




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: December 18, 2013	INSP. TIME: 10:27
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: None	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: Clear	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 December 18, 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	5 benches and pit floor
Photo 2	EMP 020	Looking west	Stormwater maintenance
Photo 3	East Cresson OSA	Looking NW	WHEX to right
Photo 4	South Cresson	Looking west	Squaw Mtn in left center (area for TR-69 antenna relocation)
Photo 5	Main Cresson Pit	Looking NW	American Eagles above east highwall
Photo 6	Arequa Gulch VLF	Looking north	Main Cresson in background
Photo 7	New growth medium stockpile #34	Looking NE	North end of SGVLF on right
Photo 8	Squaw Gulch OSA	Looking SE	North Cresson Schist Island in foreground, construction warehouses
Photo 9	Squaw Gulch VLF (SGVLF)	Looking east	Prepping for liner
Photo 10	New High Grade Mill & SGVLF	Looking NE	Hwy 67 realigned, topsoil placed on slope
Acronyms: EMP – Enhanced Management Pond OSA – overburden storage area VLF – valley leach facility			

PHOTOGRAPHS

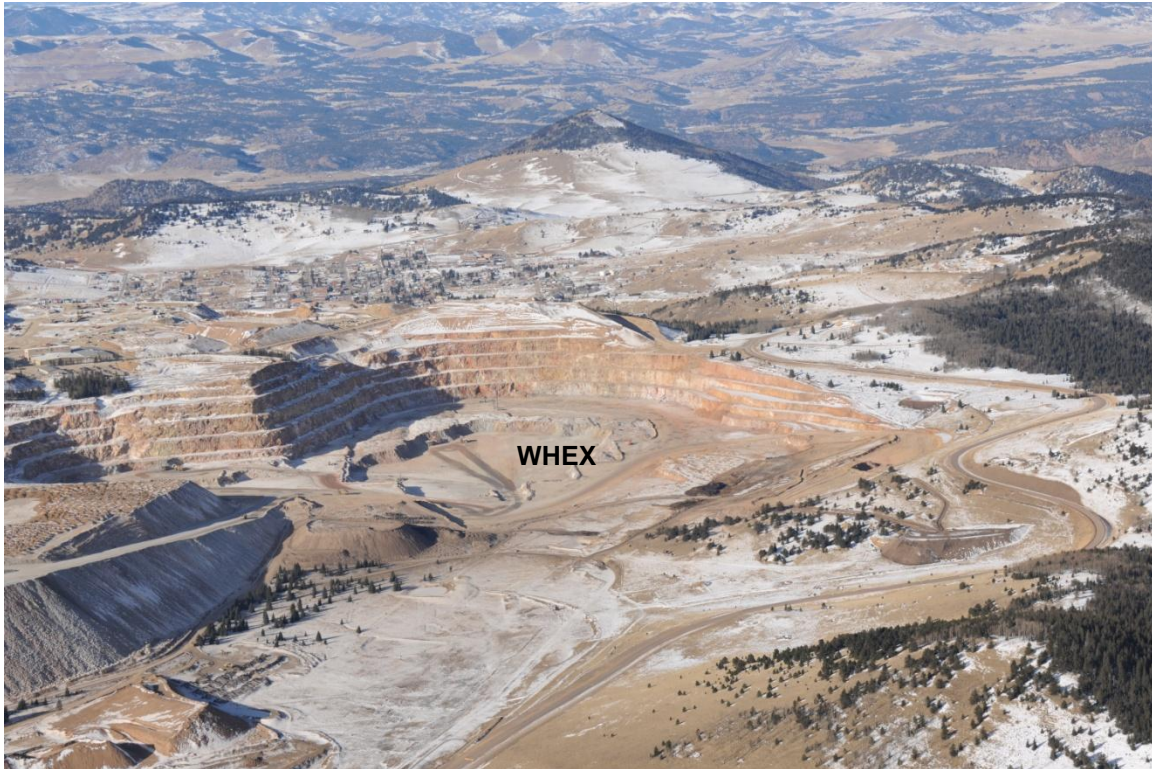


Photo 1. Wildhorse Extension Pit (Looking west).

