



<https://coloradosun.com/2021/08/11/gold-mine-canon-city-grape-creek/>

ENVIRONMENT

A new gold mine may be built in southern Colorado. It would “wreak havoc,” environmentalists warn.

Zephyr Gold USA Ltd wants to develop the 312-acre Dawson Gold Mine on private land about 6 miles southwest of downtown Cañon City. The site is surrounded by a wilderness area and subdivision.



Sue McMillin, 4:45 AM MDT on Aug 11, 2021



A sign along Fremont County Road 3 objecting to mining activity on nearby Dawson Mountain. Some county residents are voicing concerns about possible negative long-term environmental impacts the mine may inflict. (Mike Sweeney, Special to The Colorado Sun)

Credibility:

- Original Reporting
- On the Ground
- Sources Cited

A proposed underground gold mine just outside Cañon City town limits has riled neighbors and regional conservation groups who say it would threaten the adjacent lands, wildlife and watershed.

[Zephyr](#) Gold USA Ltd wants to develop the 312-acre Dawson Gold Mine on private land about 6 miles southwest of downtown Cañon City, according to its application. It is surrounded by federal land, abuts the proposed Grape Creek Wilderness Area and is within a few hundred yards of homes in the Dawson Ranch subdivision.

“We could eventually have a 4- to 5-mile underground mine under one of most intact wild and scenic lands in the state,” said John Sztukowski, conservation director for [Wild Connections](#). “This is a critical environmental concern. We see what’s happening at the Dawson site as step one.”

Zephyr’s exploratory drilling in recent years in the region, including in the Grape Creek Wilderness Study Area, brought opposition from environmental groups, and that has grown exponentially since the company applied last month to the Colorado Division of Mining, Reclamation and Safety for a permit for the underground mine.

The mine site, accessed off Temple Canyon Road, would include the mine portal, an ore processing mill, maintenance and technical support buildings, and a dry-stack tailings site, according to the [application](#). The company estimates that development would begin within three months of approval, and mining and milling would begin within 12 to 15 months. The company expects to employ about 90 people.

Timothy Cazir, the state environmental protection specialist assigned to review the application, has [notified](#) Zephyr that the application is “complex” and the decision period will be extended 60 days to Dec. 13.

The company, based in Halifax, Canada, also must apply for a conditional use permit from Fremont County to develop the mine on the property. The county planning department has not received an application but is anticipating it will in the coming weeks.

County Commissioner Dwayne McFall said in an email that commissioners have received a few emails and letters, both in support and in opposition to the mine. He said they expect more once the application is filed with the county.

Zephyr officials responded to one email request for an interview, but did not follow up with an interview or respond to a phone call. Its website promises a Dawson Gold presentation, but nothing has been posted.

The coalition of opponents includes the [Royal Gorge Preservation Project](#) and the newly formed Arkansas Valley Conservation Coalition, which launched the [Save Fremont County](#) website.

Their collective goal is to stop the mine, and with the clock ticking they're working to rally the public in opposition.

Public comments on the state application are due Sept. 1.

