




**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.

<b>MINE NAME:</b> Cresson Project	<b>MINE/PROSPECTING ID#:</b> M-1980-244	<b>MINERAL:</b> Gold	<b>COUNTY:</b> Teller
<b>INSPECTION TYPE:</b> Aerial Inspection	<b>INSPECTOR(S):</b> Timothy A. Cazier	<b>INSP. DATE:</b> May 14, 2014	<b>INSP. TIME:</b> 08:20
<b>OPERATOR:</b> Cripple Creek & Victor Gold Mining Company	<b>OPERATOR REPRESENTATIVE:</b> None	<b>TYPE OF OPERATION:</b> 112d-3 - Designated Mining Operation	

<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$136,471,600.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> November 13, 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) based on aerial photographs taken by the 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 May 14, 2014. The purpose of the inspection was to provide the Division a broad perspective that cannot be obtained from 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 SW	6 benches and pit floor
Photo 2	Wildhorse Extension Pit (WHEX)	Looking NW	EMP 18 on left side
Photo 3	East Cresson OSA	Looking SW	WHEX to right
Photo 4	South Cresson	Looking west	East side of Arequa Gulch VLF in background
Photo 5	Main Cresson Pit	Looking NE	American Eagles above east highwall
Photo 6	Arequa Gulch VLF	Looking SE	Phase IV area, new mill on left, crusher in center
Photo 7	New growth medium stockpile #34	Looking NE	North end of SGVLF on right
Photo 8	Squaw Gulch OSA	Looking NW	Main Cresson in foreground
Photo 9	Squaw Gulch VLF (SGVLF)	Looking NE	Prepping for liner
Photo 10	New High Grade Mill	Looking north	AGVLF in foreground
Acronyms: EMP – Enhanced Management Pond OSA – overburden storage area VLF – valley leach facility			

**PHOTOGRAPHS**



Photo 1. Wildhorse Extension Pit (Looking SW).

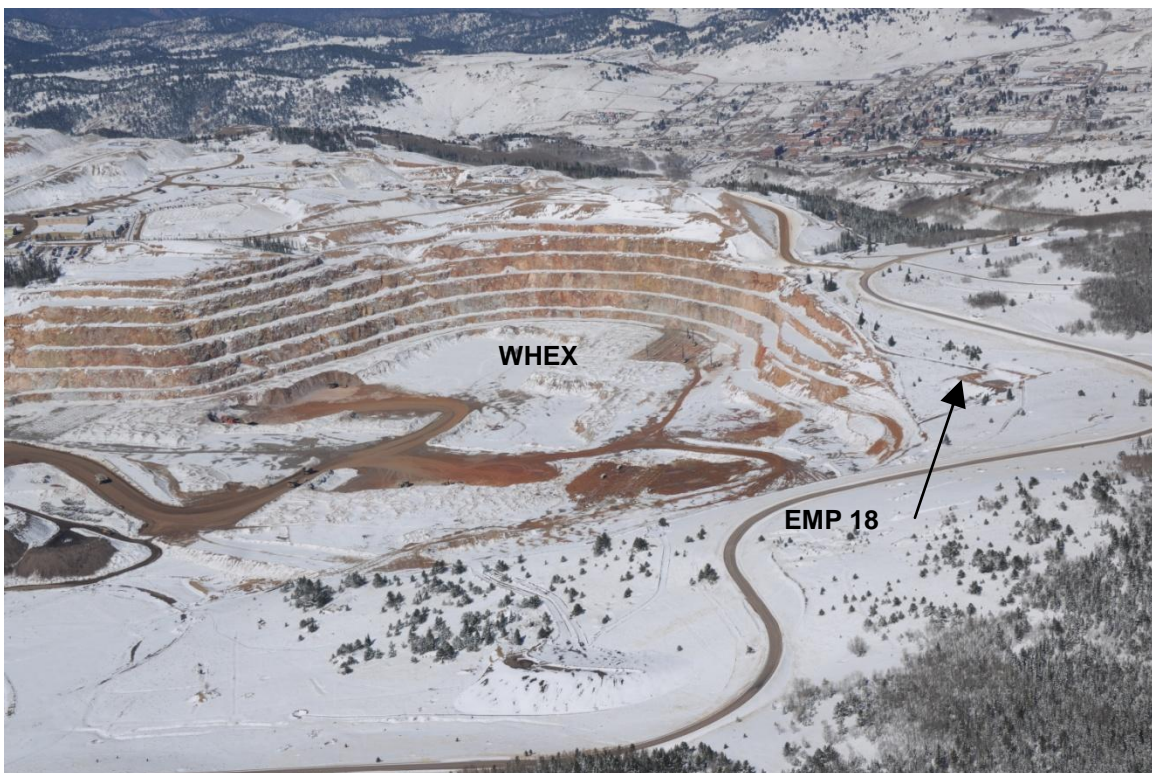


Photo 2. Wildhorse Extension Pit (Looking NW).



