



P.O. Box 326, Cañon City, CO 81215

angela@envalternatives.com

719-275-8951

December 16, 2020

Tim Cazier
CO DRMS
1313 Sherman Street, Room 215
Denver, CO 80203

Stephanie Carter
US BLM Royal Gorge Field Office
3028 East Main Street
Cañon City, CO 81212

RE: P-2013-002 Zephyr Gold USA Ltd

Response to Division's request to respond to complaint submitted by Gary Peterson of Royal Gorge Preservation Project dated October 23, 2020.

Dear Mr. Cazier,

Please accept this as a formal response to the December 1, 2020 Division request for a response to address the complaints lodged with DRMS by Mr. Gary Peterson on behalf of the Royal Gorge Preservation Project.

1. All drill fluid pits are related to drilling the recent core hole DA-20-18, a twin of historical drill hole GC-44.
2. Zephyr has bids and expecting additional bids shortly for reclamation that will include the drill fluid pits and Windy Point disturbance outside the patented claim. Reclamation will be completed, including seeding, prior to April 1, 2020. An attempt at reclamation in the steep terrain at Windy Point under the unsuitable weather and site conditions typical of this time of year would not be prudent from a safety perspective.
3. The oil spill will be cleaned up before the end of the year and documentation confirming completion of this work will be provided to the Division within two weeks of completion.

As directed by the Division, every effort is being made to maintain separation between the P-2020-002 aka El Plomo area and P-2013-002 aka Dawson area with correspondences, submissions and abandonment reports carefully noting to which NOI the submissions apply.

Mr. Peterson's October 23, 2020 confuses activity in and submissions for the two NOI areas. He states the photos are in the Dawson area or P-2013-002. At no time has Zephyr stated reclamation or exploration was completed in the Dawson area. Zephyr intended to continue exploration in the P-2013-002 area during the last half of 2020. Exploration in the Dawson area does not have seasonal or duration limitations, unlike the El Plomo area. The October 19, 2020 submission on behalf of Zephyr clearly applied to P-2020-002, the El Plomo exploration area. Zephyr

completed exploration and reclamation as required by BLM in the El Plomo area (P-2020-002) and submitted required documentation in a timely fashion. The statement Mr. Peterson takes out of context is that Zephyr "stated that they have ceased exploration" as it applied to El Plomo, implying that this also applied to the Dawson area.

Zephyr's posted bond is more than adequate for exploration disturbance to date and that the bond applies to both exploration areas. The areas captured in Mr. Peterson's photos are in the Dawson area, near the twinned GC-44 drill hole and the former helicopter staging area. This is not within the area that has seasonal and duration limitations.

Zephyr wishes to point out that Mr. Gary Peterson trespassed on Zephyr's private property in order to take the photos submitted with the formal complaint. Zephyr views this as highly disrespectful of Zephyr's property rights which are no different to those enjoyed by Mr. Gary Peterson for his property. As a veteran US Marine and former US law enforcement officer for the Department of Justice, Department of Treasury and Homeland Security, he knows better and Zephyr suggests his actions should be reviewed by the board of the Royal Gorge Preservation Group. At the time of trespass there was no signage on Zephyr's property boundaries prohibiting trespass. This has been corrected, and in addition our legal counsel has been instructed to put Mr. Gary Peterson on notice regarding any future contemplated trespass.

Feel free to contact me directly with any questions at (719) 275-8951 or angela@envalternatives.com.

Respectfully submitted,



Angela M. Bellantoni