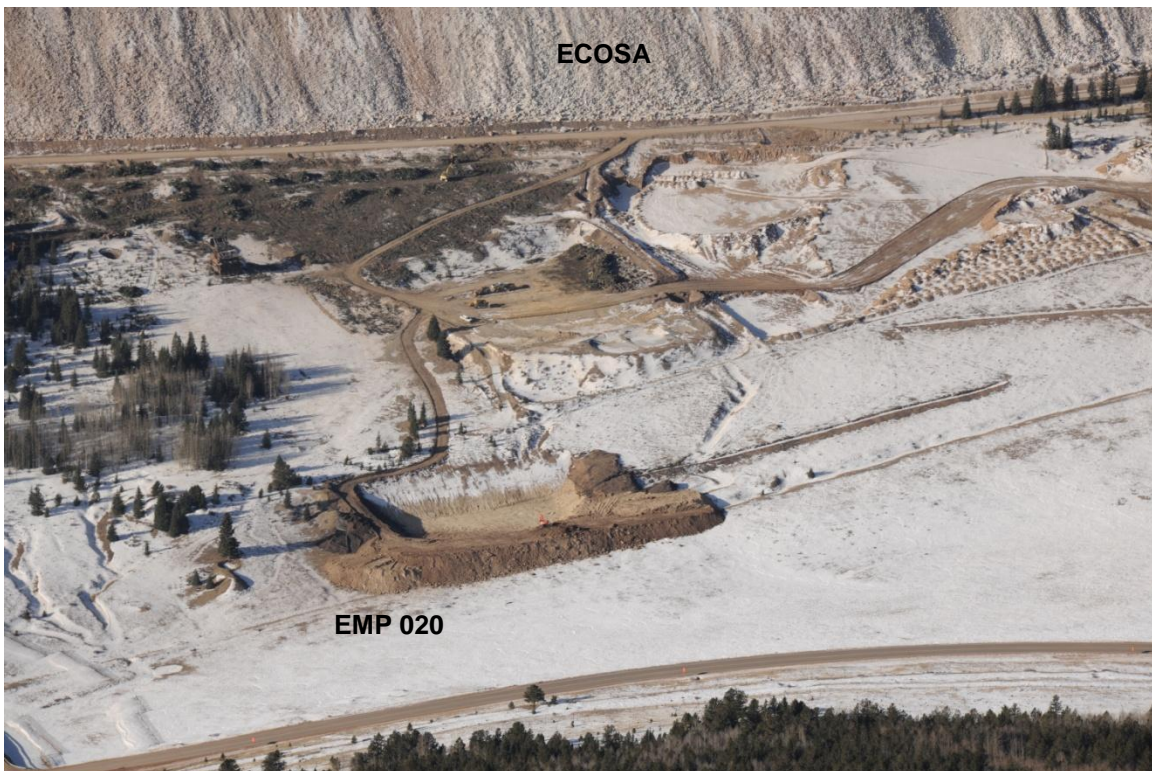


Photo 2. Enhanced Management Pond (Looking west).

PHOTOGRAPHS (cont.)



Photo 3. East Cresson OSA (looking NW).

