

**FREMONT COUNTY
PLANNING COMMISSION MEETING MINUTES
December 3, 2019 AT 3:00 P.M.**

MEMBERS PRESENT

Byron Alsup (Chairman)
Mark Masar
Larry Brown
Michael Pullen
Larry Baker
John Hamrick
Gardner Fey

STAFF PRESENT

Sean Garrett, Planning Director
Tanya Fleming, Office Manager

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **APPROVAL OF AGENDA**
4. **APPROVAL OF MINUTES**

December 3, 2019 Planning Commission Meeting

5. **ELECTION OF OFFICERS**
6. **UNFINISHED BUSINESS**
7. **NEW BUSINESS**

A. MS 19-006 Grand Forest Subdivision:

Requesting approval to subdivide a 1.4-acre lot into three lots, each around .45 acres in size. The property is located at the intersection of Grand Ave and Lombard Ave and is zoned Agricultural Suburban.

B. MS 19-007 Hayden Creek Acres Subdivision:

Requesting approval to subdivide a 1.4-acre lot into three lots, of various sizes. The property is located at the intersection of Grand Ave and Lombard Ave and is zoned Agricultural **Rural**.

C. Amendment to the Fremont County Zoning Resolution:

Requesting approval to the Fremont County Zoning Resolution sections 4.11, 4.1, 4.2, 4.3, 4.4, 4.13, 4.14, 5.6 & 8.13. Making Travel Trailer Park & Campground an obsolete Zone District and converting it to a Special Review Use in certain Zone districts.

D. SRU 19-001 Royal Gorge Karting

Requesting approval for Department File # SRU19-002 Royal Gorge Karting a Special Review Use for a Rural Recreational Facility. Use includes the installation of two go kart tracks. One track's primary use will be short term rental/use. The other track use is designed for event racing consisting of various heats and classes. Retail food services may occur at a later date.

E. CUP 12-003 Dawson Gold

Requesting approval for a Major Modification to CUP 12-003 to expand the boundary area of the existing CUP granted for exploration. The expansion will add 1300 additional acres to the existing CUP.

8. ADJOURNMENT

1. CALL TO ORDER

Chairman Byron Alsup called the meeting to order at 3:00 p.m.

2. PLEDGE OF ALLEGIANCE

Pledge of Allegiance was recited.

3. APPROVAL OF AGENDA

Chairman Alsup asked if there were any changes, additions or corrections to the January 7, 2020 Fremont County Planning Commission Agenda.

Chairman Alsup suggested that item C be moved to the end of the meeting to allow time to get through other items quickly.

MOTION

Mr. Mark Masar motioned to accept the January 7, 2020 Fremont County Planning Commission Meeting agenda with the changes requested.

SECOND

Mr. Larry Brown seconded the motion.

Chairman Alsup called for a roll call vote, and the motion passed unanimously. (7 of 7)

4. APPROVAL OF THE DECEMBER 3, 2019 PLANNING COMMISSION MEETING MINUTES

Chairman Alsup asked if there were any changes, additions or corrections to the December 3, 2019 Fremont County Planning Commission Meeting Minutes.

MOTION

Mr. Gardner Fey motioned for approval of the December 3, 2019 minutes as written.

SECOND

Mr. Michael Pullen seconded the motion.

Chairman Alsup called for a roll call vote and the motion passed unanimously. (6 of 7 Larry Baker abstained)

5. ELECTION OF OFFICERS

Chairman Alsup stated who the current officers were and the positions held at this time. He then opened the floor to nominations for the officers for the 2020 year.

Mr. Larry Brown nominated Chairman Alsup for Chairman.
Mr. Fey seconded the nomination.

Mr. Michael Pullen nominated Mr. Mark Masar as Vice Chairman.
Mr. Fey seconded the nomination.

Chairman Alsup called for a roll call vote and the nomination passed unanimously. (7 of 7).

Chairman Alsup nominated Mr. Brown for Secretary.
Mr. Pullen seconded the nomination.

Chairman Alsup called for a roll call vote and the nomination passed unanimously. (7 of 7).

6. UNFINISHED BUSINESS

None

7. NEW BUSINESS

Chairman Alsup stated that there would be some ground rules to today's meeting as there were a lot of people who wished to speak and a lot of people in the room. He asked that all comments and questions be directed to the board, that there be no back and forth between the applicants and those for or against any proposed items and that everyone remain civil. He also stated that there would be a time limit given to each person who asked to speak of three (3) minutes unless they were speaking for a large group of people who were willing to give up their time to that speaker.

A. MS 19-006 Grand Forest Subdivision:

Chairman Alsup called Mr. Matt Koch to present the request to the Planning Commission.

Mr. Koch stated that the request is for approval of a 3-lot subdivision. The property is located in the Lincoln Park area at the Southwest corner of Grand and Lombard St. There is an existing home that will remain on lot 3 and the other two lots will be vacant for development. All utilities are adjacent and will be able to serve the proposed lots.

Mr. Pullen asked if the existing barn on the property will be removed?

Mr. Koch stated the barn is staying and the trees will be staying as well.

Director Sean Garrett read the Department Review.

Mr. John Hamrick asked if the drainage concerns from Don Moore County Engineer had been addressed.

Director Garrett stated that those had been addressed and will be noted on the plat.

Mr. Fey asked if the current owners have to provide driveway access or is that up to the purchasers of the lot later.

Director Garrett said access is typically cared for when the address is applied for.

MOTION

Mr. Pullen motioned for approval of MS 19-006 Grand Forest Subdivision as submitted.

SECOND

Mr. Masar seconded the motion.

Chairman Alsup called for a roll call vote and the motion passed unanimously. (6 of 7 Larry Baker Abstained)

B. MS 19-007 Hayden Creek Acres Subdivision:

Chairman Alsup called Mr. Matt Koch to present the request to the Planning Commission.

Mr. Koch stated that the request is for approval of a 3-lot subdivision. The property is located in the Coaldale at the intersection of Hayden Creek Rd and US Hwy 50. There is an existing home that will remain on lot 1 and the other two lots will be vacant for development. They have received an augmentation from the Upper Arkansas water conservancy so water is taken care of. They are requesting a contingency for the CDOT access and it will be cared for before they file the plat.

Director Garrett read the Department Review including the contingency items of the CDOT access permit and corrections to the plat.

Mr. Fey asked if the access could be cut off in high water in the future.

Mr. Koch stated it could be but it is noted in the plat that it will be an engineered crossing however that is completed in the future.

Mr. Masar asked where the access for lot 2 was.

Mr. Koch stated the stem will access that from Hayden Creek.

MOTION

Mr. Fey motioned for approval of MS 19-007 Hayden Creek Subdivision as submitted with the contingencies.

SECOND

Mr. Brown seconded the motion.

Chairman Alsup called for a roll call vote and the motion passed unanimously. (6 of 7 Larry Baker Abstained)

C. SRU 19-001 Royal Gorge Karting

Chairman Alsup called Dr. Angela Bellantoni to present the proposal.

Dr. Bellantoni presented the applicants and Mr. Garrett Potter who is an industry professional specializing in this type of track development and is assisting the Dauphanais' in this project.

Dr. Bellantoni stated this project will have hourly cart rentals as well as pit spots. These are locations where those who wish to spend the day at the Kart track will have a spot to park and relax for the day. There is also the availability for those who own their own carts to come and run the track. The tracks are asphalt inside a bermed and fenced area for safety. Utilities will include a commercial septic that has already been designed for this project. Water is a well that will be changed to a commercial well. Fire department has requested a dedicated cistern for fire suppression and the applicant will also be adding a cistern for sanitary water since water in the area is unreliable. There will be 4 service buildings. There is the public restroom building, then there are 2 building one is customer service and the other is for cart service for the rental carts and the other is a storage building that allows for someone who owns their own cart to rent a space there instead of towing it. Lighting will be motion sensor lighting as this is a daylight operations business for the most part but the motion lights are there for the dawn and dusk hours for safety. Dr. Bellantoni pointed out the lights located around the track and stated those are for the future as that is an expensive endeavor. The lighting will be as a later expense but wanted to be noted at this time. There will also be a perimeter fence to keep out wildlife as well. This is a seasonal business during the May – September season from 9:00 am to dusk and will operate 7 days a week during those hours. This again is a daylight only operation at this time. There is also pre-May and post September time frame which is dictated by weather. During those times the operation would be weekends only from 10:00 am to 4:00 pm at the most. The last two months of the year, at least 2 months of the year the site will be closed and not in use. Dr. Bellantoni stated that a CDOT application was submitted and just returned to the applicant today with the proposal. CDOT is requiring a stop sign and 50 feet of asphalt into the property for access. Dr. Bellantoni stated that the carts run on gasoline and the proposal for that is an industry standard double walled tank in the back of a trailer that can be moved, this will be a 325-gallon tank that will be pulled into town and fueled there. Any other fluids will be gathered and recycled immediately and or picked up by Safety-Kleen and taken care of by them. Dr. Bellantoni addressed the question of concessions and stated that the applicant will not be getting into concessions at this time. Only prepackaged items or sodas nothing will be prepared on site.

Director Garrett delivered the Department Review including the contingency items which were the soil analysis OWTS design, approved CDOT access permit, quitclaim date for drainage maintenance. There are 2 waiver requests one is for the hard surfacing of the parking area and the other is for landscaping of the parking areas. The recommendations from the department are adherence to any CDOT requirements, maintenance and tuning of carts only during business hours, overnight stays and camping shall not occur, and the County Engineer had a suggestion that the applicant work with the neighboring properties to come up with a drainage plan to allow the stormwater runoff to reach a nearby arroyo located on the adjacent property to the west. There is an arroyo on the adjacent campground and where the outlet for the drainage from this

property will be could impact that property so the suggestion was made to work with the neighboring parcel to make sure that the water reaches the arroyo.

Chairman Alsup called Bruce Davis to speak.

Mr. Davis stated that he believes that this is the wrong location for this venue due to the noise. He stated that he used to be involved in Kart races and they are very loud and go very fast. He boards his horses and dogs out there and has concerns about the neighboring RV park and the noise from the Kart impacting that. He stated that he questions the fact that the applicant stated that they will only have 33 cars coming in and out of the location per day but they have 141 pit spaces. He also stated it does not address the topography of the area and with the shape of the location, the "saddle" the sound will flow right down that. He also addressed night time races and the night time pollution. He closed with the biggest issue is the noise and lighting impacts.

Chairman Alsup called up Dr. Dorothy Twellman to speak. Please see the attached notes for the speech that was given by her.

Mr. Fey asked if there were a slow down or turn lane at the location.

Director Garrett stated that there is a center turn lane heading west but there is not one heading east.

Chairman Alsup asked to verify that the CDOT access was approved.

Director Garrett stated that CDOT access was approved.

Mr. Fey asked if there will be professional cart races at this location.

Dr. Bellantoni stated that her understanding of the professional cart races is that it would be short term and infrequent and would require a Temporary Use Permit. Those type of events would come back before the Planning Commission for approval.

Mr. Fey asked if there was a plan in place to check decibel levels on the carts?

Dr. Bellantoni stated an important part of decibel readings is distance from the source. So, the decibel reading diminishes by half as you move away. The 75 Db was for a gasoline engine at 10 feet.

Mr. Gordon Potter addressed the Planning Commission. Mr. Potter stated that the rental operation part of the business will be focused towards tourism and corporate events. Those carts use a gas-powered Honda engine and that Db rating is 34 Db at the track edge and that is regulated by the federal government. That will be 90% of the operation. He also addressed that the 75Db is also measured at the track edge and it drops to about 30 as you get further from the source. He stated that there are currently no long- or short-term plans for sanctioned racing events. He stated the reason for that is this area is not suited for those events. The track is suited for it but the area is not as far as the surrounding areas. They do however have plans for a local contendency of racers. That would mean 10-12 races over the year that people that own a cart would come out rent pit spots and have races in a season in possibly a 7 to 8-month season. He

also addressed that this track is far shorter than a road race track and therefore those decibels do not get as loud and that they are no longer using the old school type of engines that were very loud. He stated this is typical of a location you would see this type of track. They are put in agricultural locations frequently and you just don't see the farming and nature impacts.

Mr. Masar asked what are the sound levels on the professional level carts.

Mr. Potter stated it is 68 Db at the tracks edge.

Mr. Masar asked if it matters if that is one car or 15 cars running.

Mr. Potter stated that it doesn't necessarily double or triple it goes up in a very small increment. Such as from 68 to 71 Db for many karts.

Mr. Baker asked where spectators sit.

Mr. Potter stated that there is a spectator area but there are no seats or bleachers.

Mr. Masar asked if the pit parking they are working on their cars on the dirt.

Mr. Potter stated that the work areas will be concrete or asphalt some type of hard surface.

Mr. Fey asked if you are running gas engines etc. you will have oil and grease coming off.

Mr. Potter stated that with changes in technology there aren't the same issues of grease and oil that used to happen and he hasn't seen any in any of the ones he has been involved in.

Mr. Larry Baker asked if someone just wants to be a spectator where is the safest place for them to stand.

Mr. Potter stated that there are 2 areas and pointed to several fenced areas around the track including the pitting areas.

Mr. Hamrick asked if the other tracks that Mr. Potter was involved in were not subject to a stormwater quality check or permit.

Mr. Potter stated that some are. But they have standard storm drains that are checked by the local city or county.

Chairman Alsop asked what size of fire suppression cistern is being installed.

Dr. Bellantoni stated that there will be a dedicated cistern that has to meet the fire departments approval and that will be based upon the size of the buildings so it will be sized when those are approved.

Mr. Alsop asked if there could be clarification on the number of vehicles expected.

Dr. Bellantoni stated that they had an estimate of 66 trips which is 33 vehicles per day.

Mr. Pullen stated that on the CDOT access permit they have stated 12.

Dr. Bellantoni that it was later revised to 66 and that the current CDOT access was approved on the higher number.

Mr. Pullen asked if CDOT approved that

Dr. Bellantoni stated yes.

Mr. Masar asked if this is a dawn to dusk type of operation why do you have so much light on the track proposed.

Dr. Bellantoni stated that the lighting is an idea for if the business could sustain that at a later date.

Mr. Fey asked how 33 customers per day will sustain them.

Dr. Bellantoni stated that there are more than one person per vehicle.

Mr. Masar asked Director Garrett if they approve it now, they can put up a lot of lights.

Director Garrett stated that per regulations the lights must be pointed down and that they would not be running at night at this time and without having to make a new application for a major modification of the SRU.

Chairman Alsup stated he still does have some concerns on the noise and that we could make it contingent on review of any nighttime operations.

Attorney Brenda Jackson stated that since they have not requested night time operations at this time that they would have to come back before the board for that.

Dr. Bellantoni asked if it would be considered a minor modification.

Attorney Jackson stated that to bring it back before the Planning Commission it would need to be considered a major modification.

Mr. Fey asked if there would be handicapped accessible parking.

Dr. Bellantoni stated yes, it is currently shown on the drawings.

Mr. Masar asked for clarification of the pit areas and if they are hard surfaced or gravel.

Mr. Potter stated that the rental cars will be worked on inside the maintenance building. The pit area any service or work that is done will be required to be done on the hard surface areas. They can also require tarping over the gravel pit areas to keep that from happening on those gravel areas.

Mr. Pullen stated that he has concerns about the access at Hwy. 50. He stated he hopes that CDOT will require some safety measures be placed. He stated when he was out visiting the site that he noticed a line of site issue to the east, not so much to the west but definitely to the east. He stated that was the first thing that he noticed was the safety at that intersection and that he wanted to go on record that he hopes that CDOT takes a hard look at that element.

Dr. Bellantoni stated that the CDOT improvement proposal has been submitted to the applicant and then applicant has to submit their plan for improvement and that has to be approved by the CDOT engineer and then there is a CDOT engineer there on site during the construction. So, there are 2 different opportunities for CDOT to address any inadequacies.

MOTION

Mr. Fey motioned for approval of SRU 19-001 Royal Gorge Karting with the contingencies and further review of any nighttime operations.

SECOND

Mr. Brown seconded the motion.

Chairman Alsup called for a roll call vote and the motion passed unanimously (7 of 7)

Chairman Alsup called for a brief intermission.

D. CUP 12-003 Dawson Gold

Chairman Alsup called Dr. Angela Bellantoni to present the project.

Dr. Bellantoni presented a short video of the process of the rig building and a slide show addressing the mining claims.

Mr. Fey asked how many flights to construct the drill deck.

Mr. Will Felderhoff stated about a dozen (12).

