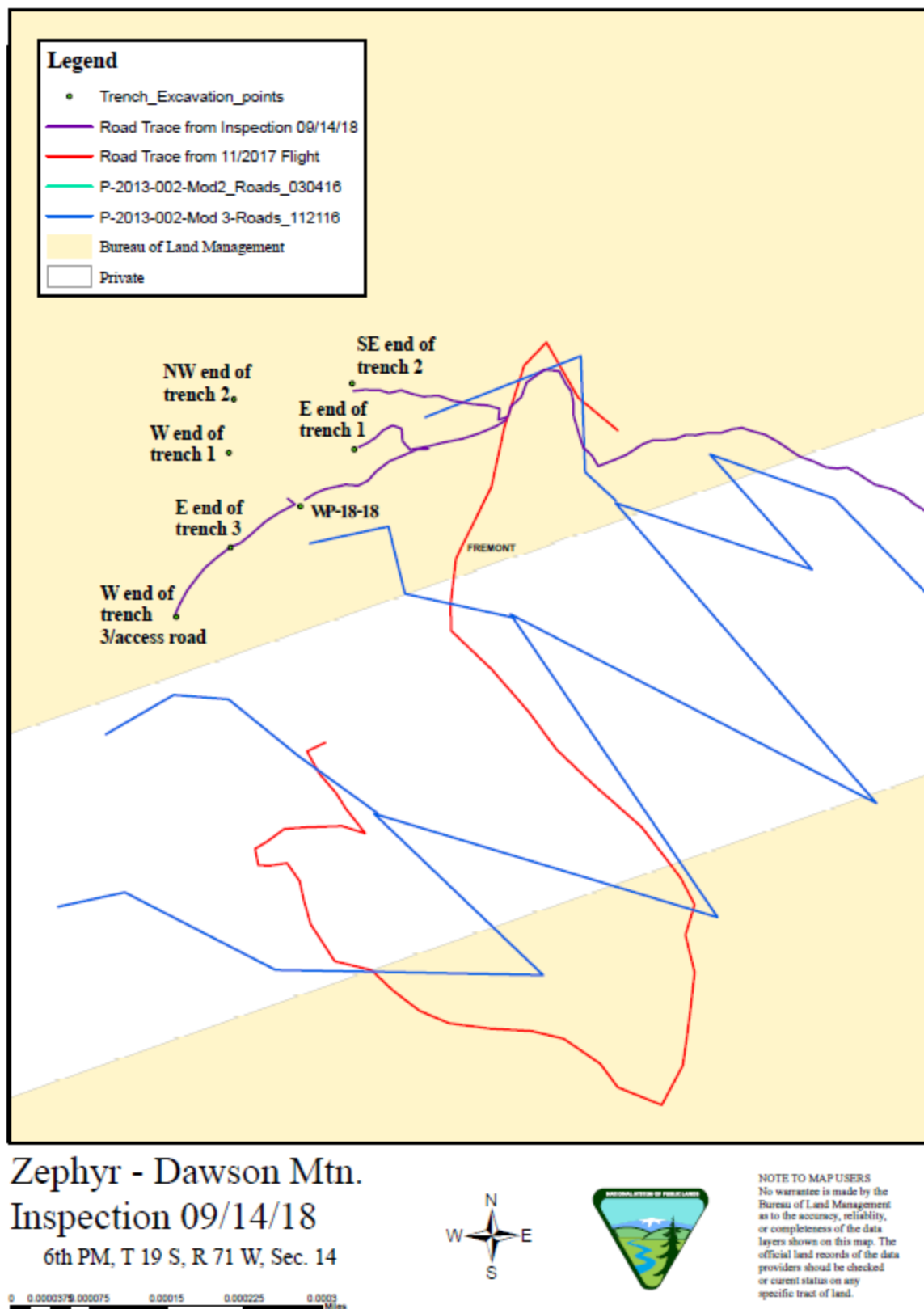


Image 10: Close-up of the Zephyr operations and the 09/14/18 inspection. The trench excavation has been traced from the east-west ends on BLM land. WP-18-18 is 1 of the 2 drill areas that still remains to be drilled under Mod-3.