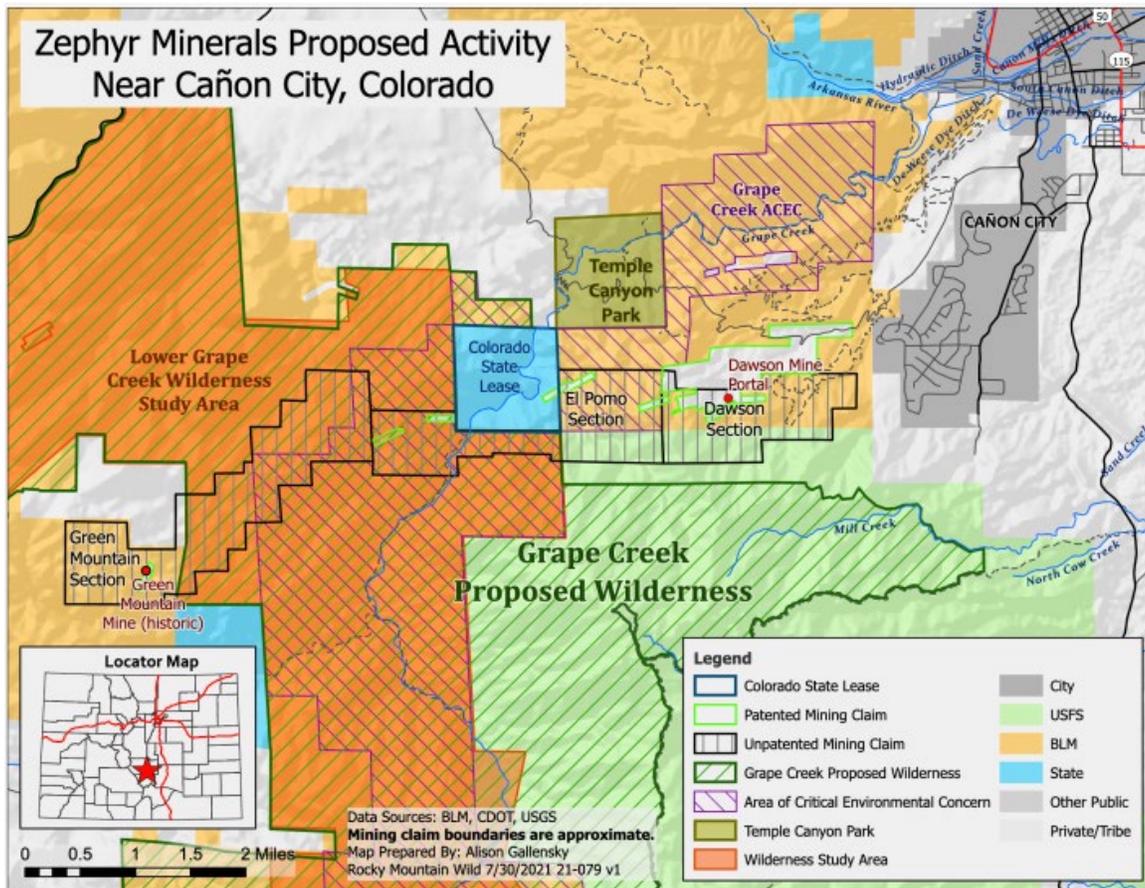
Dawson Mining District

The mountains southwest of Cañon City are the northern tip of the Wet Mountains, and have been the site for prospecting and speculation for more than a century. The tent camp of Dawson City sprang out of a gold strike in December 1898 and disappeared three weeks later.

The Copper King Mine ran for about a decade at the turn of the century, pulling copper, silver and gold from the earth and sending the ore to a mill in Cañon City. Patented and unpatented claims dot the hillsides, as do telltale signs of prospecting such as shallow shafts and abandoned entryways.

Larger explorations began again in 1976, and the Dawson Deposit was identified by U.S. Borax Ltd, who sold the property in 1986 to Jascan Resources Inc. and Atlantic Goldfields Inc. A mining permit was issued in 1987, but for financial reasons the mine was not developed.

After changing hands a few times, Zephyr emerged as the company holding the claims and it received permission from the state and county in 2013 for exploratory drilling on portions of the area.



In 2019 and 2020, Zephyr sought and received permits for exploratory drilling in the Colorado Land Board's Grape Creek Stewardship Trust Parcel and the Bureau of Land Management's Grape Creek Wilderness Study Area. Wild Connections and other groups still are fighting to overturn the decision to allow exploratory drilling in the BLM Wilderness Study Area, saying it was unprecedented and illegal. An appeal to the state to revoke the permit was denied last year, but efforts continue at the federal level.

Zephyr reported in 2020 that its exploration for silver-lead-zinc deposits at its El Plomo drilling site did not produce the expected result and it would concentrate on the gold deposits. So there's no ongoing drilling in the wilderness study area, but it would be allowed under the state MLRB permit granted in 2020, Sztukowski said.

After abandoning efforts to put a road across public lands to reach the Dawson Gold Mine site, Zephyr wrangled with private landowners in court and privately before reaching a settlement to build an access road on private land off Temple Canyon Road.

Opposition builds

Jennifer Thurston, director of the Information Network for Responsible Mining, or INFORM, has been watching Zephyr's activities since its first permits were issued and calls it a "smart, strategic company." And she agrees with Sztukowski that it will use the Dawson Gold Mine as a stepping stone to get access to minerals under federal lands.

"The wilderness study area, the state conservation area, [Temple Canyon Park](#) – all of those lands are going to be affected," she said. "If they get this state permit, they will be back and it will be much easier to get through."

"Of course we're reading between the lines," she said, "but I believe they will be back in the future with a much larger proposal."

INFORM focuses exclusively on the permitting process for hard-rock mines, so Thurston has seen smaller exploration companies develop resources and then sell them to larger mining companies.

She expects to see an increase in hard-rock mining as the price and demand for minerals increases and as coal mining companies turn to other potentially lucrative mining opportunities.