Dr. Bellantoni stated that the county issues that were brought up in review have been addressed. All fire notifications have been submitted. There is an access permit for County Rd 3A that was approved in 2012, County Rd. 20X already exists and comes in to the Green Mountain Claim and was built to access that site. The typical traffic is pickup trucks. And for the helicopter you have a place to park the pickup truck and take the personnel out to the site. Weed control they have committed to have Ms. Pierce come out and inspect the site and non-wilderness areas will be treated with inspections as any other site. Water has recently been secured with the Upper Arkansas Water Conservation District through a lease. She reiterated that this is exploration only and the total additional disturbance is 3 acres and it all has to be bonded. She stated that to date they have disturbed less than the original proposal that had been just over nine acres and they have only disturbed 7. She also noted that since 2012 when the original CUP was approved there have been only 350 days of exploration activity and that includes the geologist, boots on the ground, walking. It is not always drilling; drilling is approximately 250 days total since 2012 which averages to about 35 days per year. She also stated that there is substantial regulatory overlap. She stated this Major Modification is requested for a 10 year life with hopes that in that time that the exploration will

either prove the reserve or determine that it is not viable and it is done and that this will hopefully be the last CUP exploration permit that is brought before the Planning Commission.

Mr. Felderhoff presented a slide show about the project. Please see the attached slides.

Director Garrett read the Department Review. Director Garrett stated there are several contingency items. The first being the approved FCDOT access permit for the access off of County Rd 20X, and any copies of other required state permits such as DRMS. As well as the helicopter company name and license once that is determined. There are three waiver requests. One is hard surfacing of the parking area, there is no parking area. Landscaping of the parking area, again there is no parking area tied to this use, and lighting plan which is not applicable to this use. Recommended conditions are all those set forth in the original approval, limiting disturbance area to 2 acres annually, disturbance area shall be provided annually, adherence to all conditions set forth by the state land board.

Chairman Alsup called Gary Peterson to speak.

Mr. Gary Peterson stated that they are looking at exploration now but they are also looking at a potential mine down the road of an undetermined size. Mr. Peterson referred to a letter that he had sent to the Planning & Zoning Department on December 30th, 2019 (see attached letter) from the Preservation Society. Mr. Peterson stated that he is aware there are members of the community that have purchased shares in Zephyr Minerals limited and that if any members of the Planning Commission own any of those shares that he hopes that their conscience would lead them to reclude themselves from voting. Mr. Peterson stated the letter covers everything but he would like to reiterate some points. He stated the issue of legal access to the exploration site has been overlooked and dismissed in the past. Two property owners have blocked access to Zephyr's mining claims and neither one has resulted in a final solution. One is being mitigated and the other is just beginning. It would be irresponsible to assume that Zephyr will prevail in these since it is still being litigated. Why recommend CUP approval with resolution of the litigation. He stated that Zephyr appears to be close to being broke. He stated that Zephyr's last financial statement concluded that "The company did not have sufficient funds to meet its corporate, administrative and property obligations for the next 12 months". He stated this statement was made without considering the current lawsuit expenses that they are currently involved in or the \$90,000 plus reclamation monies that are on deposit that do not reflect reclamation expenses that are needed to support the request to triple their area of exploration. Shouldn't substantial additional reclamation monies be required for deposit prior to authorizing any exploratory approval? He stated it is hard to imagine the money needed by Zephyr to explore their new and current areas of interest, the El Plomo section, which can only be accessed and drilled using helicopters for entry and egress with all exploratory activity to be conducted underground. He stated if this is not enough Fremont County has no established mechanism for the timely monitoring of CUP stipulations and limitations. Frankly Zephyr does not have a great record for meeting past reclamation deadlines. On top of all of this there is the December 23rd 2019 letter from the Bureau of Land Management Royal Gorge Field Office to Zephyr Gold regarding additional information needed. The BLM reviewed Zephyr's June 21st 2019 Plan of Operation and declared it insufficient. The information that is still needed from Zephyr is outlined in the BLM letter and states a staggering list of information needed before Zephyr can continue their exploration activities. He stated that a brief summary of the information in the December 2019 letter that was submitted to the Planning Commission. He stated final plea let the dog catch up with its tail. Hold off on consideration of authorizing the tripling of Zephyr's exploratory plans at least until Zephyr gets its act together.

Chairman Alsup called Susan Vines to speak.

Ms. Vines stated that the Colorado State Land Commission on Section 16 did put stipulations on Zephyr. They limited surface disruptions on exploration, they said no surface mining during production, and timing restrictions to minimize wildlife disturbance. This new CUP request is asking for almost 3 times the area of section 16, they are going to operate 24x7 and it's next to a wildlife area. She also stated that Grape Creek is a water source that diverts into the DeWeese Dye Ditch Company and services an estimate of 1/3 of Canon City. She stated that we could be looking at a class action suit if Zephyr fails to live up to their agreements. She asked why would we want this in our County. Are we legally bound to permit this to happen?

Chairman Alsup called Steve Kaverman to speak.

Mr. Kaverman stated he was alerted to this project about 2 years ago and has been concerned ever since, primarily because of the location and had sent a letter to the Planning Commission via email on January 5th 2020. He stated that he is here to voice his opposition to the Major Modification of CUP 12-003. He stated the letters from the Preservation Project and the BLM both make a compelling case for denial because of the unmet previously established expectations that were set on Zephyr to provide information to the BLM and other shortcomings that demonstrate their inability to perform to what they commit to. He also stated that a duty to uphold the law and safeguard the best interests of the community he believes leaves the members of the Planning Commission no alternative but to deny this application for a Major Modification at this time. Together these 2 letters make it increasingly clear that the Dawson Gold Project is pure folly. He stated it is his belief that the Fremont County Planning Commission should use this opportunity to justifiably put brakes on exploratory efforts, make expansion of the project area unlikely if not impossible, and signal to Zephyr that barriers to achieving their ultimate goal of mining for gold or any other mineral are now and in the future will be too great for them to continue. He stated aside from the Planning Commission's duty all the reasons enumerated in the letters he does not really believe this is the location for any type of extraction mining. He stated that there have been a number of representations about how small of an area has been impacted, he would like to know and he stated that Dr. Bellantoni has been unwilling to reply to his requests in the past about how those figures for disturbed areas are determined. Are those just the exploration pads or does that include roads in exploration? The amount of damage already done to this area just from exploration is really quite evident and can be seen for miles. He also stated as a private corporation and land owner Zephyr has every legal right to use their property within the limits of the law. At the same time the county is under no legal obligation to facilitate or go out of their way to accommodate their ill advised and self-serving efforts for exploration and ultimately mining. On the contrary he stated he believes the County should use every legal option at their disposal to discourage and put an end to the proposed mining at this location sooner rather than later. Assuming mineral resources on the property were valuable enough to extract why would we want a mining operation of the required size and scale at this location. By itself improvements to access roadways, which must be required to support such an operation, will eventually prevent this from proceeding further. He stated to look at County Road 3A and can you imagine the kind of traffic using that road or any of the roads that it connects to to get in or out of the project area. He stated the promise of mining jobs he believes is a bit of a ruse. Conversely environmental damage and destruction to our scenic assets is pretty much a certainty. Consider to the risks previously mentioned to water contamination and degradation of property values. Then there are the negative impacts to a proven and sustainable outdoor and recreation tourism industry. Both are vital economic assets that currently employ about 1,000 members of

Fremont County, account for millions of dollars in visitor spending and contribute millions in local tax revenue. All of the he believes would be threatened by the Dawson Gold Project. Already he states people are asking questions about the disturbance to the area when he takes people through there on tours. He stated he doesn't believe that anyone is going to make Fremont County a destination because there is a big new gold mine on the west side of town. He believes in all likelihood it is going to keep people away, if not drive them away and it is certainly not going to do anything to increase the area as a destination. He stated that he employs the Planning Commission to deny Zephyr's application for a modification to the CUP at this time. If doing so complicates their efforts and brings an end to this project our community will be better for it.

Chairman Alsup called Tamara Powers to speak.

Ms. Powers stated that she is already seeing an impact in various areas in regards to Dawson's Ranch. She stated she lives in the Dawson Ranch area. She stated that she can see the structure from her home. She stated that there is not a mine on this planet that has been built that does not produce pollution. She stated that it is a water based mine, that they will still be using chemicals and that the water will seep back into water level and seep back in. Whether it takes years for pollution to seep into the river that we rely on so much for our tourism here it will happen. It is going to come down the mountain. Property values will drop she stated. She stated that she knows people in the Dawson Ranch area that already thinking of putting their homes up for sale because they don't want to live in a mining area. She stated there is no way to limit the impact to just a small area. She stated if you go up to Cripple Creek how many \$100,000 homes are on the Molly Kate mine, she stated none. How many million-dollar homes are built on the Anglo Gold mine, she stated none. She stated there is a reason for that. She referred back to the photo in the slide show of where the decks are. She asked how many homes you see in those photos. She didn't see one. She stated that just down the mountain an entire community is affected by this mine and that is why a lot of people are against this. Because they are the ones up there going to be affected. She then stated if there is an accident of any type, a minor accident is multi million dollars in repairs and who would get affected. She stated they do and will they be able to make the reparations to take care of the homes and the people for whatever happens if they don't even have enough money in the bank to cover certain things. She stated those are big issues. She stated this is not minor accident of someone getting a scratch, something breaks in their waste area. She then stated that there are mines in Cripple Creek with gold still in them and no one is touching those and now we want to go into a new area where there are people already there when there is still stuff up there that can be mined. She stated she doesn't know why that is but there must be a reason that there are no homes built around the mines, the mines are closed for a reason and that there is still pollution coming off the mines even after they are closed.

Chairman Alsup called Ed Norden to speak.

Mr. Norden stated that his only comment is not to support or oppose but to remind the commission of their obligation. He stated that they do not have a mining application for a Conditional Use Permit in front of them they have an application for an expansion of exploration. He stated whether it is the comments of the negative impacts of the future of mining or the positive impacts of economics that Mr. Felderhoff addresses those are not germane to the conversation here today. He stated you are considering an application for the expansion of exploration only. Those are the issues before you to consider, not the impacts of mining. He stated that they need to adjust themselves to the impacts of helicopter pad locations, road access and what is in the application in front of them only.

Mr. Hamrick asked if the application is for 24 hour a day operation.

Mr. Felderhoff stated yes, when they are drilling typically, they drill night and day. However, the drilling operation would only extend for example from the first of July to the end of October so it is only a 4-month period there.

Mr. Hamrick asked so during that time the drill would be running 24 hours a day.

Mr. Felderhoff replied yes 24 hours per day but then once it is finished it is gone.

Mr. Hamrick asked if helicopter operations were similar.

Mr. Felderhoff stated no, that helicopters only operate during the day time.

Mr. Hamrick stated that they do have the December 23rd letter from the BLM requesting additional information and that is a process letter correct? There is a process where you provide information, they review the information, then they may have additional requests that is the process for this type of letter?

Mr. Felderhoff stated yes that is correct.

Mr. Hamrick asked if they have received a letter from the BLM notifying them of unmet commitments, violation or failure to perform.

Dr. Bellantoni stated no they have not, and they have responded to everything in the letter from the BLM and had submitted additional paperwork the previous day.

Dr. Bellantoni also stated that she would like to make a clarification on the 24x7 operations so that it doesn't sound like it is 24x7 from July 1st to October 31st. She stated that it is 24x7 when the drill rig is set on that platform at that location if they can manage it. That would mean it could be 2 weeks, or 3 weeks or few days it will depend on the hole and the success of the hole.

Mr. Felderhoff stated that they are looking at 5 drill holes in El Plomo in the next year, they will be around 2,000-foot-deep holes and they are very expensive so it might end up only being 3 holes. The cost is approximately 300 per foot for drilling so a 2,000-foot hole costs \$600,000 to drill. He stated that the drill creates a long string of rock or drill core and they take that back to the facility here in Canon City and the geologists log it and then it is sent to the analytical lab for and then they look at those results and try to determine what those mean and then they go to the next stage. If the next stage is warranted, they take that to the market and say this is what we have this is what we think we can find more by drilling more and this time we need 5 million or 10 million or the results are bad and we just walk.

Mr. Hamrick asked if they also hold an exploration permit under the state of Colorado under DRMS regulations.

Mr. Felderhoff answered yes.

Mr. Hamrick asked have they notified him of any failure to perform or notice of violation or any such notification.

Mr. Felderhoff stated no, never.

Mr. Fey asked that they stated it takes 50 gallons of water per linear foot and a 2,000-foot hole that is 100,000 gallons of waste water. Do you haul that out by helicopter and do you take it to a local waste disposal facility?

Mr. Felderhoff stated no, some of that water is lost in the hole during drilling and what does come up goes into containment tanks and are silled out and if there is any remaining it is released back onto the soil because it is just clean water. It may have silt and drill cuttings or rocks but it is just clean water.

Mr. Fey asked if it is tested for heavy metals.

Mr. Felderhoff stated no because there wouldn't be any in there, unless they hit the ore zone there might be small bits of lead and zinc. However, those are very very heavy and sink they do not float up.

Mr. Fey asked about the proposed wilderness area in the areas on the map, would that preclude you from going into that area.

Mr. Felderhoff stated not that he is aware, that it is a study area.

Mr. Pullen asked Director Garrett if he is aware of any violations to the current CUP.

Mr. Garrett stated there was one issue with a trench being back filled and that has been rectified.

Mr. Brown asked is there any type of oversight from the County in regards to CUP's in making sure they adhere to all items in the CUP.

Director Garrett stated there is oversight. We have a yearly review that each CUP and SRU is required to do and depending on the original requirements there may be quarterly reports and updates that are required to be submitted. There is oversight on the County's side.

Mr. Felderhoff stated that every drill site that they set up when that is completed there is an inspection report that has to be completed and filed and the DRMS comes and makes sure everything is cleaned up and cared for per State specifications.

Mr. Pullen stated that the request is for approval of a Major Modification for CUP 12-003 for an increase in the disturbance area for exploration. The border is located south of County Rd 3 east of Dawson Ranch subdivision and the western boundary is located near County Rd 28 in the Glen Vista Subdivision and that is what is to be considered.

Chairman Alsop asked in the State Land Board letter that they have it is stated that only 1 in 1,000 explorations turn into a mining operation, would you say that is correct.

Mr. Felderhoff stated that is correct. It is a very high-risk business.

Chairman Alsup asked what Mr. Felderhoff thinks his chances are.

Mr. Felderhoff stated he would certainly like to hope it is higher than that since he has a substantial investment in this. He stated this El Plomo target is the most exciting target he has had in his 40-year career.

Chairman Alsup asked Director Garrett in regards to the legal access issues and the lawsuits are those issues resolved to your satisfaction.

Attorney Jackson stated there are two different pending lawsuits, one was just filed in November and the other there is a stipulation that was entered in that case allowing access during the pendency of that litigation. The access across the Keller property which is just the corner of the property has been stipulated and the other is in very very early stages of litigation and that is for access across a particular mining claim.

Chairman Alsup asked if that is access across the current mining claim or the proposed mining.

Attorney Jackson stated it doesn't affect the expansion area it is in the current CUP.

Mr. Masar asked about the white areas on the map that are closer to Dawson.

Dr. Bellantoni stated that those are placers, those are unpatented claims controlled by Zephyr. That is property controlled by Zephyr but the CUP boundary does not encompass those. That is considered a buffer and Zephyr does not want to use or move into that area.

Mr. Fey asked if anyone has ever taken any economic quantities off this area.

Mr. Felderhoff stated yes, the Copper King mine operated very briefly but the old timers missed the gold here.

Mr. Pullen asked if this is approved and they go through the exploration they have to come back to the County to get approval to mine further on.

Director Garrett stated that yes if it proves to be viable it would be a new application, new review and new presentation to the Planning Commission and County Commissioners.

Mr. Brown stated this is just exploratory that is it.

Mr. Hamrick asked Director Garrett due to some things that were said during the hearing, have you (Director Garrett) or your staff in any way gone out of your way to facilitate this Conditional Use Permit application.

Director Garrett stated no sir.

Chairman Alsup stated that he is having some difficulty with this. He understands that it is all exploratory and he can't go beyond that however he would like to remind the Planning Commission

of the checklist that they have of conditions of approval for Conditional Use Permits and they all have to be met for approval. He suggested that they take a moment to look at those A1 through A7 and it is not just one or the other has to be met you have to meet all of those criteria. He stated that he is concerned with the wildlife issues and that those impacts will be high and difficult to remedy.

Dr. Bellantoni stated regarding the wildlife that is part of section 16 and that is why it is only allowed from July 1st to October 30th. Also, the BLM stated in that letter that they have not begun to complete their environmental assessment and to be completely honest she expects more rigorous restraints in regards to protecting the wildlife. She stated that yes, the state has started the review and BLM will be doing at least as rigorous a review as the State of Colorado because this is an ACEC area so there are no roads and they are not allowing anything to stay at the end of the day. She also stated that as far as the tripling, BLM guided Zephyr to extend the boundary 100% because they have to do a environmental study and it is going to be a big project so tell us how far west you want to go and let stop piece mealing our way to the west. She stated that there is currently 7.8 acres disturbed in a 563-acre area there is over 9 acres bonded by DRMS. All Zephyr is asking for in that yellow boundary is 3 acres and that is a temporary disturbance and at the end of the day reclamation states that every thing has to be put back to the conditions set by the DRMS for ACEC area or wilderness study area. Which Zephyr has already proven that they do this. They have had ongoing inspections for the last 7 years on this. She also stated that regarding Grape Creek, Zephyr has a 500-foot setback from Grape Creek right now set by the Colorado State Land Board and there isn't another waterway of that type in the area.

