



COLORADO
**Division of Reclamation,
Mining and Safety**
Department of Natural Resources

November 18, 2022

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

Re: Dawson Gold Project - File No. P-2013-002
Zephyr Gold USA Ltd
Surety Reduction Request (SR-3)
Reduce Surety to DRMS Inspection Report Estimate

Dear Mr. Felderhof:

On November 18, 2022 the Division of Reclamation, Mining and Safety concluded its review of the Surety Reduction Request application submitted to the Division on October 28, 2022, addressing the following:

Zephyr Gold USA Ltd. is requesting a reduction in the financial warranty to the revised bond estimate included in the September 2022 DRMS inspection report for P-2013-002.

The decision reached by the Division is: Approve.

This is a reduction of (\$19,216.00). In accordance with Rule 5.3.5(2), the Division shall release this Financial Warranty amount within thirty (30) days from this notice. This decision reduces the amount of the financial warranty, and does not approve any release of reclamation responsibility for the tasks associated with this request.

You will need to provide a rider to the current Financial Warranty, or submit a new Financial Warranty reflecting this reduction after the 30-day appeal period. If you wish to submit a different type of Financial Warranty, please contact our office for the applicable form.

Statewide Bond Held:	\$107,290.00
P-2020-002 Bond Returned Separately (11/18/2022):	(\$14,635)
Prior P-2013-002 Liability:	\$92,655.00
Change in P-2013-002 Liability:	(\$19,216.00)
Revised Statewide Liability:	\$73,439.00
Prior P-2013-002 Affected Acreage:	7.80
Change in Affected Acreage:	0.00
Revised P-2013-002 Affected Acreage:	7.80
Prior Bonded P-2013-002 Exploration Holes	18 x 400 ft deep
Revised Bonded P-2013-002 Exploration Holes	Two x 1,000 ft deep



If you have any questions, please contact me by telephone at (303) 866-3567 x 8169, or by email at Tim.cazier@state.co.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Cazier".

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

cc: Sara Stevenson-Benn, DRMS
Angela Bellantoni, Ph.D., Environmental Alternatives, Inc.
Sophia Brooks-Randall, BLM