



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

December 1, 2020

Mr. David Felderhof
Zephyr Gold USA Ltd.
1959 Upper Water St. Suite 1300
Halifax, Nova Scotia, CA B3J 3N2

**Re: Dawson Gold Project, Notice of Intent to Prospect ID No. P-2013-002;
Request for Response to October Complaint**

Dear Mr. Felderhof:

On October 23, 2020 the Division of Reclamation, Mining and (Division) received a complaint from Gary Peterson of the Royal Gorge Preservation Project provided via email to you on October 29, 2020. We have had periodic communication with Dr. Bellantoni regarding the status and disposition of portions of the complaint within our jurisdiction: namely the drill fluid pits and the oil spill. Our October 29 email indicated we would follow-up with you when we obtained additional information on the location of the photos provided in the complaint. Subsequent to our email transmitting the complaint, we received information from Mr. Peterson providing the location for the photos provided in the complaint as follows:

The two dumps for the drilling mud are located at: N 38 23 22.4; W 105 17 50.0

The concrete/drill mud dump is located at: N38 23 26.6; W 105 17 47.8

This is the same location at which the POL spill and the cigarette butts were found. It appeared that the same location was used by the helicopter to fly whatever back and forth from the El Plomo drill site.

The purpose of this letter is to request a formal response to the complaint addressing the following:

1. Please confirm whether the two sumps containing water shown in the "Drill Fluid Pits" photo are related to the GC-44 twining effort of which you notified us on August 25, 2020. If this is not related, please provide an explanation for these mud pits.
2. Please clarify whether the dry sump shown in the "Drill Fluid Pit" is a relatively new mud pit or if it is a remnant from the DA-18-12 hole drilled in 2018, or something else entirely.
3. Please provide a reclamation schedule for these, and as yet other unreclaimed mud pits.
4. If the oil spill has not yet been cleaned up, please provide a mitigation schedule to do so within the next 30 days. Please provide documentation of having completed the oil spill cleanup within two weeks of completion.

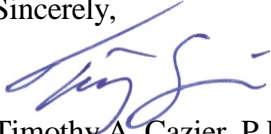
Please provide a written response (which should clearly indicate the Prospect ID No. P-2013-002) to the DRMS within 30 days of this letter (12/31/2020).



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If you have any questions, please contact me (303-328-5229).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tim Cazier', with a stylized flourish at the end.

Timothy A. Cazier, P.E.
Environmental Protection Specialist

Enclosure: October 23, 2020 Complaint from Gary Peterson

ec: Michael, Cunningham, DRMS
DRMS file (w/o enclosure)
Angela Bellantoni, PhD, EAI
Stephanie Carter, BLM