Chairman Alsup stated he is still concerned with the helicopter trips in and out and the impact on wildlife.

Dr. Bellantoni stated again that is the reason it is limited to July 1st to October 30th is because of the wildlife and that is the time it will have the least impact. She also stated that it is only 12 trips to build the rig which may only be 1 trip a day or 2. When they are building the pad it may be more but the regularity of it is minimal.

Mr. Fey stated that he has looked at the checklist and he doesn't feel that it even fits the proposal in front of them.

MOTION

Mr. Masar motioned for approval of CUP 12-003 Dawson Gold Major Modification with the contingencies and requested waivers.

SECOND

Mr. Fey seconded the motion.

Chairman Alsup called for a roll call vote and the motion passed (5 of 7)

E. Amendment to the Fremont County Zoning Resolution:

Chairman Alsup asked Director Garrett to read the suggested amendments to the Zoning Resolution.

Director Garrett stated that the proposal is to eliminate the Travel Trailer Park and Campground Zone District. It would become an obsolete zone district and convert Travel Trailer Park and Campground to a Special Review Use Permit. All parcels currently zoned TTP&C would remain. He stated that by switching this to Special Review Use it gives more flexibility on both sides, the applicant and the department. With the zone change we can't make the revert back to whatever it was should there be any issues. With the Special Review Use Permit if issues were to arise, we could ultimately revoke the permit if they did not take corrective actions. And if it didn't work out from the applicant's side, they could voluntarily cancel the permit and it would go back to the original use.

Mr. Pullen stated this is cleaning up regs then.

Director Garrett stated yes.

Attorney Jackson stated that Travel Trailer Park and Campground requirements are mostly development requirements anyway which can be put into the permit for SRU and still enforced.

Chairman Alsup asked if this is just a simplification process.

Attorney Jackson stated yes and if we have a run-down travel trailer park and campground and they don't want to operate it anymore and it is just abandoned and it's still zoned for that it can't be used for anything else. That makes is a burden to anyone who wants to develop that to have it rezoned again.

Mr. Masar asked as an SRU do they have to come back every 5 years or 10 years.

Director Garrett stated that the SRU can be issued for life of use.

MOTION

Mr. Pullen motioned for approval of the proposed amendments to the Fremont County Zoning Resolution.

SECOND

Mr. Fey seconded the motion.

Chairman Alsup called for a roll call vote and the motion passed unanimously (7 of 7)

8. **ADJOURNMENT**

Chairman Alsup adjourned the meeting at 5:56 p.m.

Byron Alsup 2-4-20
CHAIRMAN, FREMONT COUNTY PLANNING COMMISSION DATE

Good afternoon, my name is Dr. Dorothy Twellman, and I live on Eight Mile Hill.

I was asked to speak on behalf of some local friends and residents who live and have businesses near and around the proposed Royal Gorge Karting Circuit. It will take a few minutes to read this, so I would ask for your patience. Our concerns include the following points noted in the proposal plan.

First, we would like to point out that what is being presented is not completely accurate. While the track may have a component of electric powered rental go karts, it also is designed as a professional circuit race track for professional racing of gas powered two-stroke engine go karts.

We are especially concerned about the amount of traffic that the race track will bring to the Eight Mile area. The circuit racers travel in large semis. On Highway 50 there are inadequate turn, deceleration and acceleration lanes to accommodate the number of big rigs and other vehicles that would be arriving and departing. These vehicles would cause traffic congestion, hazardous turning, and would block access to the established businesses in the area. Deaths from traffic accidents have already occurred at the site of the proposed entrance to the race track. We're sure many of you remember the tragic, fiery crash that resulted in the deaths of Doug Snyder, Sr. and another driver, from illegal lane usage in this exact location. As your former county coroner for many years, I am well aware that we had 56 highway fatalities in our county

between 2013 and 2019. Several were in this area. We don't want to do anything to bolster these numbers.

Fremont County Master plan section A 3.6 states "Recommend that professional level traffic studies be conducted for all proposed developments prior to application submittal".

The planned 190 parking spaces for the tracks clearly show the amount of traffic expected; not the 24-40 vehicles as stated in the proposal. Those parking spots could also be utilized for tailgate parties which could have unrelated alcohol and drug use as well as open fires associated with them.

The stated noise level of 75db in the proposal is for only one electric kart; obviously the decibel levels would be much higher with gasoline engines. Numerous karts in any heat would increase the decibel level significantly. The EPA specifies limits for speech interference and annoyances at 55 db for outdoor activities. Noise above 70 db over a prolonged period of time may start to damage hearing. These levels could exceed NIOSH (National Institute of Occupational Safety and Health) and OSHA (Occupational Safety and Health Administration) thresholds for hearing protection as well as community outdoor standards of the EPA. (Environmental Protection Agency) This will not only impact the residences and businesses in the area, but the livestock and wildlife living nearby as well.

Should this race track proposal be approved in this location, we would request that there be noise, lighting and emission regulations that would be tested and strictly enforced on a regular basis, as stated under Fremont County Master plan section B 1.3 which reads: “All development should limit environmental and aesthetic impacts such as pollution, lighting, signage, glare, noise, and odors on neighborhoods.”

The stated compliance to the air quality is again for one electric kart, not the common two-stroke gas powered racing go karts. Studies have shown that the AQI (Air Quality Index) of a two-stroke engine can reach a rating of over 400. The unhealthy level starts at 101, and ratings from 300-500 are considered hazardous. Most of the area consists of residences, campgrounds, restaurants and agricultural enterprises. Due to environmental concerns of two and four stroke engines, most circuits like the one proposed are built at significant distances from properties such as those on Eight Mile Hill.

With the speeds that these karts can reach (reportedly up to 200 mph), the fencing proposed may be inadequate to contain a kart in the event it should leave the track and be unable to stop before it reaches a residence or the highway. This does “pose a safety hazard to adjacent properties and residents”. If this proposal is accepted, it would seem reasonable to require construction of a concrete wall or barrier similar to those used along interstate highways.

There is a study of water runoff with proposed catch basins in this proposal. However, there is no study on the impact of runoff from the track itself that would contain fuels, oils, rubbers and other hazardous materials that could leach into the ground water and contaminate surrounding wells and vegetation. We would recommend a hazardous waste study prior to approval of the race track.

During times of high fire danger in the region there would need to be a permanent fire suppression system or department in the event of a fire caused by either the karts or fire pits/BBQs associated with tailgaters. Spark arrestors would need to be mandatory and well maintained and inspected on all karts prior to use. Some residents adjacent to the property could actually be fatally trapped by their limited access via a one-way ingress/egress road to their properties. We all remember the devastating effects to our entire community as a result of the Parkdale Canyon and Royal Gorge wildfires.

The current existing well is not permitted for commercial use, though this proposal appears to be a commercial endeavor. The proposal states that the well will be utilized for bathrooms and washrooms for patrons and employees, and for fire suppression of this facility.

The Royal Gorge/BLM area is known for being a destination area for hiking, biking, horseback riding and local wildlife

activities. We believe that a race track would negatively impact all of these activities. BLM has prohibited motorized vehicles in these existing areas for valid reasons.

Eight Mile Hill is a diverse and unique area with established businesses such as campgrounds, glamping, luxury condos, zip lines, open air restaurants, animal care facilities, and countless personal residences who contribute greatly to the tax base of our community. A race track such as the one proposed could negatively impact this area and could potentially harm the income, employment and property values of the existing established community.

Referring again to the Fremont County Master Plan B3 states: “Rural-density development should impact the County and its citizens as minimally as possible and uphold the rural character of the neighborhood.”

In closing, we are not opposed to a venture of this type in Fremont County but we are stating that Eight Mile Hill is an unsuitable location. This parcel and all the surrounding properties are zoned as Agricultural-related. None of them are zoned for commercial use.

As stated in the Fremont County Master Plan in 1998, the Fremont County Board of County Commissioners with the adoption of Resolution Number 40 established a “Right to Farm and Ranch Policy” for the County. The stated policy from the resolution is: “That ranching, farming, and all manner of agricultural activities and operations within and throughout

Fremont County are integral elements of and necessary for the continued vitality of the County's history, economy, landscape, lifestyle, and culture. Given their importance to Fremont County and the State, agricultural lands and operations are worthy of recognition and protection.”

Fremont County Master Plan section D3 – D4.3 further states:

- 1) “Discourage conversion of prime agricultural land to nonagricultural uses.
- 2) Consider development incentives to property owners to encourage the preservation of agricultural lands for agricultural uses.
- 3) Promote and preserve an atmosphere congenial to the continued use of agricultural land for agriculture.
- 4) Promote respect of private property issues that are essential to agricultural use of land.
- 5) Promote land development that does not disrupt agricultural activities. And finally,
- 6) Promote land development that does not pollute the land, water, and air.”

Finally, we believe a Go Kart Circuit could be a nice addition to our community, but an appropriate location for this type of business, would be in a more industrial area such as near the Fremont County airport. That location could accommodate and have the necessary resources for this venture. I would refer you to the Master Plan section C which relates to this exact concept.

Thank you very much for your time and consideration.

TSXV **ZFR**
OTC **ZPHYF**



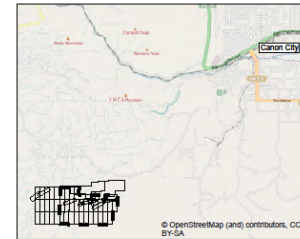
FREMONT COUNTY
PRESENTATION
JANUARY 7, 2020

**SILVER - BASE METAL
&
GOLD
EXPLORATION
in Fremont County,
Colorado**

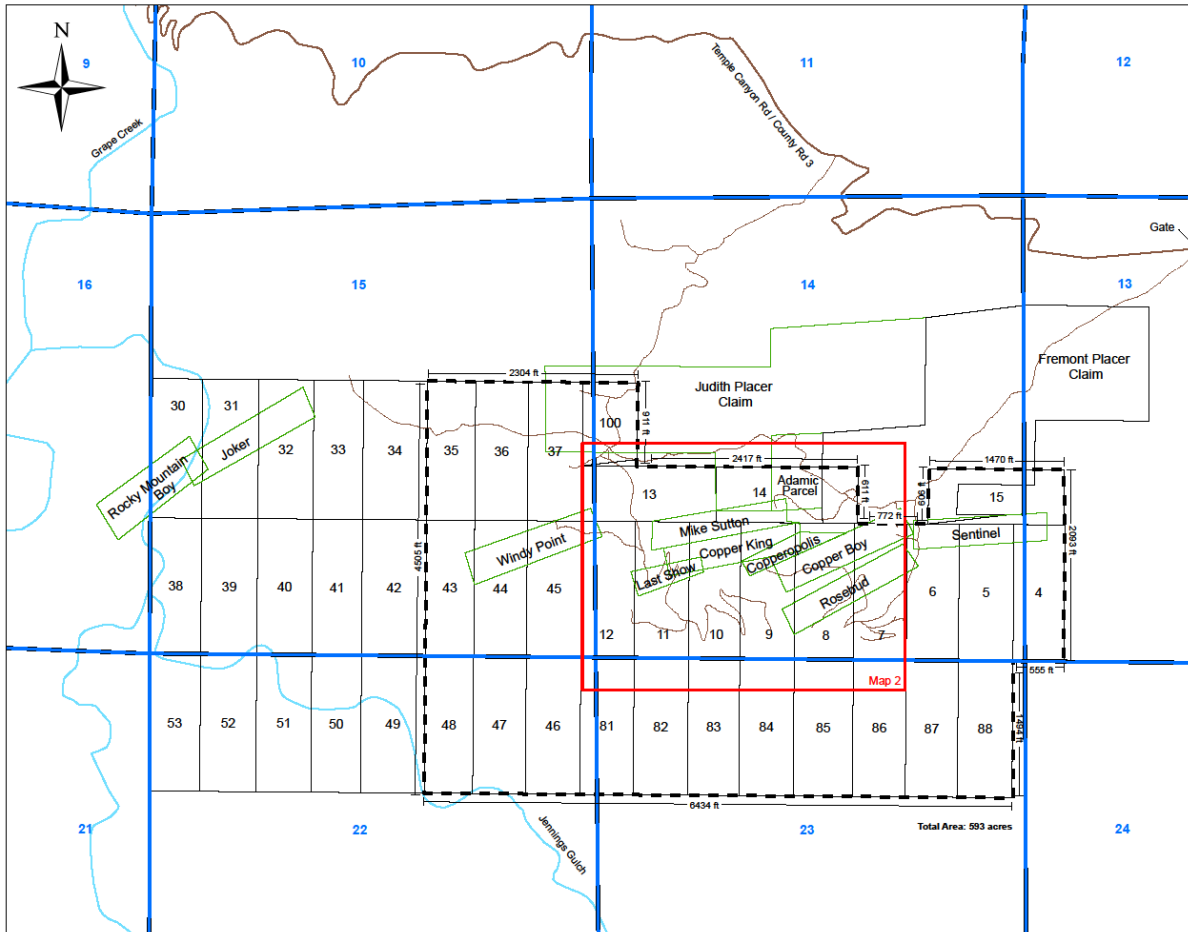
**CONDITIONAL USE PERMIT FOR
DAWSON GOLD PROJECT (EXPLORATION)
FOR ZEPHYR MINERALS USA LTD.**

LOCATED IN PORTIONS OF SOUTH 1/2 OF SECTION 14, SOUTH 1/2 OF THE NE 1/4, SE 1/4 OF SECTION 15, NORTH 1/2 NE 1/4 SECTION 22 AND NORTH 1/2 SECTION 23, TOWNSHIP 19 SOUTH RANGE 71 WEST, 6TH PM FREMONT COUNTY, COLORADO
MAP 1

Revised: Nov 29th, 2012



© OpenStreetMap (and) contributors, CC-BY-SA
VICINITY MAP 1 : 100 000



- Existing Trails
- Roads
- Section Lines with Number
- Permit Area
- Patented Claims
- Unpatented SAM Claims
- Area of Detail Map 2

0 500 1,000 2,000 ft
Scale: 1" = 750 ft

DISTANCES:
Gate to Mariposa Rd intersection: approximate 3.1 mi
Gate to site 5: approximately 1.2 mi
Gate to site 3: approximately 2.1 mi

CONDITIONAL USE PERMIT BOUNDARY:
Commencing at the NW corner of SAM claim No. 35 thence 2304 feet east to the NE corner of SAM claim No. 100 thence south 911 feet to the north boundary of SAM claim No. 13, thence 2417 feet east to the NE corner of SAM claim No. 14, thence 611 feet south to the NE corner of SAM claim No. 8, thence 772 feet east to the SW corner of SAM claim No. 15, thence 606 feet north to the NW corner of SAM claim No. 15, thence 1470 feet east to the NE corner of SAM claim No. 15, thence south 2093 feet to the SE corner of SAM claim No. 4, thence 555 feet west to the SW corner of SAM claim No. 4, thence 1494 feet south to the SE corner of SAM claim No. 88, thence west 6434 feet to the SW corner of SAM claim No. 48, thence north 4505 feet to the place of beginning, NW corner of SAM claim No. 35, being approximately 593 acres.

NOTES:
No existing buildings exist
No buildings are proposed
No designated power areas are proposed
No designated loading areas are proposed
No landscaping proposed
No pedestrian areas or walkways are proposed
No refuse areas are proposed
No FEMA flood areas exist within CUP boundary
No lighting is proposed
No sewage is proposed
No open space is proposed
Subject property and all adjoining properties are zoned Agricultural forestry.
Parking of maximum 3 employee vehicles will be at the drill sites.

mercator GEOLOGICAL SERVICES
65 Queen St, Dartmouth, Nova Scotia, Canada
B2Y 1G4 (902) 483-1440

AT-A-GLANCE

STATE LAND BOARD ACTIVITY IN YOUR COUNTY

FREMONT COUNTY

of surface acres: 65,729 (6.7% of Fremont County's 981,760 total acreage)

of subsurface acres: 65,872 (6.7%)

of active leases: 139

of rights-of-way leases: 66

of agriculture leases: 35

of mining leases: 12

of recreation leases: 11

of oil and gas leases: 1

of other lease types: 14

of acres of Stewardship Trust land: 8,934 (0.9%)

Lease Revenue (FY18-19): \$658,133

Approximate Possessory Interest Taxes Due: \$1,357

(Lessees are in lease violation and subject to lease termination if PIT is not paid.)