That's why she and others have worked hard to get wilderness designation for the Grape Creek area. It was proposed in 1999, and a wilderness bill that passed the U.S. House in February includes it.

But already two decades in the making, the future of any wilderness bill in Congress always is fraught.

So Thurston is happy for the grassroots efforts to oppose the mine that are growing in Fremont County.

"People in Cañon City have lived with result of Cotter (uranium) mill and (Lincoln Park) Superfund site, so no one wants to give them a free ride on environmental issues," she said. Cotter Corp. operated a 2,600-acre uranium mill site south of Cañon City from 1958 to 1979, contaminating the area with

heavy metals and radioactive materials. It was declared a [Superfund](#) site in 1984 and cleanup efforts are ongoing.



She noted that the county has more leeway in considering a permit application, and can deny the special use permit if the mine is deemed incompatible with the community.

Gary Peterson jumped into the fight a couple of years ago as Zephyr sought permission to explore the Grape Creek Wilderness Study Area and state lands. He formed the Royal Gorge Preservation Project and created a web site to help others find information about mining.

And he agrees that the Cotter experience should not be forgotten. “Do we really want to roll the dice on another situation?” he said.



Hikers explore The Temple, a popular geologic feature in Cañon City’s Temple Canyon Park on Dec. 26, 2020. The Temple is accessible by trails along Grape Creek. (Mike Sweeney, Special to The Colorado Sun)

He said the mine is incompatible with the direction Cañon City has gone in recent years by developing trails and emphasizing the natural beauty of the region to attract tourists.

Indeed, members of [Fremont Adventure Recreation](#), or FAR, have joined the coalition and are advocating for preservation of the existing trail infrastructure.

Although Peterson lives in Dawson Ranch and doesn't want a mine so close, he said it is much larger than a neighborhood issue. He cited among his concerns the mine's plan to use groundwater, wildfire hazards, disturbing wildlife, noise and the use of public roads for trucks hauling ore.

"They (Zephyr) want to wreak havoc essentially in our backyard with a mine that has a three to five year life," Peterson said.

His Dawson neighbors are taking up the cause, too, and have created the Arkansas Valley Conservation Coalition with an emphasis on distributing information throughout the county.

Mike Gromoski said that within a few weeks of forming, the fledgling group had a couple dozen people helping create a website, brochures and talking points for people to use to make comments to the state mining board and the Fremont County commissioners.

He's particularly perturbed by Zephyr's lack of outreach and discussion with the community about potential impacts of mine operations. He asked them in 2018 about public information sessions and received this emailed letter:

"We are advised by counsel that given the threat of pending legal action against Zephyr Minerals Ltd. ("Zephyr" or the "Company"), that the company will not be hosting any further information sessions other than those specific to the requirements of any permit applications Zephyr may lodge at a future date with the appropriate governmental regulatory bodies in Colorado. In the meantime, we would be pleased add your name to our news distribution list to keep you informed on the companies activities."

So he and the other local, regional and state groups are sharing information regularly and working to let the community know what's going on.

The fight needs to involve everyone in the region, and they should make their opinions known to the state DMRS and Fremont County commissioners, he said.

"How does it sound to have 840 gallons of diesel fuel, chemicals, 2,500 pounds of explosives, 325,000,000 gallons of water, and 50+ workers on site 1,000 feet higher than Grape Creek and the Arkansas River from which millions get their water?"



Paul Vertrees walks past the handiwork of beavers along Grape Creek on Dec. 24, 2020, in Fremont County. Vertrees is concerned proposed mining activity on nearby Dawson Mountain — which is part of a Wilderness Study Area — will inflict irreversible harm on habitat downstream. (Mike Sweeney, Special to The Colorado Sun)

Follow the action:

Zephyr’s Dawson Gold Mine **permit application, other documents and public comments** are available on this [page](#) of the Division of Mining, Reclamation and Safety website.

Fremont County Planning Department: Zephyr application will be posted [here](#) when it is received.

[Save Fremont County](#) for details on impacts, how to comment, etc.

[Royal Gorge Preservation Project](#) for details on mining impacts, regional issues.

[Wild Connection](#) for a timeline of Zephyr’s activities in the region and other information.

[Information Network for Responsible Mining](#) for contact information.



The Colorado Sun has no paywall, meaning readers do not have to pay to access stories. We believe vital information needs to be seen by the people impacted, whether it's a public health crisis, investigative reporting or keeping lawmakers accountable.

This reporting *depends* on support from readers like you. For just \$5/month, you can invest in an informed community.

JOIN THE SUN TODAY!