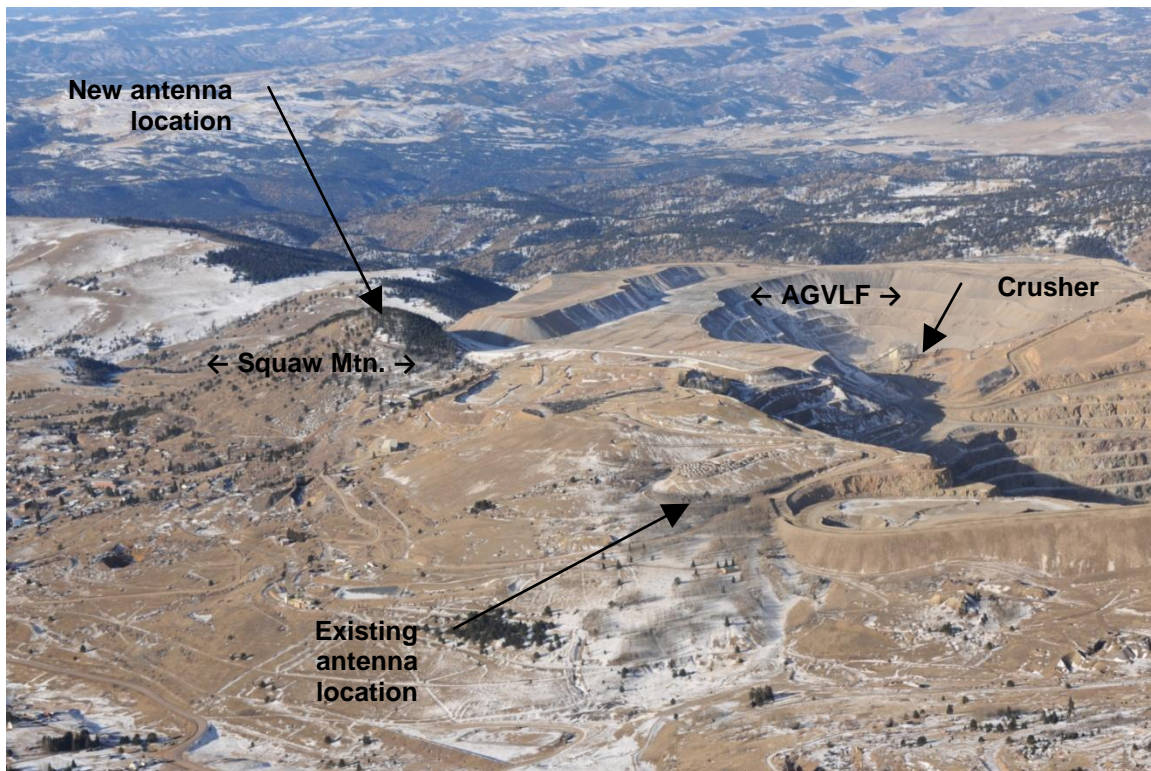


Photo 4. South Cresson (looking west).

PHOTOGRAPHS (cont.)



Photo 5. Main Cresson Pit (looking NW).