BEST grants awarded: \$6,286,043

\$4,966,038 for Canon City Re-1 Various school upgrades (FY17-18)

\$208,110 for Cotopaxi Re-3 Districtwide safety/security upgrades (FY17-18)

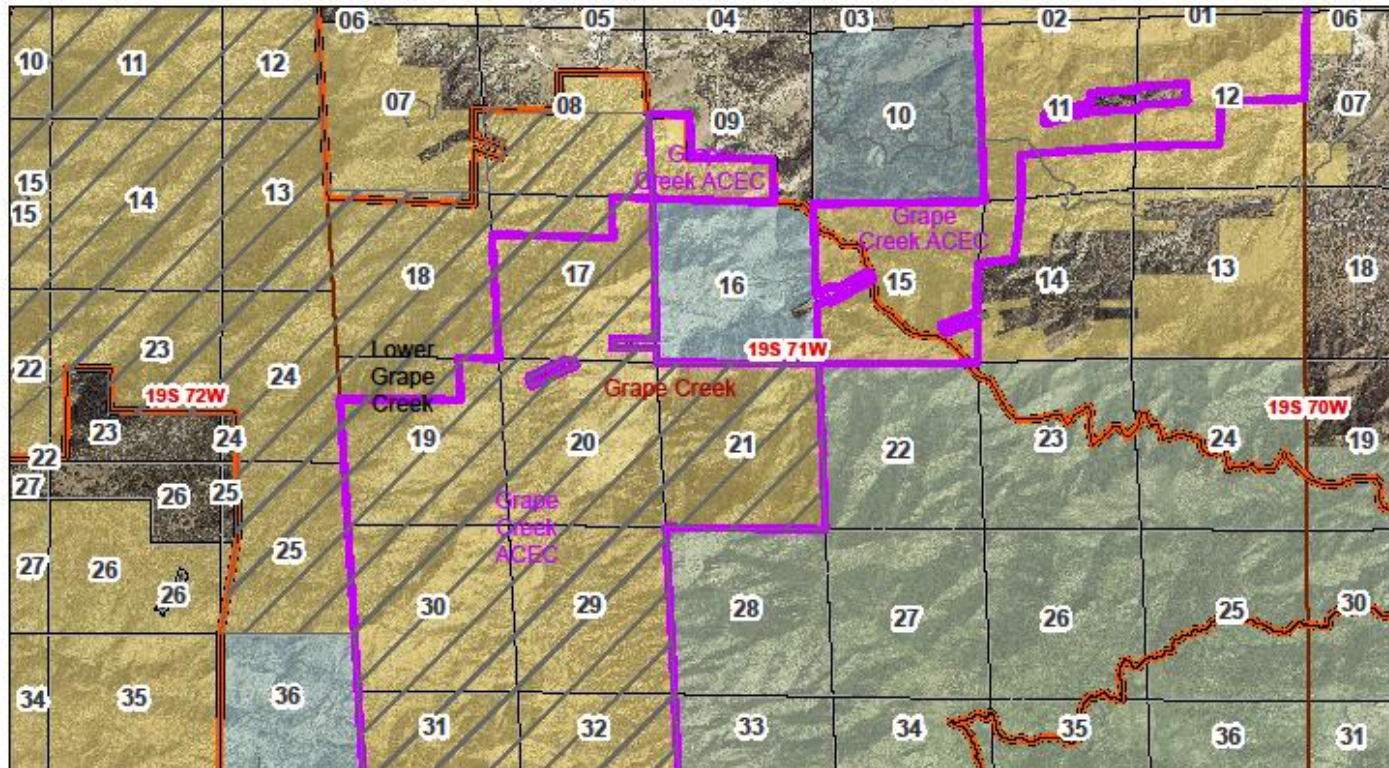
\$667,077 for Canon City Re-1 Roof replacement at multiple facilities (FY16-17)

\$235,164 for Canon City Re-1 Fire alarm replacment at middle school (FY14-15)


\$209,654 for Canon City Re-1 Fire alarm updates in three elementary schools (FY12-13)

The State Land Board and its lessees are subject to all local, state, and federal regulations. The State Land Board and its lessees submit permit requests to Fremont County for any land uses that require permitting.

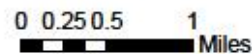
Revised December 2019



Legend

-  BLM Wilderness Study Areas
-  Areas of Critical and Environmental Concern
-  Colorado Wilderness Act of 2018 - Proposed Wilderness
-  Bureau of Land Management
-  Private
-  State
-  State, County, City: Recreation Areas
-  US Forest Service

West of Dawson Mtn.



NOTE TO MAP USERS
 No warrantee is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of the data layers shown on this map. The official land records of the data providers should be checked or current status on any specific tract of land.

Drill Pad Construction

<https://youtu.be/PROMqh220Yw>

Management

Loren Komperdo, P.Geo. - President, CEO, Director



Founder and CEO of Tiberon Minerals – sold for \$285 million having discovered Nui Phao Tungsten deposit in Vietnam. Founder and CEO of Keeper Resources – an oil and gas company formed in 2004 and sold in 2007 three years later for \$52 million

Will Felderhof, B.Sc Geology - Executive Chairman, Director



Over 40 years international experience in exploration, development, and production projects. Most recently Will Felderhof was the founder, President & CEO of Acadian Mining Ltd. (2003 to 2010). During his tenure he built up the largest portfolio of past-producing gold mines in Nova Scotia; acquired and brought into production 2200 tpd base metal mine; and raised upwards of C\$55M in the venture capital markets. In the 1980's Will was President & CEO of Jascan Resources Inc., during which time he acquired the Dawson Gold Property from US Borax Ltd., a subsidiary of Rio Tinto.

John Clark, CPA - CFO, Director



President of Investment and Technical Management Corp., a corporate finance and merchant banking firm. Director of TSX-listed Russel Metals, and Director of Vista Gold Corp. listed on AMEX and TSX. Former senior manager with Thorne Riddell Chartered Accountants

Management & Advisors

Mark Graves, P.Geo - VP Exploration



40 years experience supervising multi-million dollar exploration programs throughout North America in varied geological settings including highly evolved peraluminous granites, Ni-Cu-Co magmatic sulphide deposits, and VMS deposits.

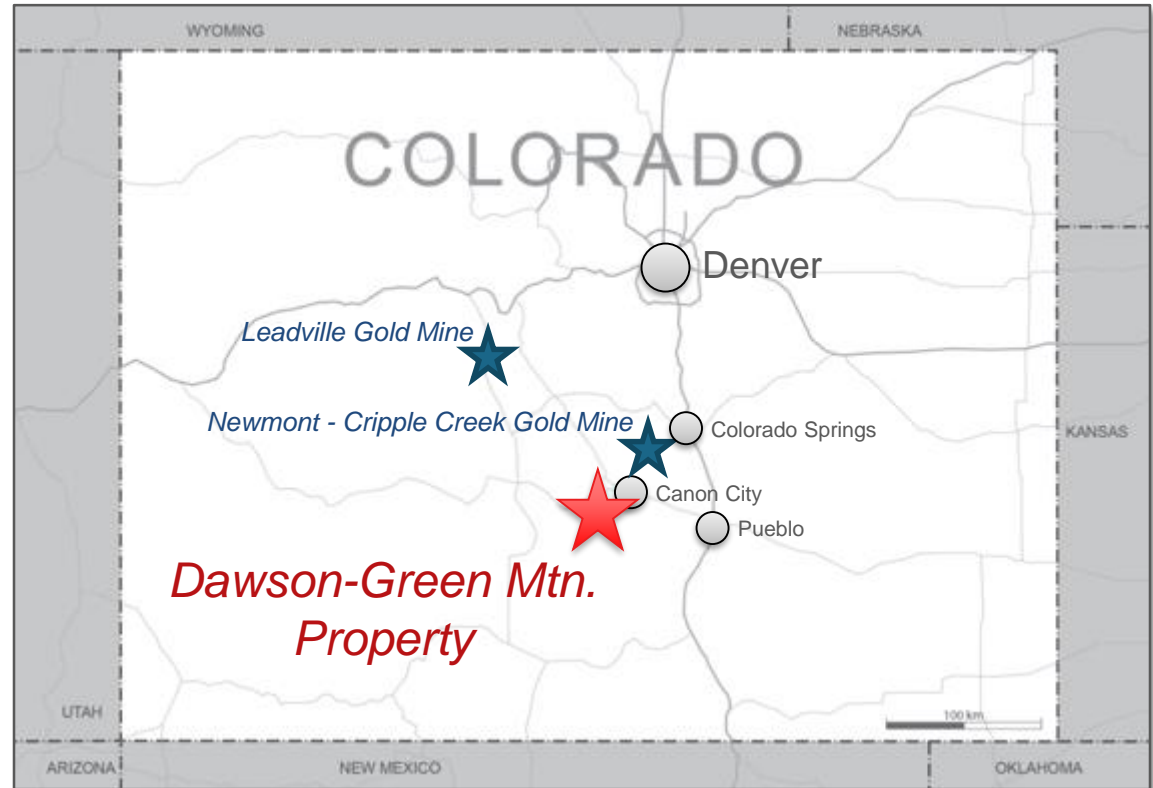
Paul Spry, Ph.D – Technical Advisor



Dr. Spry is professor of economic geology in the Department of Geological and Atmospheric Sciences, Iowa State University. He earned his B.Sc. and M.Sc degrees from the University of Adelaide, South Australia, and his doctorate at the University of Toronto in 1984. Dr. Spry has coauthored more than 110 refereed papers in international journals and three books. He is an internationally recognized expert on the genesis of ore deposits and in particular Broken Hill-type Pb-Zn-Ag deposits. His work on the geology and geochemistry of the Broken Hill orebody, Australia, and similar metamorphosed ore deposits around the world is particularly relevant to Zephyr's Dawson-Green Mountain project in Colorado.

Dawson-Green Mountain Property

- Located in mining friendly Colorado, USA
- 2 hour drive from Denver
- 9 km SW of Cañon City
- **Close to infrastructure & industrial support**
- **5.8 km from power**
- **Underground mining proposition at Dawson Section = small environmental footprint**



Dawson-Green Mountain Property

- **Dual Strategy within three project areas along Dawson-Green Mountain Mineralized Trend:**

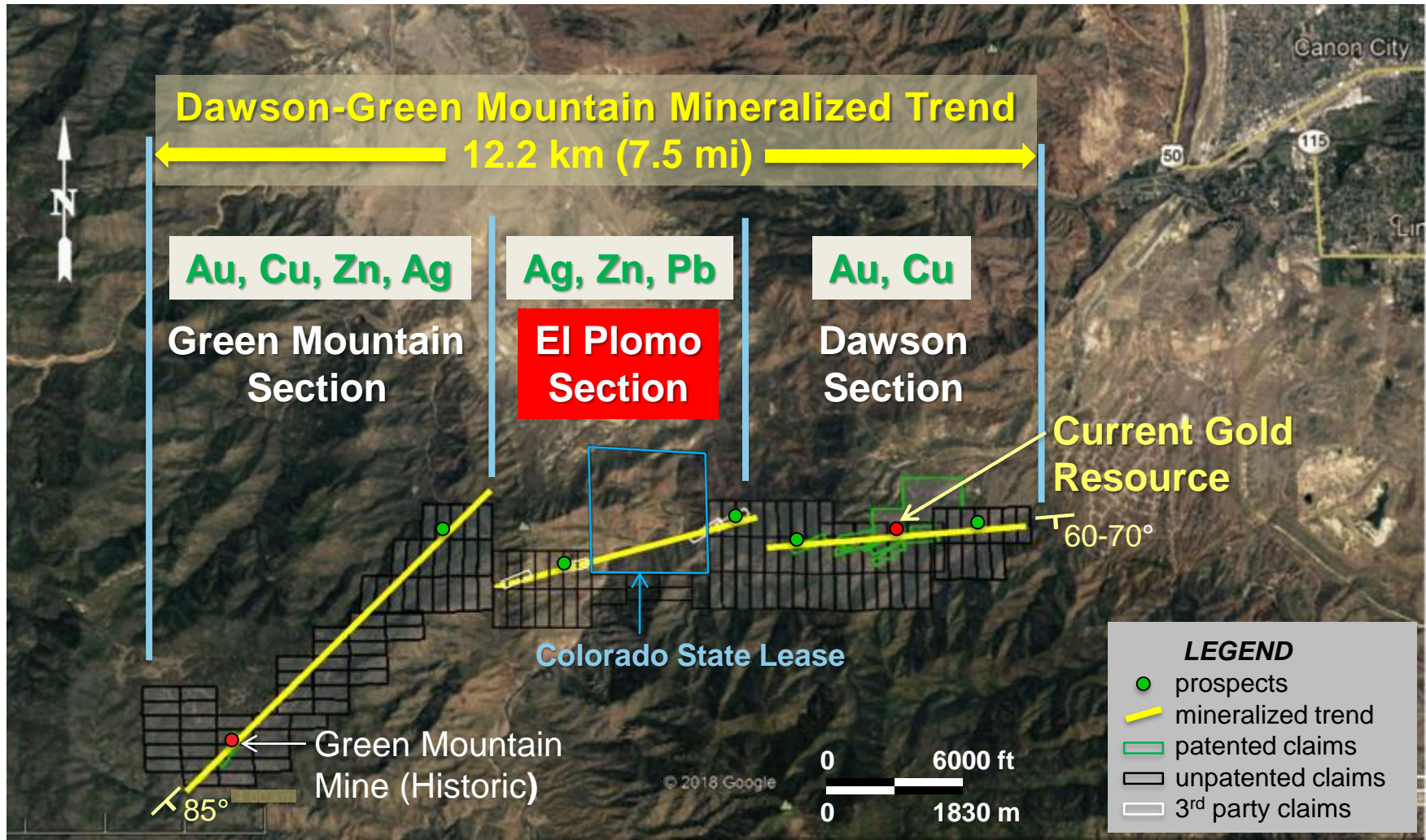
Silver-Base Metal Elephant Hunting

- **El Plomo Section** – rare Broken Hill Type (BHT) exploration target providing shareholders with potential significant upside

Expand Gold Resources

- **Dawson Section** - high grade gold resource delineated in accordance with NI 43-101 and open at depth & along strike
- **Green Mountain Section** – prospective for additional gold resources

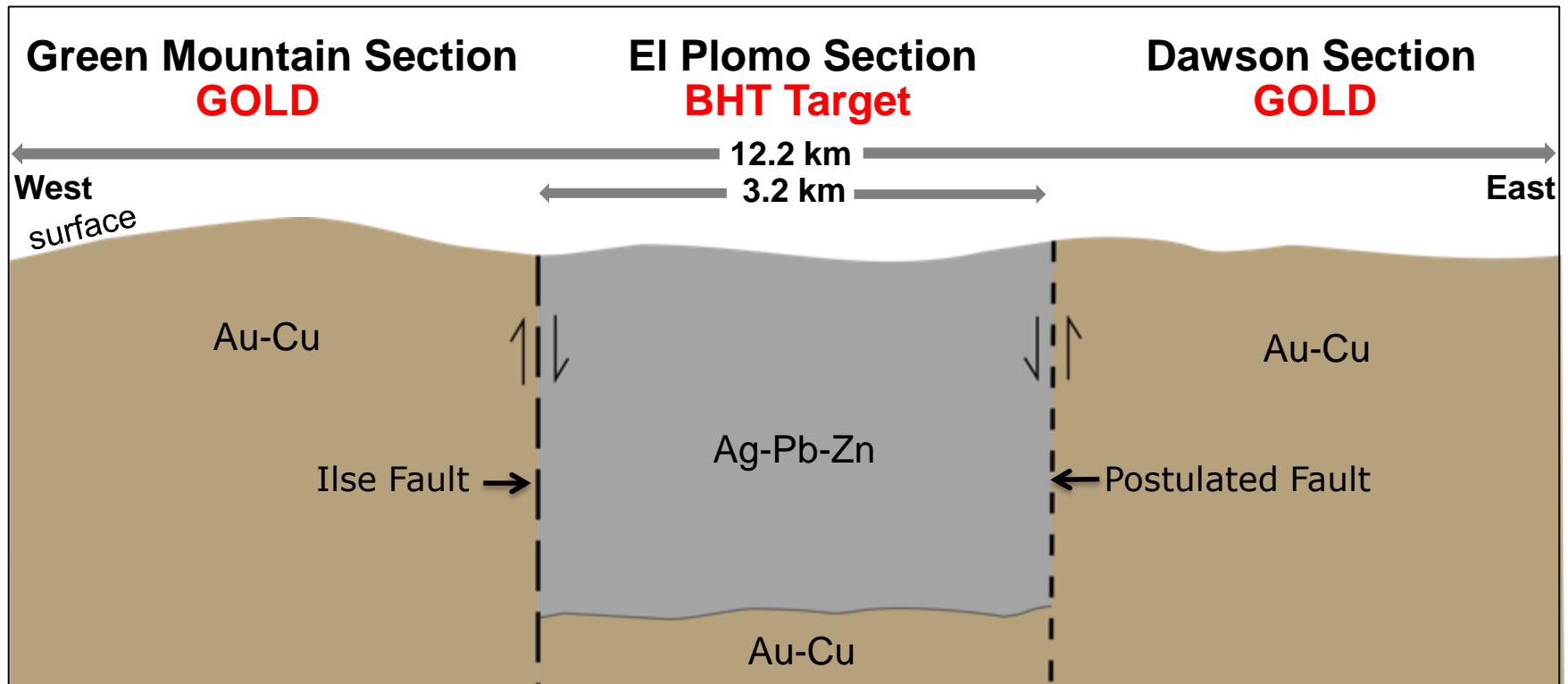
Dawson-Green Mountain Property



Dawson-Green Mountain: Long Section

Diagrammatic Interpretation – *not to scale*

- Mineralized host rocks dip vertical to 60°South
- El Plomo Section down faulted relative to Dawson & Green Mountain
- Ag-Pb-Zn zones at Green Mountain & Dawson removed through erosion