**PHOTOGRAPHS (cont.)**



Photo 3. East Cresson OSA (looking SW).

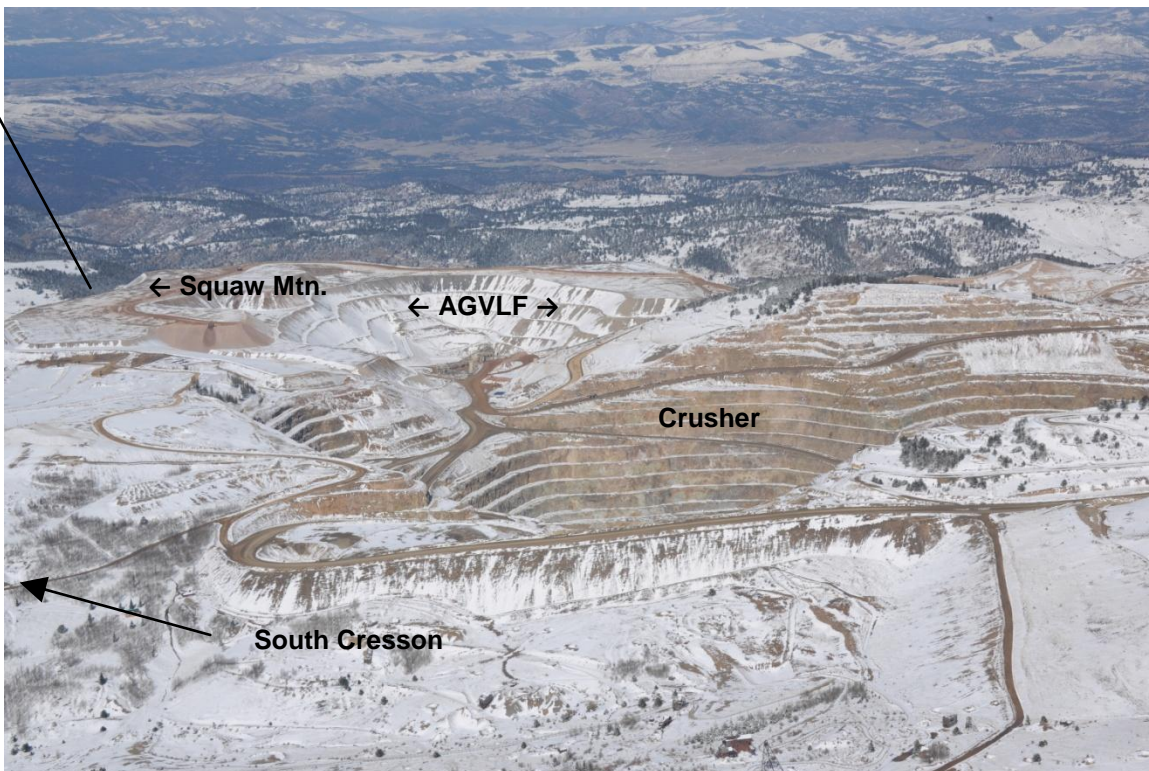


Photo 4. South Cresson (looking west).