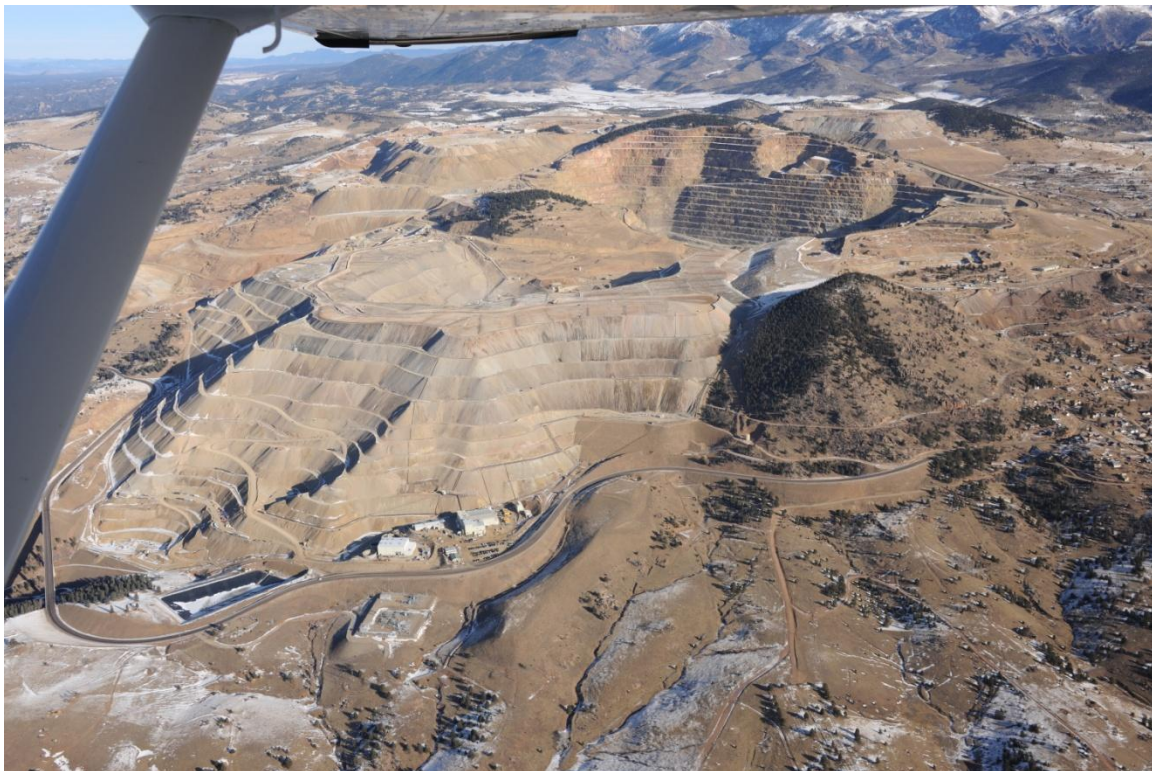


Photo 6. Arequa Gulch VLF (looking north).

PHOTOGRAPHS (cont.)