**Zephyr
Minerals**

TSXV:ZFR
OTC:ZPHYF

El Plomo Section
Silver - Lead - Zinc

*Elephant Hunting –
Rare Broken Hill Type Exploration Target*

Broken Hill Type Deposits can be Large

- **Broken Hill Deposit** was one of the largest base metal deposits ever discovered at **280 million tonnes of high grade ore: 148 g/t Ag, 18.5% Pb+Zn**
- **Cannington** was a **blind deposit discovered through geophysics** and geochemistry in 1990. Its size was over **45 million tonnes of high grade ore: 520 g/t Ag, 16.7% Pb+Zn**
- **Cannington** was the **largest and lowest cost** silver producer for 20 years

Source: Presentation to the AGC by Stewart, Jeffrey, Principle Geologist, Cannington Mine, July 2002 presentation (Stewart, 2002)

Geological Similarities to Broken Hill / Cannington

- Proterozoic Age – 1.8 – 1.6 billion years BP
- Pathfinder Mineral – Gahnite
- Magnetic Signature
- Plus Others

Paleoproterozoic Craton Map

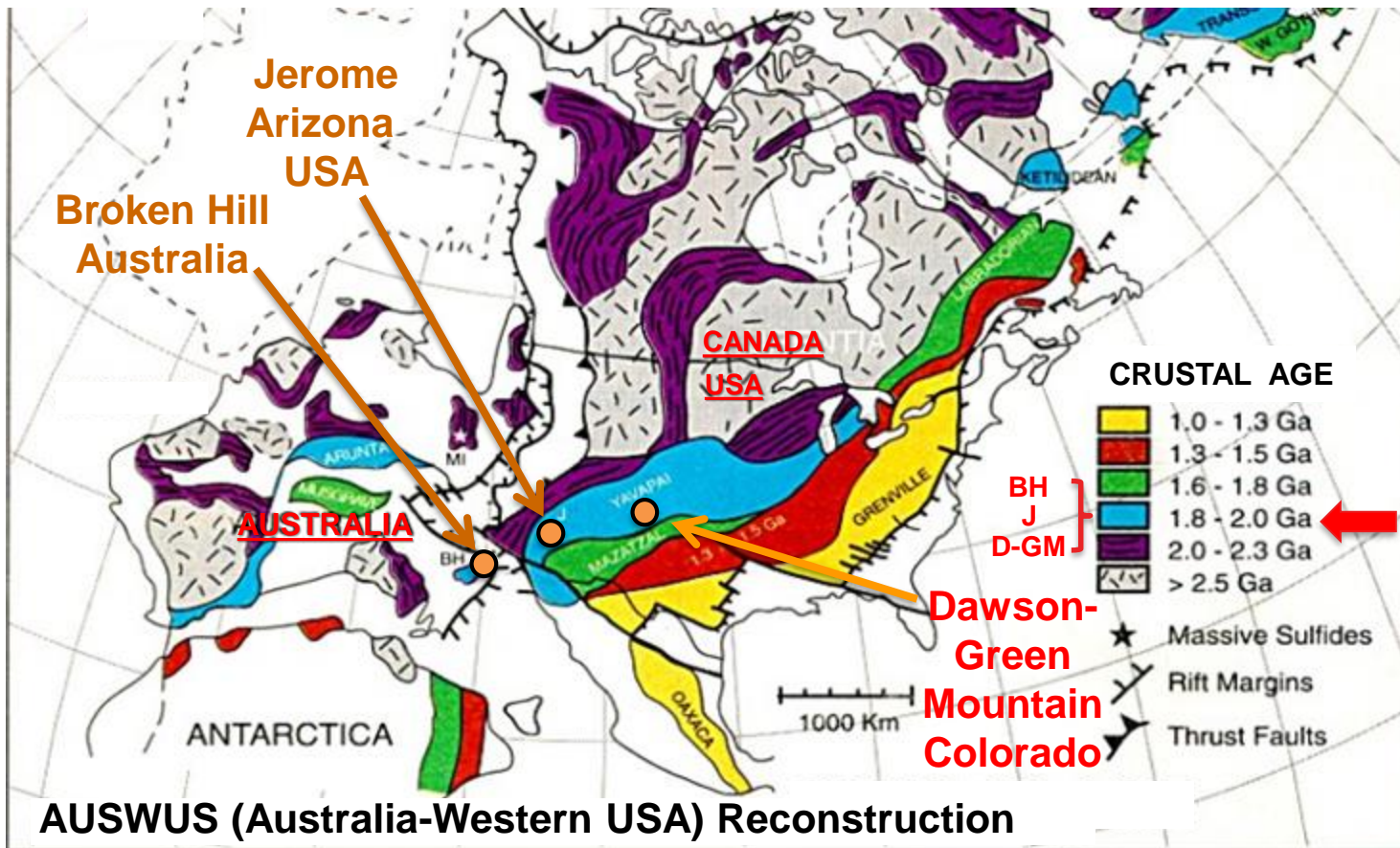
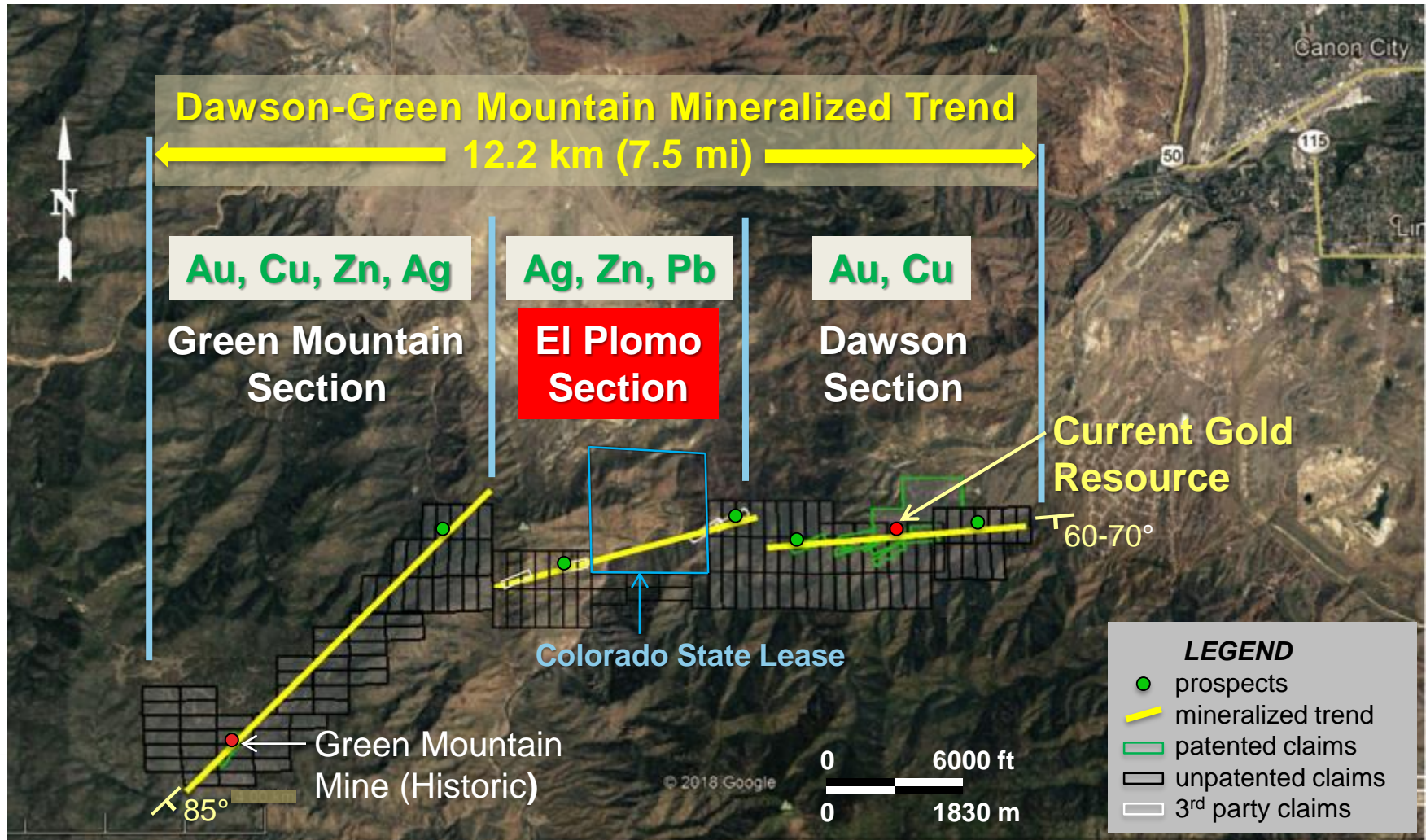


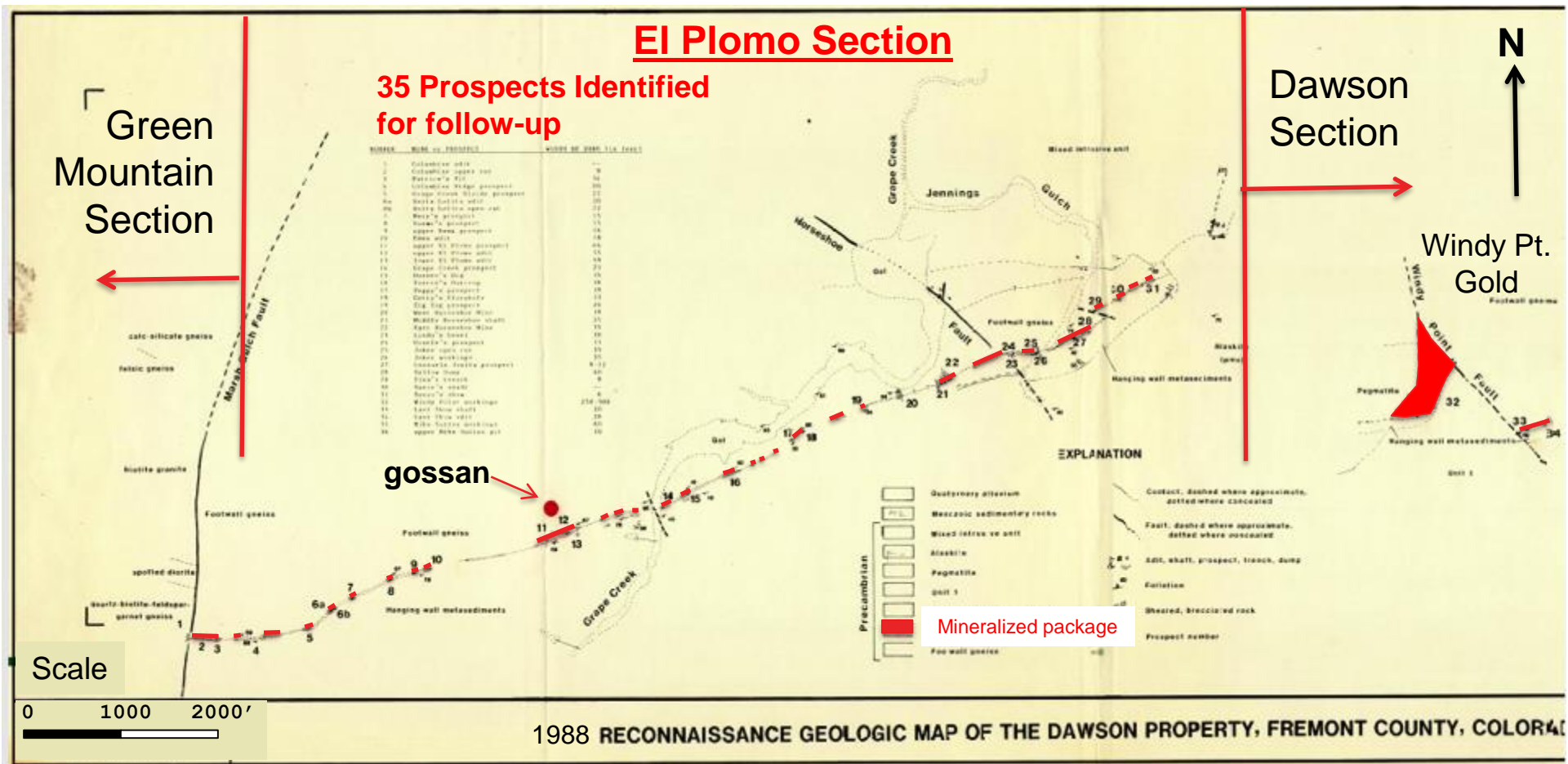
Figure 1. AUSWUS reconstruction for 1.7 to 0.8 Ga, modified from Brookfield (1993). The Tasman line forms the eastern edge of Proterozoic Australia (Myers et al., 1996); the $^{87}\text{Sr}/^{86}\text{Sr} = 0.706$ line marks the west edge of Proterozoic Laurentia. Continents were rotated to this configuration about an Euler pole located at $51.46^\circ\text{N } 106.70^\circ\text{E}$, rotation angle 114.33° . Both continents appear in equal-area projection in North American coordinates. The position of Australia in the SWEAT reconstruction is shown for comparison (from Moores, 1991). Crustal age provinces inferred from Nd data. Massive sulfide deposits of Broken Hill (BH) are to similar deposits in Jerome (J) in central Arizona and Mount Isa (MI) is across from the Carlin area of Nevada.