**PHOTOGRAPHS (cont.)**

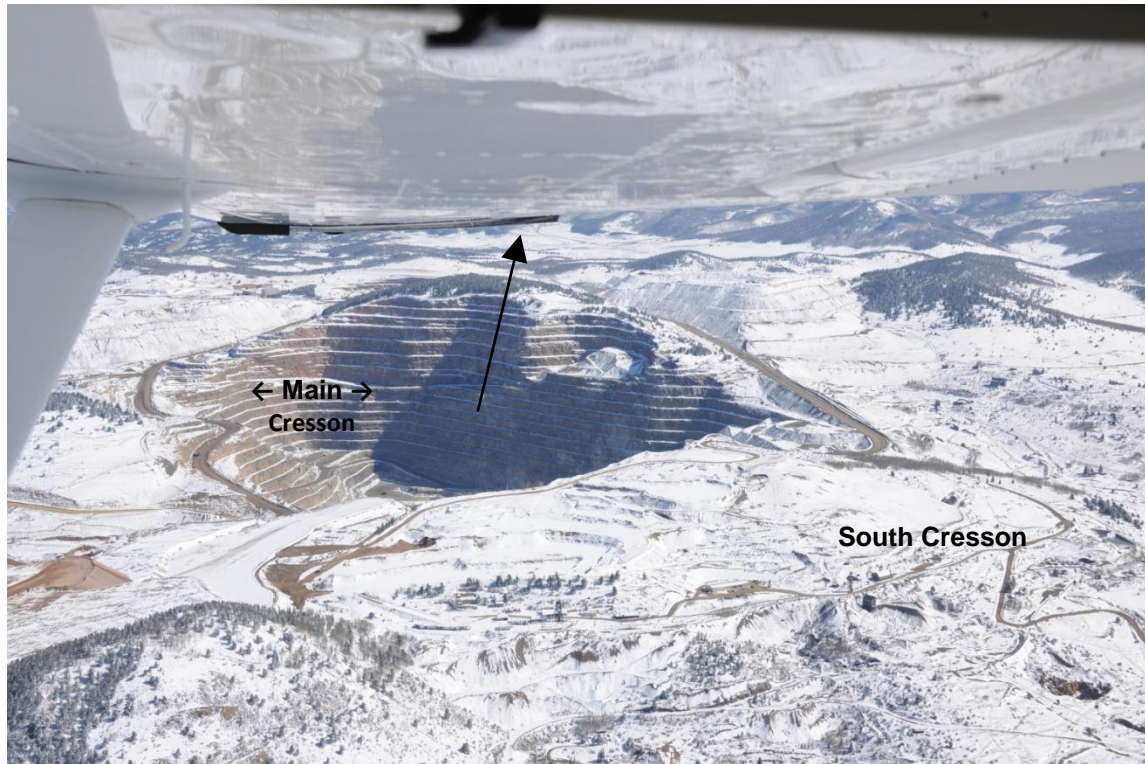


Photo 5. Main Cresson Pit (looking NE).

