

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215

Denver, Colorado 80203

Phone: (303) 866-3567

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John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Pineda
Director

February 12, 2013

Mr. David Felderhof
Zephyr Gold USA Ltd
1959 Upper Water St., Suite 1700
Halifax, Nova Scotia B3J 3N2
Canada

**RE: Dawson Gold Project, NOI File No. P-2013-002,
Approval with Financial Warranty Due**

Dear Mr. Felderhof:

On February 8, 2013 the Division of Reclamation, Mining and Safety (Division) received your responses to the Division's adequacy review letter, dated February 5, 2013 and found no further deficiencies. The Division has also received notification that the required financial warranty will be offered in the form of a certificate of deposit (CD). On February 12, 2013 the Division approved your NOI application.

The financial warranty for this site was determined to be \$29,060. The detailed estimate will be provided under separate cover. This financial warranty must be submitted on the appropriate Mined Land Reclamation Board approved forms which are available from our office or can be downloaded from our website at (<http://mining.state.co.us/>).

Please be advised that you may not commence operations until the financial warranty has been submitted and accepted by our office. You will be notified in writing when it is accepted. If we do not receive the required financial warranty within 60 days of the above-referenced approval date, then the NOI may be terminated.

If you have any questions, please contact me (303-866-3567 ext. 8169).

Sincerely,

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

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

ec: Tom Kaldenbach, DRMS
Angela Bellantoni, EAI
Stephanie Carter, BLM, Royal Gorge Field Office
DRMS file