Modified after Karlstrom, K.E. et al., 1999

Dawson-Green Mountain Property

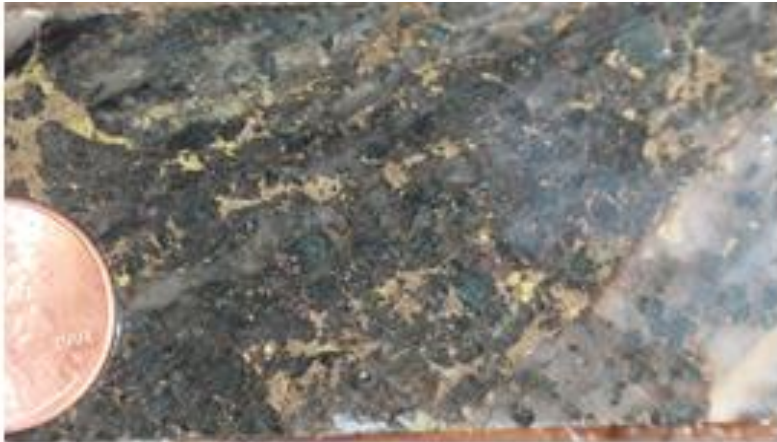


Continuous Trace of Mineralization



Modified after Mickey Fulp, Jascan Resources Inc., 1988,

Gahnite Rocks



Gahnite-quartz-chalcopyrite-pyrrhotite rock, El Plomo (Grape Creek), Colorado



Quartz-gahnite rock, Dawson, Colorado



Massive sphalerite-gahnite rock, Broken Hill



Quartz-gahnite rock, Broken Hill

Gahnite Rocks

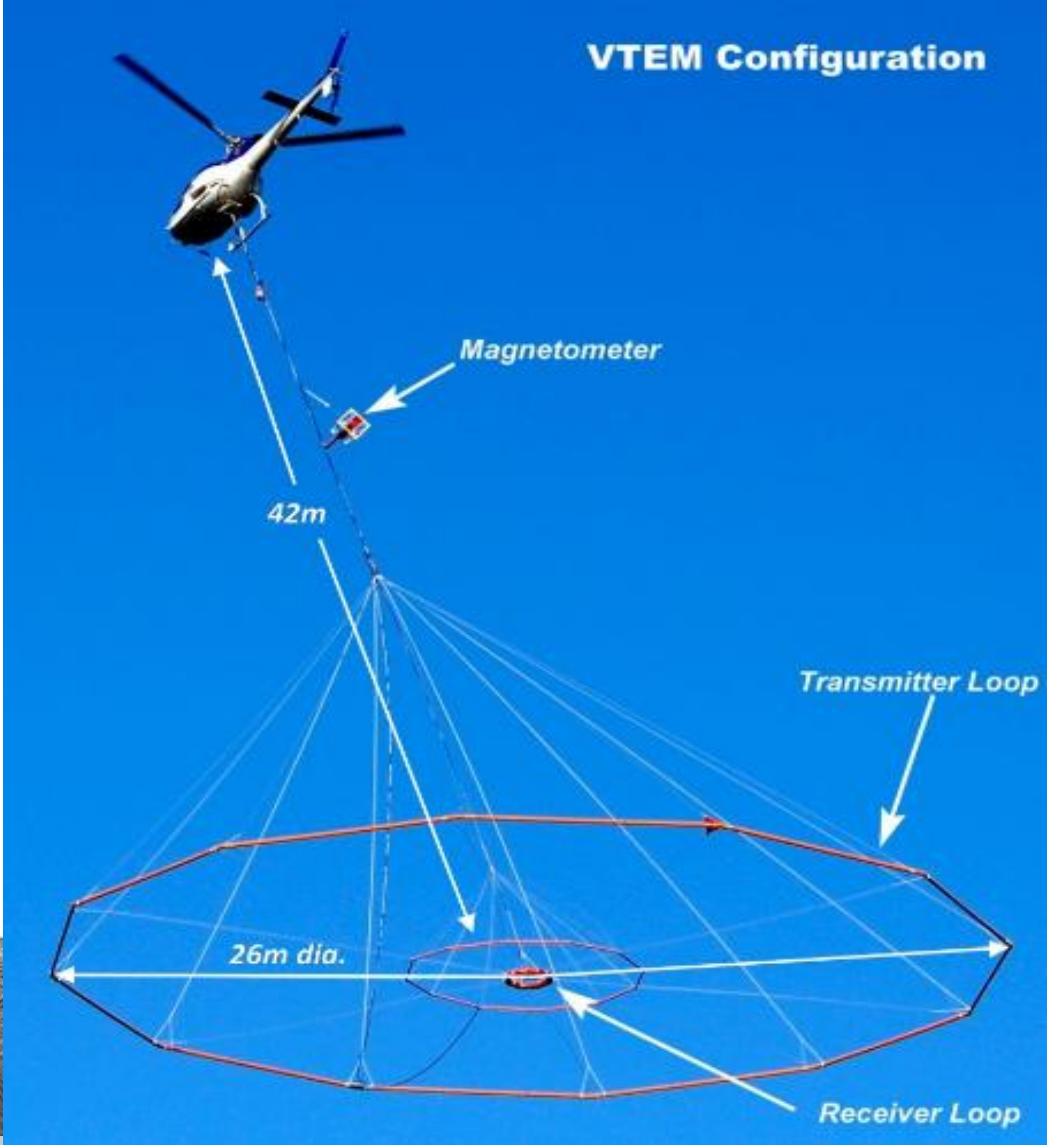
Highly Magnetic Core from El Plomo

Magnet

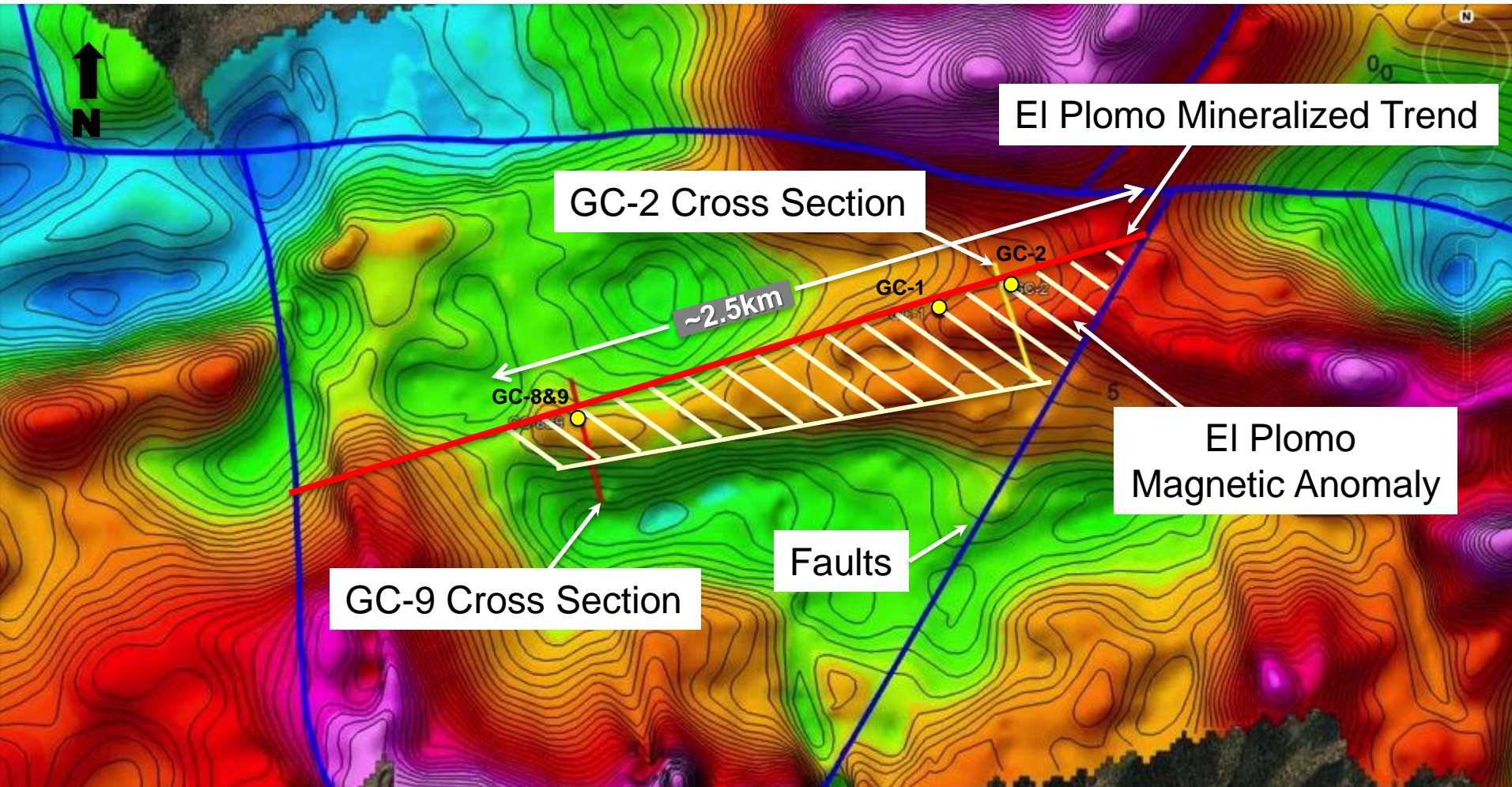
1981 drill core
from hole GC-9:
9.27% Zn
@ 186.6ft.



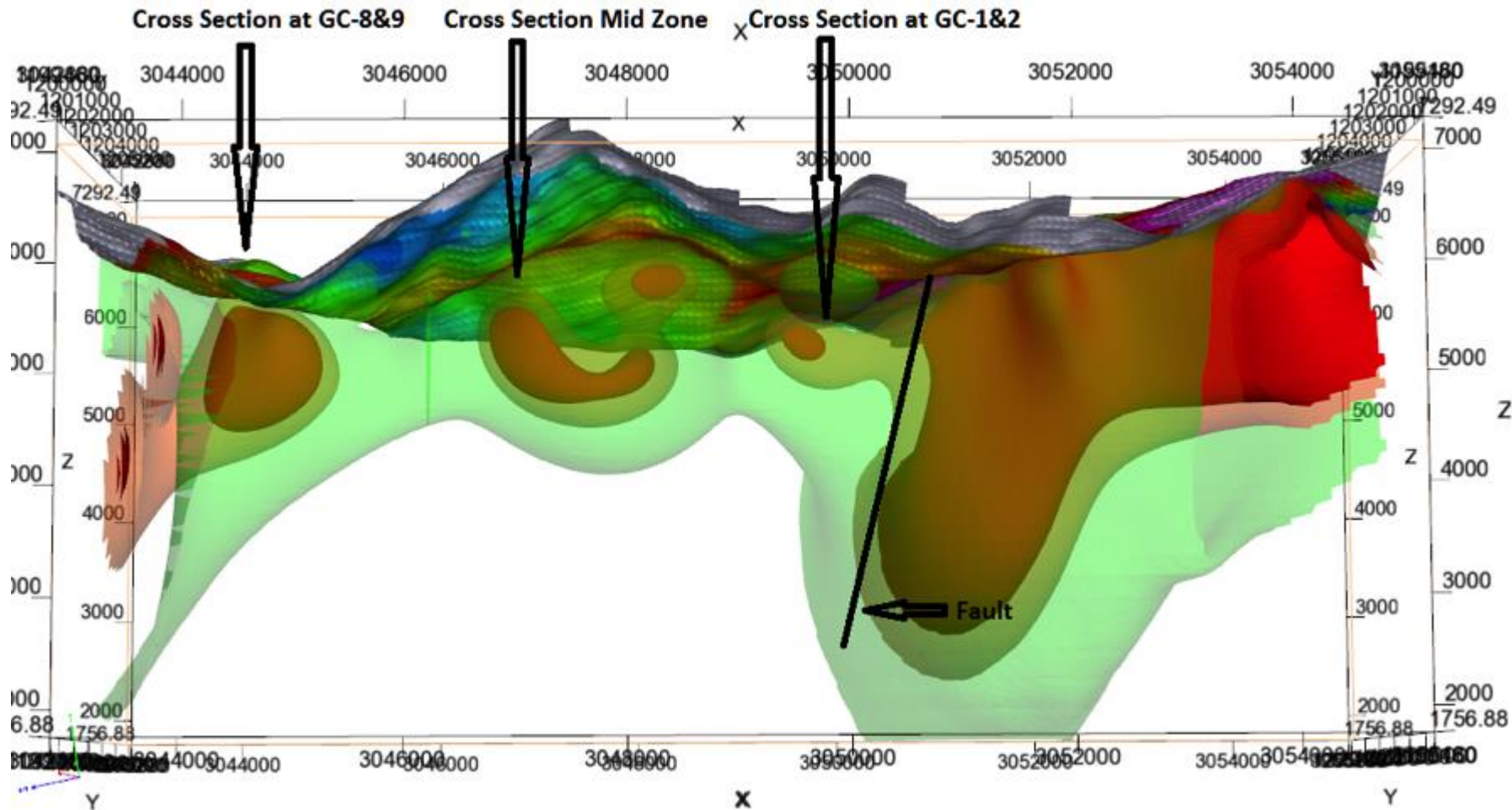
Airborne Magnetometer VTEM Configuration



El Plomo Magnetic Anomaly



Long Section of 3D Inversion Model*

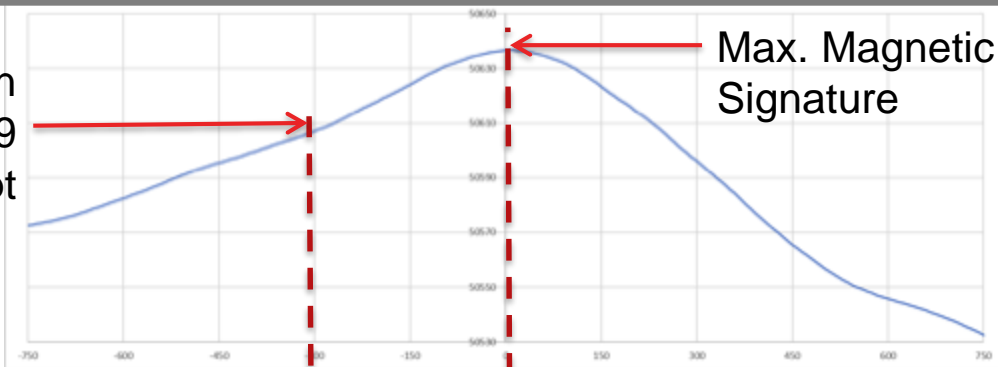


*Looking North

GC-9 Cross Section / Magnetic Profile

Magnetic Profile El Plomo Section

Location
of GC-9
intercept



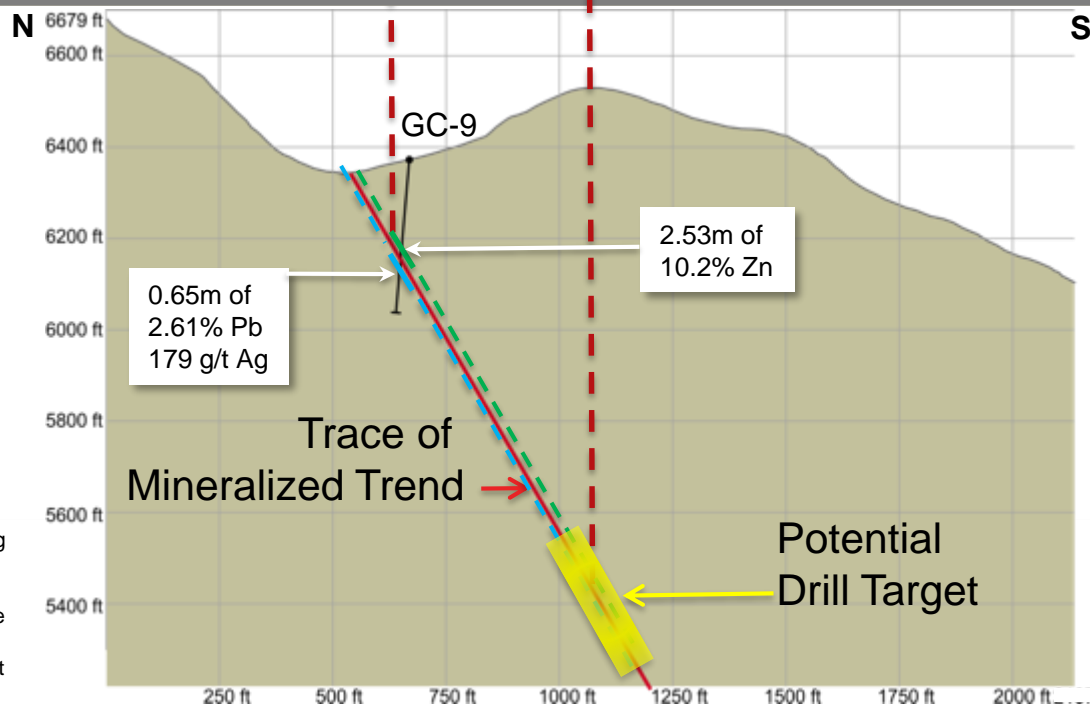
See slide 24

Cross Section El Plomo Section

GC-9 * Historic Drill Hole
from 61.29m - 2.53m (10.2% Zn)
from 85.82m - 0.65m
(2.61% Pb & 179g/t Ag)

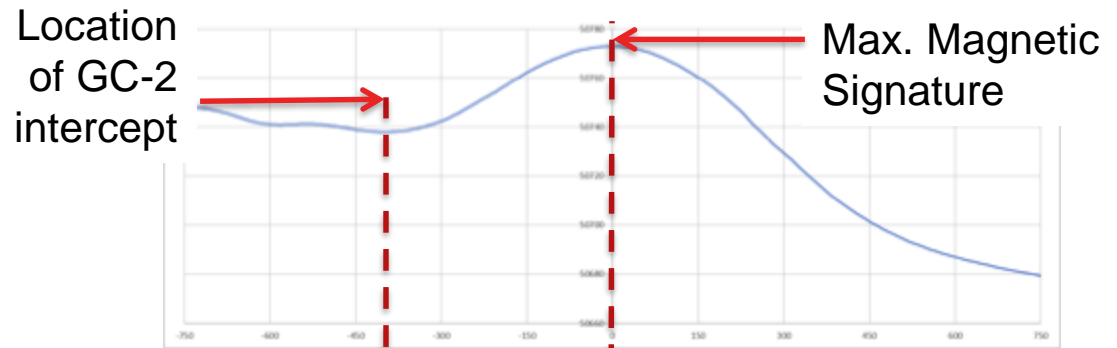
- Zn mineralization
- Ag-Pb mineralization

* 1) This information is historic in nature and is based on drilling results reported by US Borax Ltd.
2) The company believes this information is reliable and relevant as it was completed by reputable companies that use industry standard drilling and sampling practices.
3) The company or its qualified person has not done sufficient work to verify this information.



