




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

MINE NAME: Cresson Project	MINE/PROSPECTING ID#: M-1980-244	MINERAL: Gold	COUNTY: Teller
INSPECTION TYPE: Aerial Inspection	INSPECTOR(S): Timothy A. Cazier	INSP. DATE: July 23, 2013	INSP. TIME: 15:10
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: N/A	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$130,143,873.21
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: January 2, 2014

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS----- <u>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>N</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(SB) COMPLETE INSP---- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	(ST) STIPULATIONS----- <u>N</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This was an aerial photo inspection of the Cresson Project conducted by Tim Cazier of the Colorado Division of Reclamation, Mining and Safety (Division). No operator was present during the inspection. The site is a 112d-3 gold mine located between Cripple Creek and Victor in Teller County.

The aerial photos were taken on on July 23, 2013. The purpose of the inspection was to provide the Division a broad perspective that cannot be on the ground and to document changes in areas of the mine experiencing rapid change. The Division expects to perform aerial inspections quarterly

The following table summarizes the attached photos:

Photo ID	Mine Facility	Perspective	Notes
Photo 1	Wildhorse Extension Pit (WHEX)	Looking west	4 benches and pit floor, EMP 16 (center foreground) & EMP 19 (right center foreground)
Photo 2	East Cresson OSA	Looking NW	WHEX to right
Photo 3	Main Cresson Pit	Looking NW	American Eagles Access on right
Photo 4	Arequa Gulch VLF	Looking NE	ADR in lower left
Photo 5	Arequa Gulch ADR	Looking north	Arequa Gulch VLF in background
Photo 6	Arequa Gulch VLF	Looking east	Victor is in upper right
Photo 7	Squaw Gulch VLF	Looking east	Prepping for liner & toe berm construction
Photo 8	Squaw Gulch OSA	Looking east	Ironclad offices & shops in left background
Photo 9	Squaw Gulch VLF	Looking SE	Clearing, grubbing for liner prep.
Photo 10	New High Grade Mill	Looking SE	Hwy 67 to be realigned in foreground
Acronyms: ADR – Adsorption Desorption Recovery facility EMP – Enhanced Management Pond OSA – overburden storage area VLF – valley leach facility			

PHOTOGRAPHS



Photo 1. Wildhorse Extension Pit (Looking west).



Photo 2. East Cresson OSA (Looking NW).

PHOTOGRAPHS (cont.)



Photo 3. Main Cresson Pit (looking NW).



Photo 4. Arequa Gulch VLF (looking NE).

PHOTOGRAPHS (cont.)



Photo 5. Arequa Gulch ADR (Looking north).



Photo 6. Arequa Gulch VLF (looking east).

PHOTOGRAPHS (cont.)



Photo 7. Squaw Gulch VLF area (looking east).



Photo 8. Squaw Gulch OSA (Looking east).

PHOTOGRAPHS (cont.)

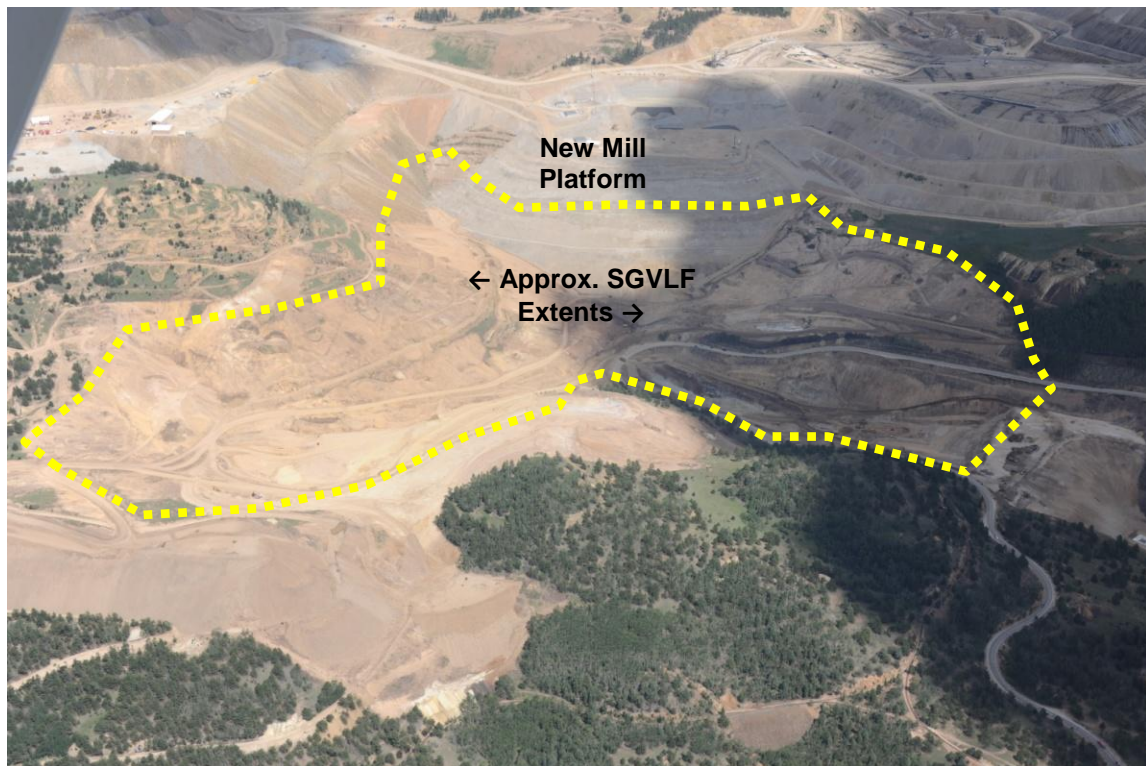


Photo 9. Squaw Gulch VLF (Looking SE).



Photo 10. New High Grade Mill Platform (Looking SE).

Inspection Contact Address

Timm Comer
Cripple Creek & Victor Gold
100 North Third Street
Victor, CO 80860

CC: Tom Kaldenbach, DRMS
DRMS file