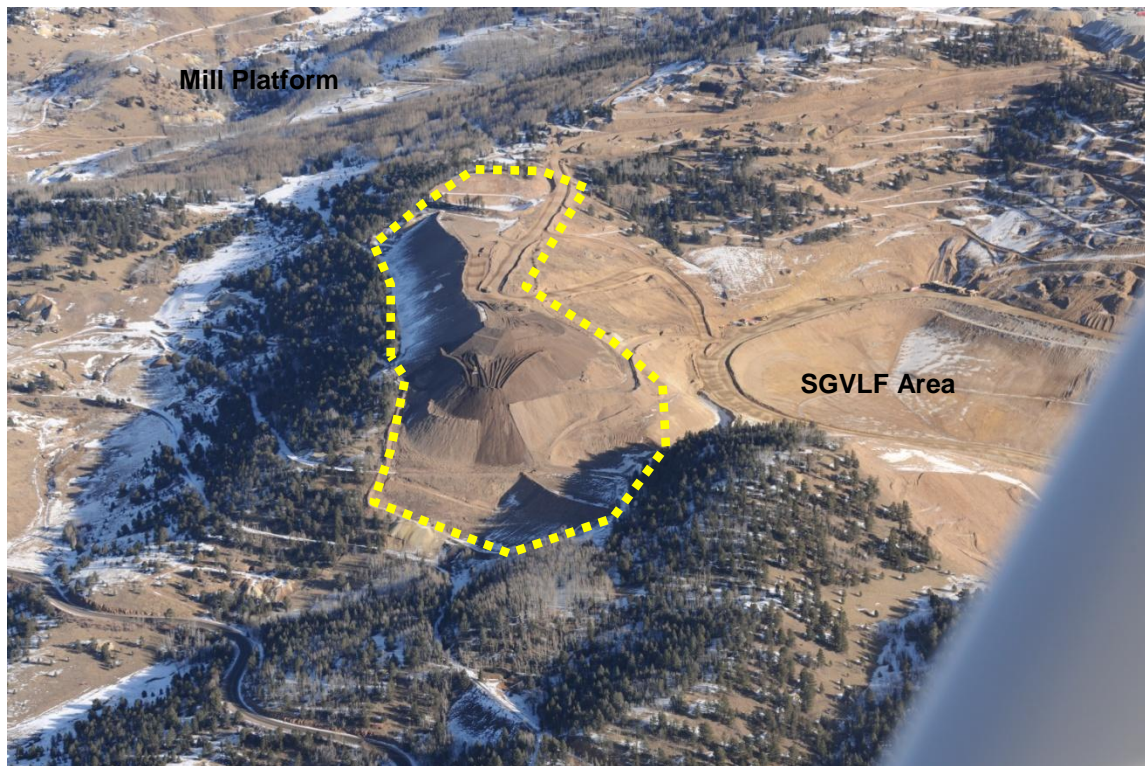


Photo 7. New growth medium stockpile #34 (looking NE).



Photo 8. Squaw Gulch OSA (Looking SE).

PHOTOGRAPHS (cont.)

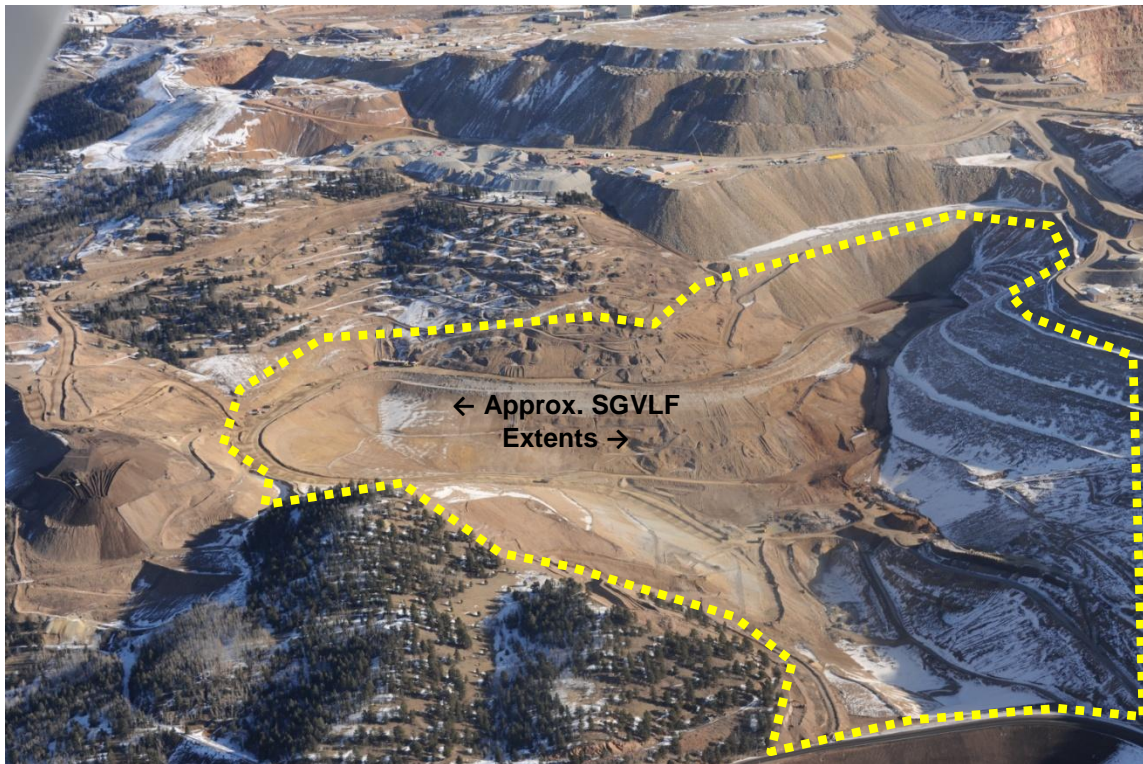


Photo 9. Squaw Gulch VLF (Looking east).



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

Inspection Contact Address

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DRMS file