GC-2 Cross Section / Magnetic Profile

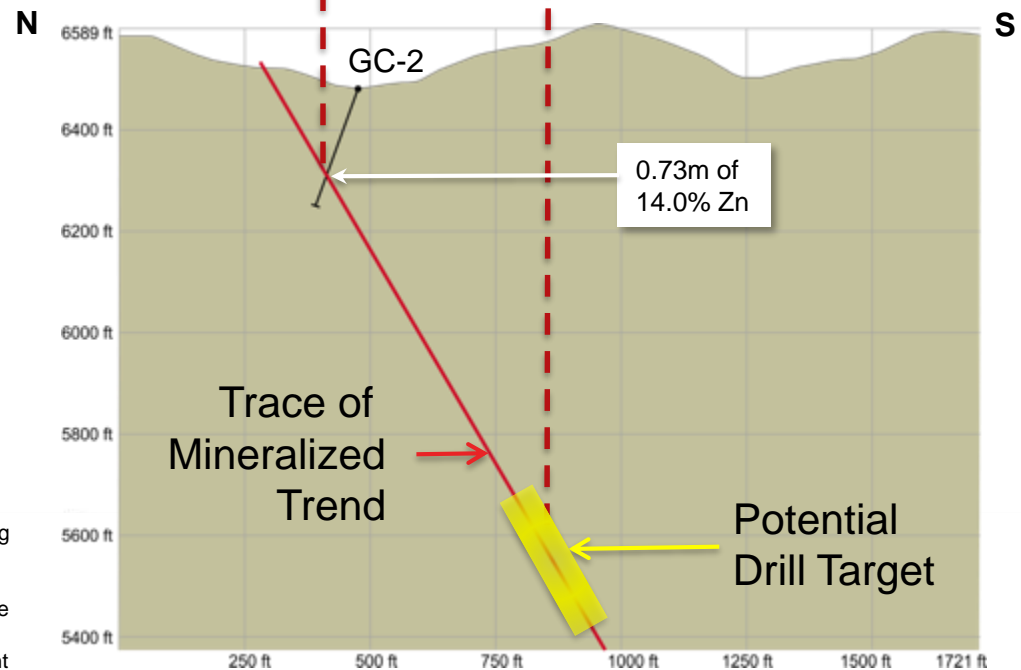
Magnetic Profile El Plomo Section



See slide 24

Cross Section El Plomo Section

GC-2* Historic Drill Hole
from 55.23m – 0.73m (14.0% Zn)



- * 1) This information is historic in nature and is based on drilling results reported by US Borax Ltd.
 2) The company believes this information is reliable and relevant as it was completed by reputable companies that use industry standard drilling and sampling practices.
 3) The company or its qualified person has not done sufficient work to verify this information.

Hauling Drill Rig to Drill Site



Building a Wooden Drill Pad



Wooden Pad in Extreme Location



Core Drilling in Rugged Remote Terrain



Helipad If Landing Site Is Not Available



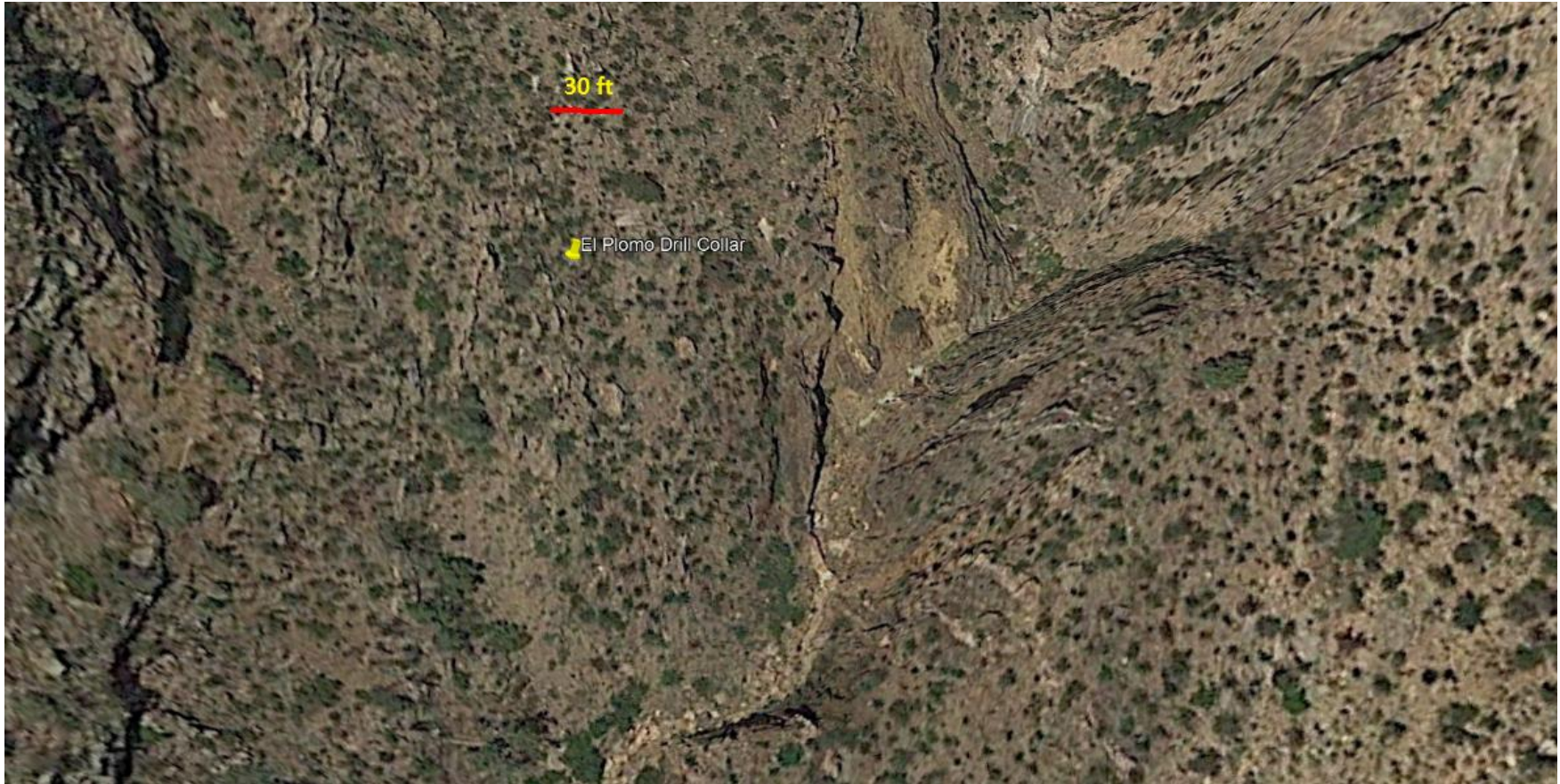
Core Drilling at Grape Creek 1981



Core Drilling at Grape Creek 1981



1981 Grape Creek Drill Site Today



El Plomo Gossan

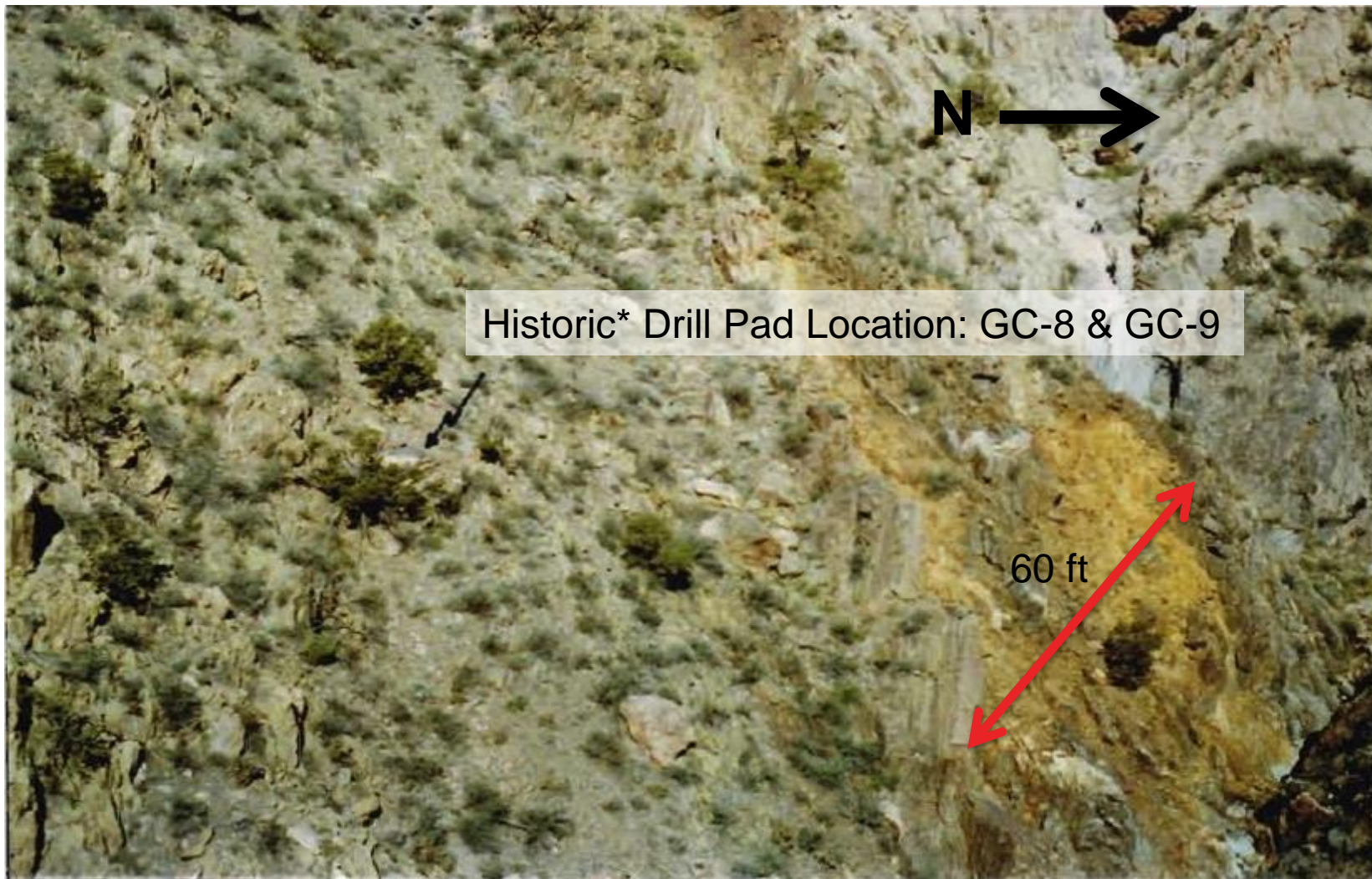
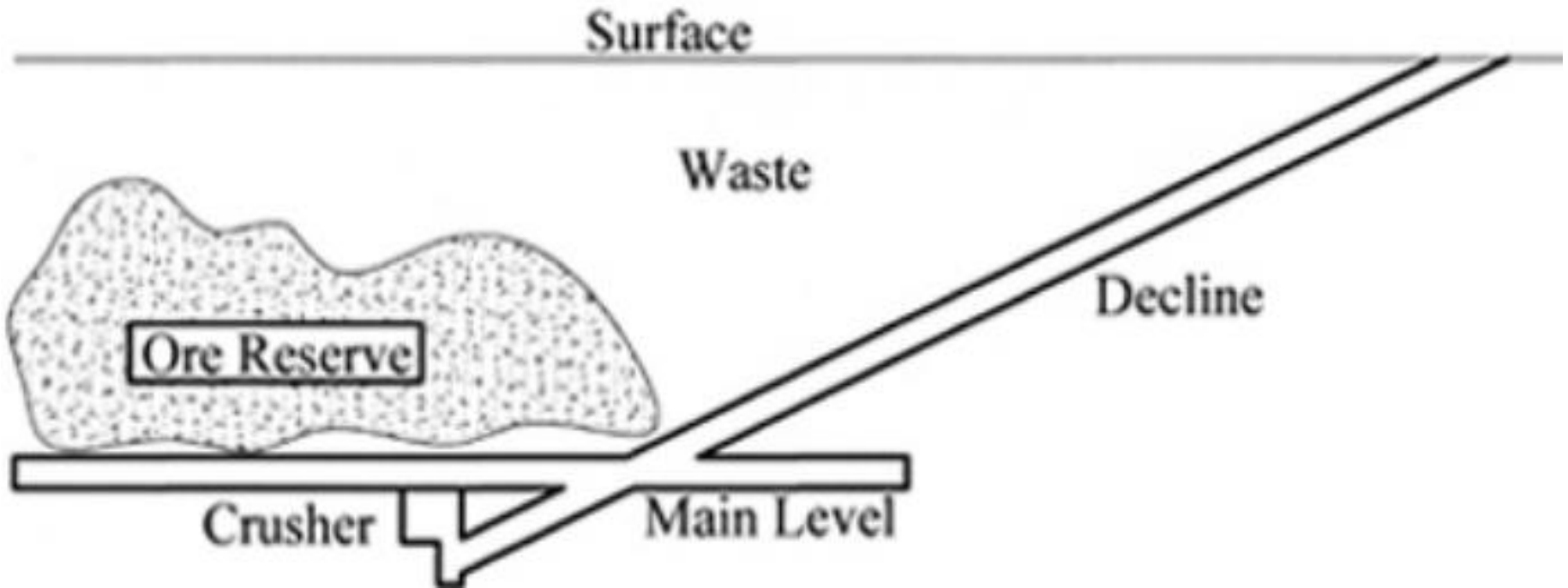
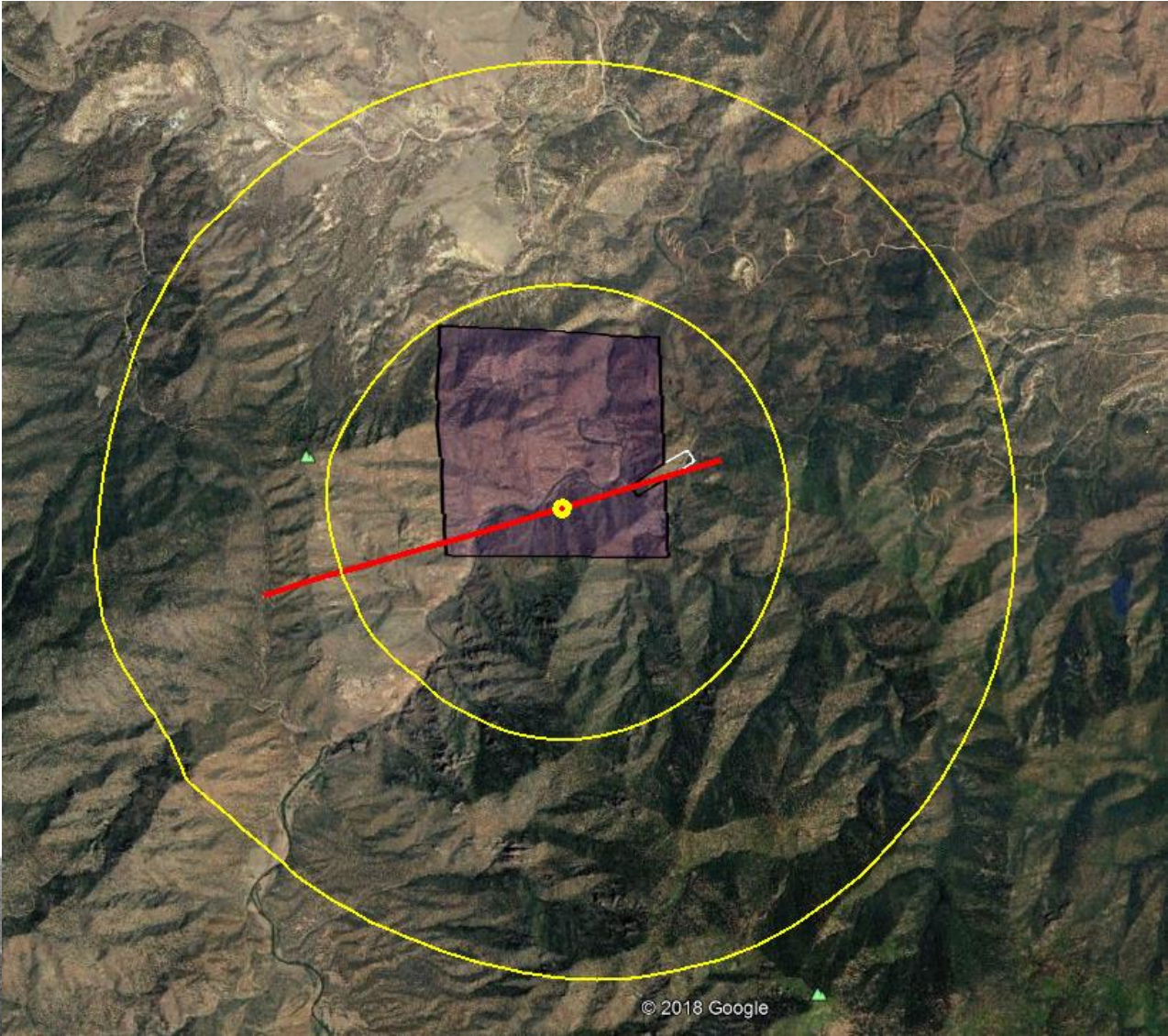