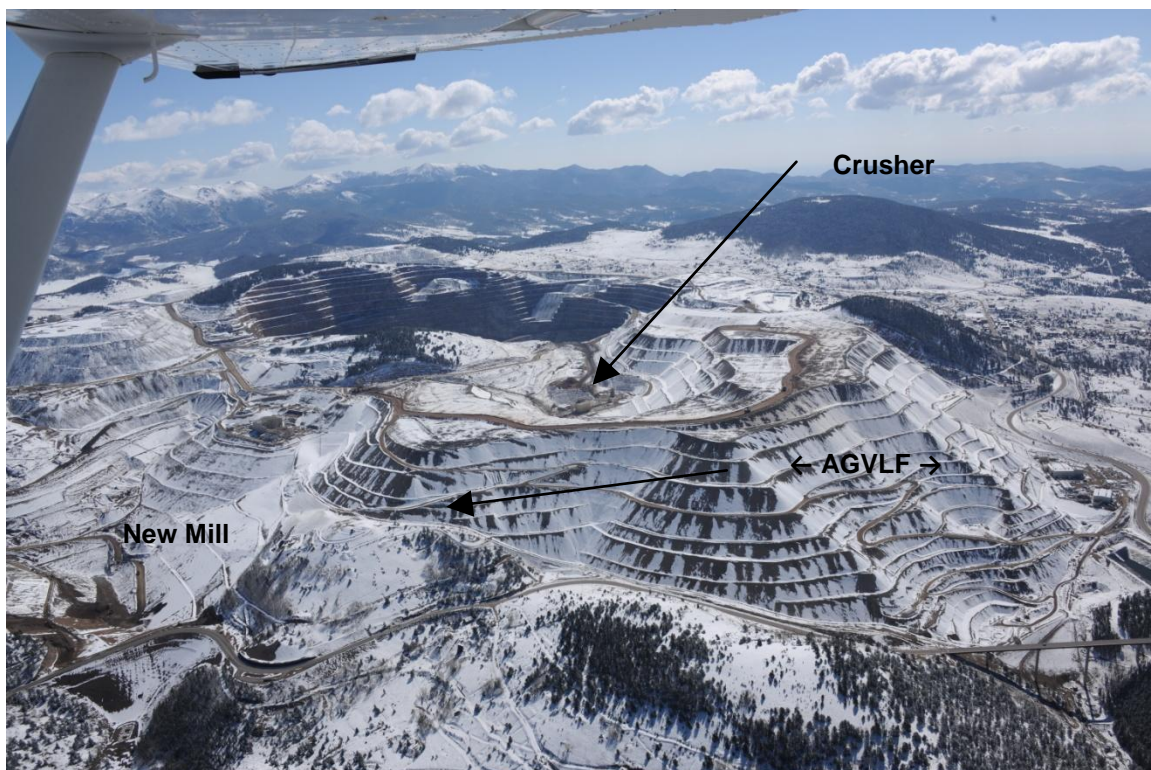


Photo 6. Arequa Gulch VLF (looking SE).



**PHOTOGRAPHS (cont.)**



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

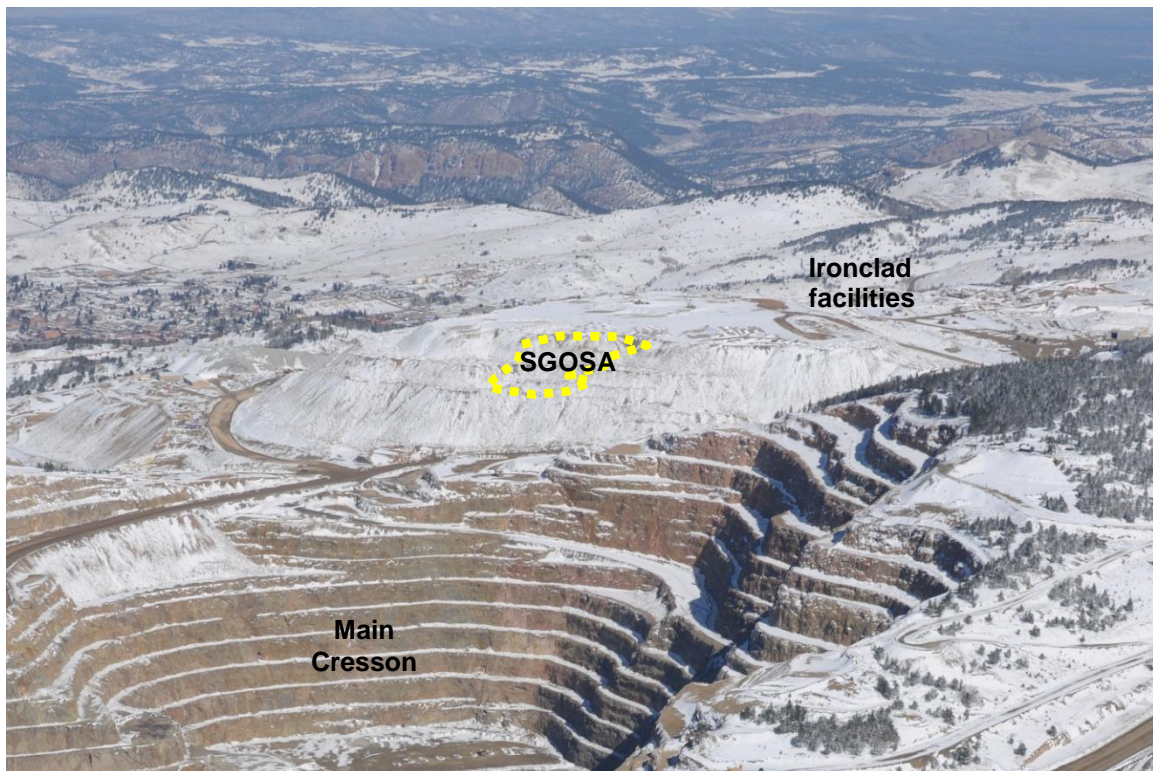


Photo 8. Squaw Gulch OSA (Looking NW).



**PHOTOGRAPHS (cont.)**



Photo 9. Squaw Gulch VLF (Looking NE).



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

**Inspection Contact Address**

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