Diagram of Decline to an Ore Reserve



Distance of Decline to Ore Reserve at Grape Creek



Modern Mine Portal



Modern Decline



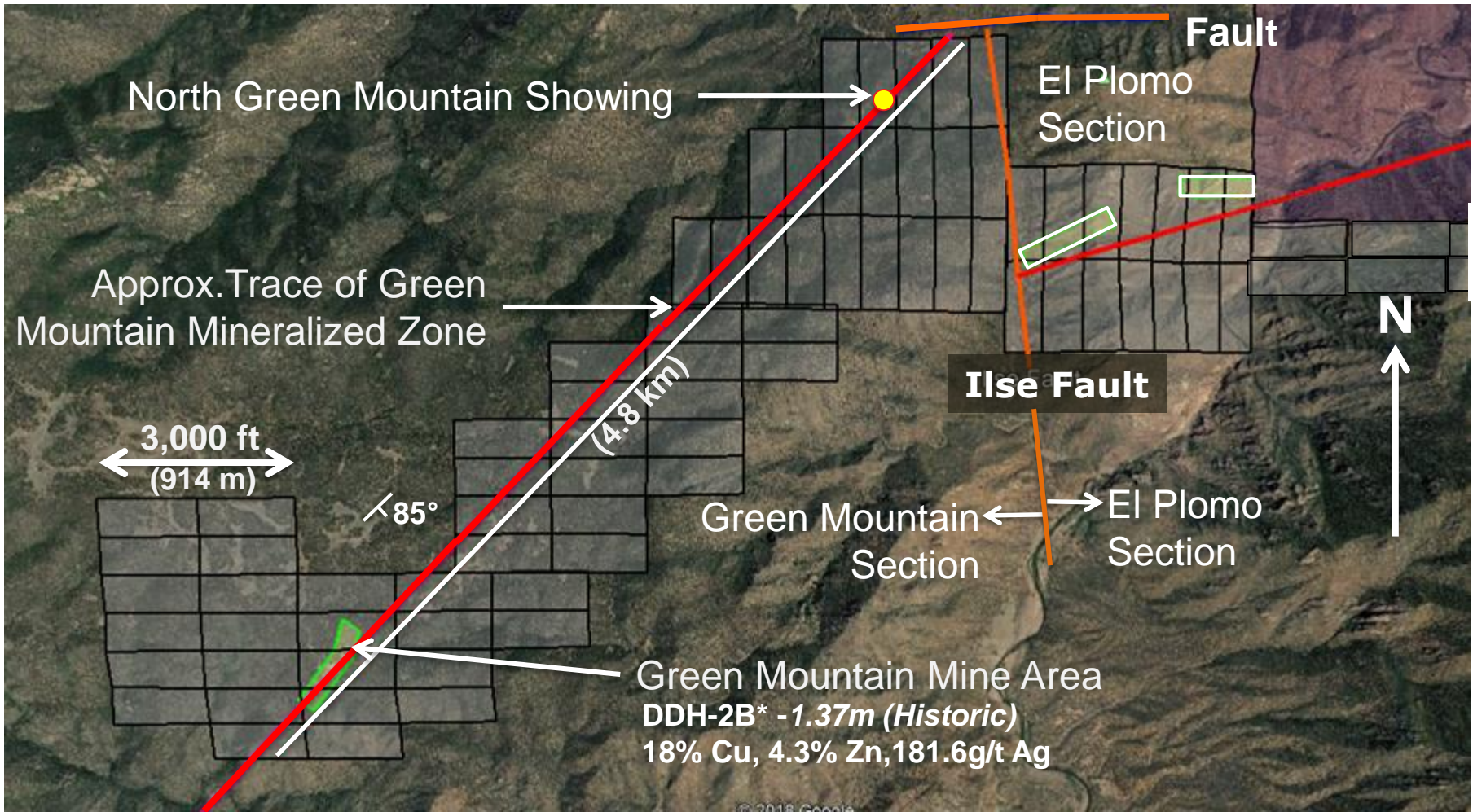


TSXV:ZFR
OTC:ZPHYF

The background of the slide is a grayscale topographic map showing a series of rolling hills and valleys, with contour lines indicating elevation. The map is centered and occupies most of the slide's area.

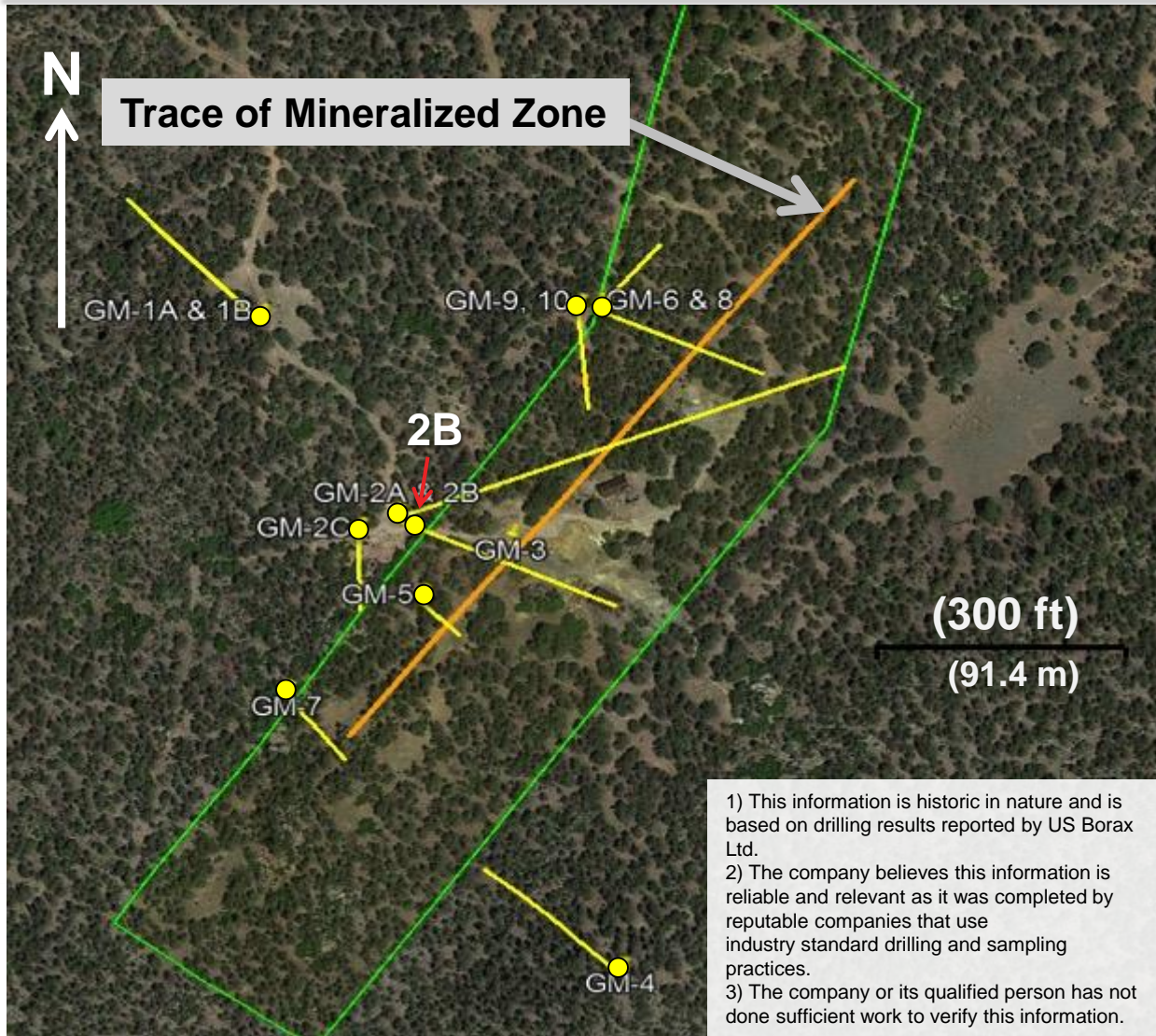
Green Mountain Section
Gold Focus
&
Copper – Zinc - Silver

Green Mountain Section – Gold & Copper



*Source: Shallow J.M.: 1994 Exploration Report Green Mountain Mine, Fremont County, Colorado, Project Number 306611 (Shallow, 1994)

Green Mountain Mine Area



Drill Hole - 2B*

1.37m from 123.48m

Cu – 18.0%

Zn – 4.3%

Ag – 181.6 g/t


Mined Grade (1,089 tonnes)

Cu – 12.6%

Au – 3.8 g/t

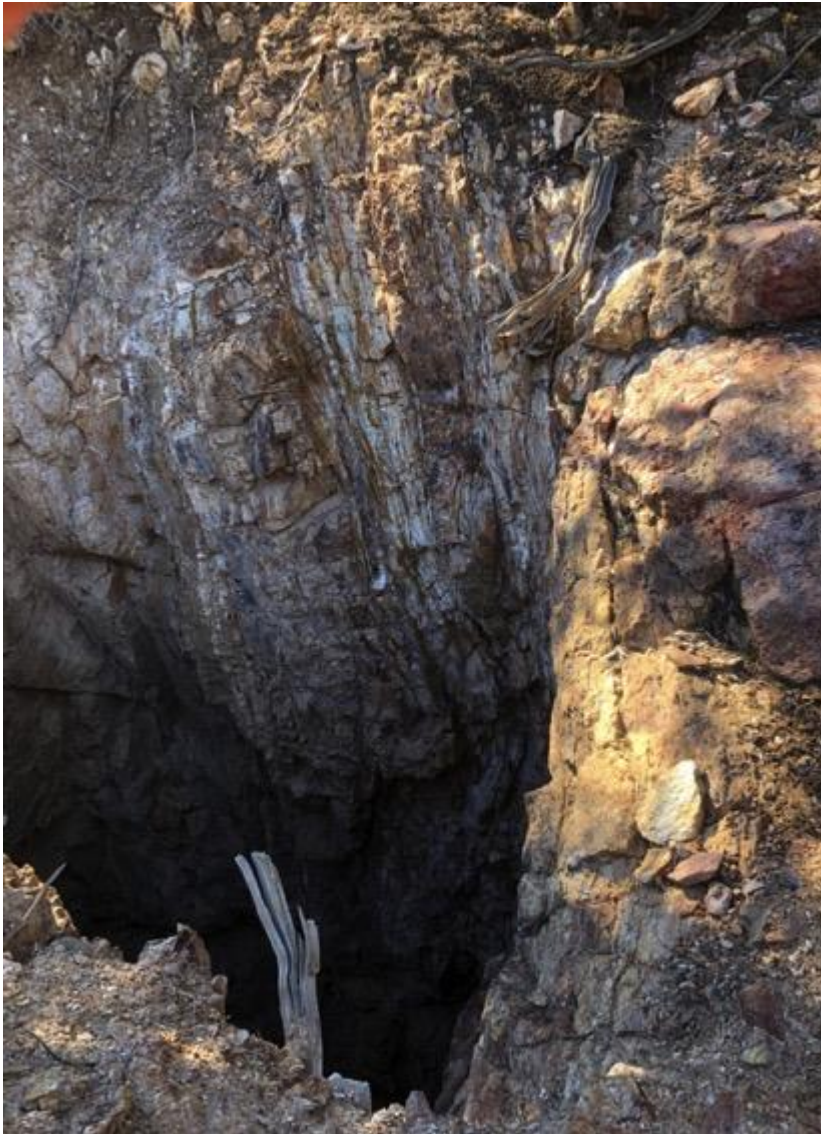
Ag – 47.6 g/t

Grab Samples up to **13.6 g/t Gold** from old mine dump

 Historic Drill Holes,
Phelps Dodge
1981-1984

*Source: Shallow, 1994

Green Mountain North Showing



- **New discovery*** while staking claims;
- Highly prospective area yet to be explored;
- 4.8km north-east & on trend with historic Green Mountain Mine;
- Coincident with 600m long airborne electromagnetic anomaly

* Undocumented historic shaft

Property Exploration Plans

El Plomo Section

- Elephant hunting – Broken Hill-type Ag-Pb-Zn target
- Additional geological mapping along mineralized zone
- Drilling of select targets

Dawson Section

- Drilling – expand gold zones
- Expand copper-gold zone

Green Mountain Section

- Explore for Dawson type gold deposit
- Build on historic high grade Cu-Zn-Ag discovery

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Appendix

Share Structure

Exchange	TSX Venture 	OTC 
Symbol	ZFR	ZPHYF

Shares Issued	52,222,477
47% Controlled by Insiders & Associates	24,772,159
Options Outstanding	3,950,000
Warrants Outstanding	2,217,928
Fully Diluted	58,390,405

Approximate Market Cap.: CDN \$10 Million (US \$7.8 Million)

Warrant Details	Expiry Date	Exercise Price
662,000	2020 - February	\$0.20
1,555,928	2020 - June	\$0.30

Footnotes

DAWSON ZONE MINERAL RESOURCE ESTIMATE

Resource Category	Au Cut-Off	Tonnes (Rounded)	Tons (Rounded)	Au Grade	Ounces**
Inferred	0.12 oz/tn (4 g/t)	371,000	409,000	0.29 oz/tn (10.09 g/t)	120,400
Inferred	0.15 oz/tn* (5 g/t)	343,000	378,000	0.31 oz/tn (10.55 g/t)	116,300
Inferred	0.18 oz/tn (6 g/t)	310,000	342,000	0.32 oz/tn (11.08 g/t)	110,400

*Resource statement cut-off value of 0.15 oz/tn (5 g/t) Au is highlighted by bolding

**Ounces may not sum due to rounding

Notes:

Tonnes and tons have been rounded to the nearest 1,000.

Ounces have been calculated from reported tonnes and g/t Au grade and are rounded to the nearest 100 ounces.

Contributing 5 ft (1.5 m) assay composites were capped at 1.17 oz/tn (40 g/t) Au.

The resource statement cut-off grade of 0.15 oz/tn (5.00 g/t) Au is highlighted in Table 14-8 above through bolding and reflects underground development potential based on a Au price of US\$1,200/ounce.

A density value of 0.082 tn/ft³ (2.63 g/cm³) was used for the Dawson Segment.

Mineral resources were estimated in conformance with the Canadian Institute of Mining, Metallurgy and Petroleum – Standards on Mineral Resources and Reserves – Definitions and Guidelines, as referenced in NI 43-101.

The rounding of tonnes as required by NI 43-101 reporting guidelines may result in apparent differences between tonnes, grade and contained ounces.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. This estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

The quantities and grades of reported Inferred Mineral Resources are uncertain in nature and further exploration may not result in their upgrading to Indicated or Measured status

Source: NI 43-101, 2017

Footnotes

WINDY GULCH OPEN PIT AND UNDERGROUND MINERAL RESOURCE ESTIMATES

Resource Classification	Tons	Au (oz/tn)	Au Ounces
<i>Pit Constrained Resources (0.035 oz/ton cut-off)</i>			
Indicated	67,000	0.11	7,300
Inferred	6,000	0.09	500
<i>Underground Resources (0.093 oz/ton cut-off)</i>			
Indicated	11,000	0.18	2,000
Inferred	14,000	0.19	2,700
Total Indicated	78,000	0.12	9,300
Total Inferred	20,000	0.16	3,200

Notes:

Pit constrained resources constrained to a pit shell and reported at a 0.035 oz/t Au cut-off.

All underground resources reported outside and below the pit shell at a 0.093 oz/t Au cut-off.

Resource tonnages have been rounded to the nearest 1,000 tons.

Grade estimates have been rounded to the nearest one hundredth of an ounce of gold.

Calculated Au ounces are rounded to the nearest 100 ounces.

Resource estimates do not include mining recovery or dilution factors.

Resource estimates have not accounted for metallurgical recovery.

Calculated Au ounces may not add up correctly due to rounding.

Source: NI 43-101, 2017

Comparison - Footprint

Underground Mine vs Open Pit = Small Footprint

	Grade g/t	Waste to Ore Strip Ratio	Tonnes Rock Moved for 10 g Gold	Tonnes Moved for 64,000 oz Gold/Year
U/G	10.0	NA	1.1	220,000
O/P	1.0	5:1	60	12,000,000
				{ Waste = 10,000,000 } { Ore = 2,000,000 }

Broken Hill Type Deposit Comparison

How does Cannington compare to other BHT's ?

Deposit	Tonnes (M)	Ag (g/t)	Pb (%)	Zn (%)	Pb+Zn (%)	Ag/Pb
Cannington (Qld)	45	<u>520</u>	<u>11.9</u>	4.8	16.7	<u>44</u>
Broken Hill (NSW)	<u>280</u>	148	10.0	8.5	<u>18.5</u>	15
Zinkgruvan (Sweden)	40	100	5.5	<u>10.0</u>	15.5	18
Broken Hill (SAf)	38	82	6.4	2.9	9.3	13
Pegmont (Qld)	11	11	8.4	3.7	12.0	1
Gamsberg (SAf)	150	6	0.6	7.1	7.7	11
Big Syncline (SAf)	101	13	1.0	2.5	3.5	13
Black Mt (SAf)	82	30	2.7	0.6	3.3	11

Divisional Name / Footer information

Page 17 DD Month Year



Source: Stewart, 2002

El Plomo Summary

- Rare Broken Hill Type target (Ag-Pb-Zn); deposits can be very large and high grade
- Key indicator mineral, high zinc gahnite present
- Striking similarities in rock type at BHT deposits & El Plomo – including potosi like gneiss; a key rock type at Broken Hill
- Trace element geochemistry similar to Broken Hill
- High Ag values with Pb zones points to BHT type, regular SEDEX deposits contain minor Ag with Pb
- Geophysics can be an excellent exploration tool for BHT deposits (Cannington is an example of successful discovery by drilling magnetic anomaly)
- Recent airborne geophysical survey successfully outlined a magnetic anomaly for drill testing in 2020