




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: September 30, 2015	INSP. TIME: 09:10
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: \$173,434,420.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 30, 2015

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>Y</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>NA</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>	(SW) STORM WATER MGT PLAN---- <u>N</u>	(CI) COMPLETE INSP---- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>N</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 September 30, 2015. The primary purpose of the inspection was to follow up on the effectiveness of the mine's plan to reduce solution ponding on the AGVLF. 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	9 benches and pit floor, SGOSA beyond
Photo 2	Arequa Gulch VLF (note ripped areas)	Looking west	ADR on left
Photo 3	East Cresson OSA (ECOSA)	Looking NW	WHEX pit beyond
Photo 4	South Cresson	Looking NE	Note stemming material stockpile in pit. Main Cresson pit in upper left.
Photo 5	Main Cresson Pit	Looking NE	Crusher in foreground
Photo 6	Arequa Gulch VLF	Looking SSW	Crusher in center left
Photo 7	New growth medium stockpile #34 and Squaw Gulch VLF	Looking SW	Growth medium stockpile #34 on right
Photo 8	Squaw Gulch OSA (in foreground)	Looking NE	WHEX pit beyond. Ironclad facilities in center right
Photo 9	Squaw Gulch VLF (SGVLF)	Looking south	Completed PSSA with potentially impacted water and fill in riser area
Acronyms: PSSA – Pregnant Solution Storage Area OSA – overburden storage area VLF – valley leach facility			

Some AGVLF areas show sign of the re-ripping mitigation effort (see **Photo 2**). The Division will inspect the AGVLF during the next inspection.

PHOTOGRAPHS

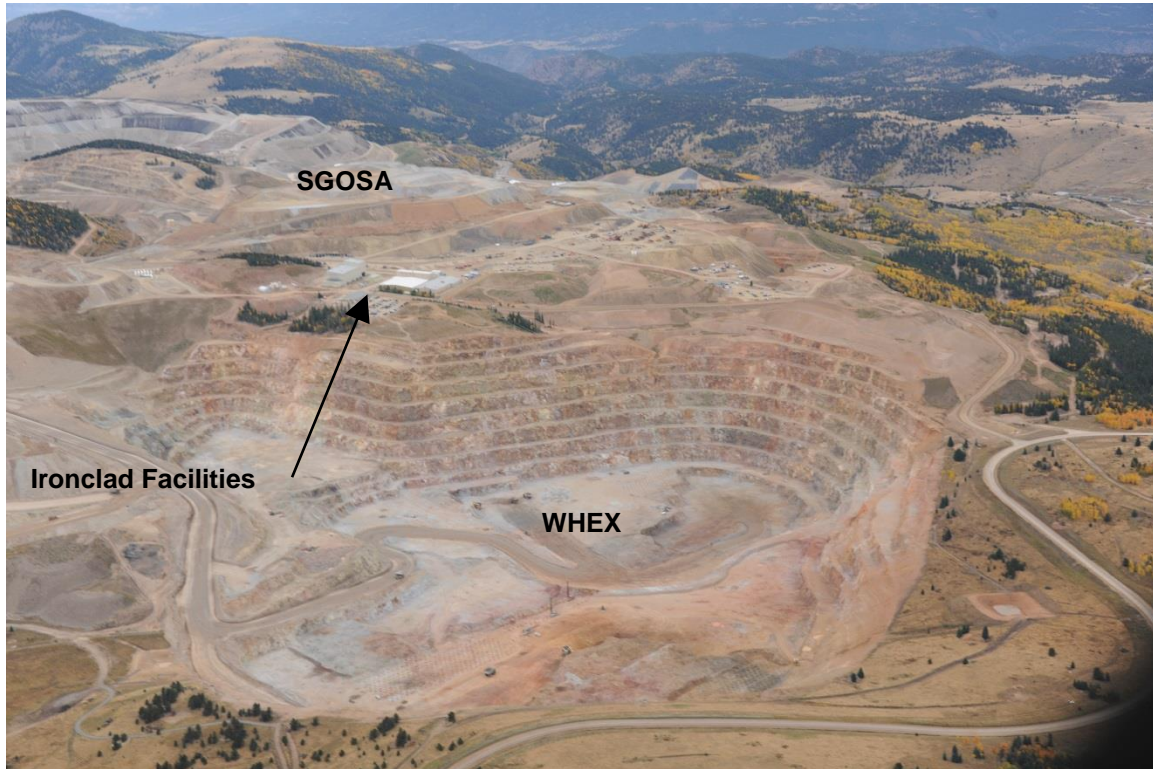


Photo 1. Wildhorse Extension Pit (Looking SW).

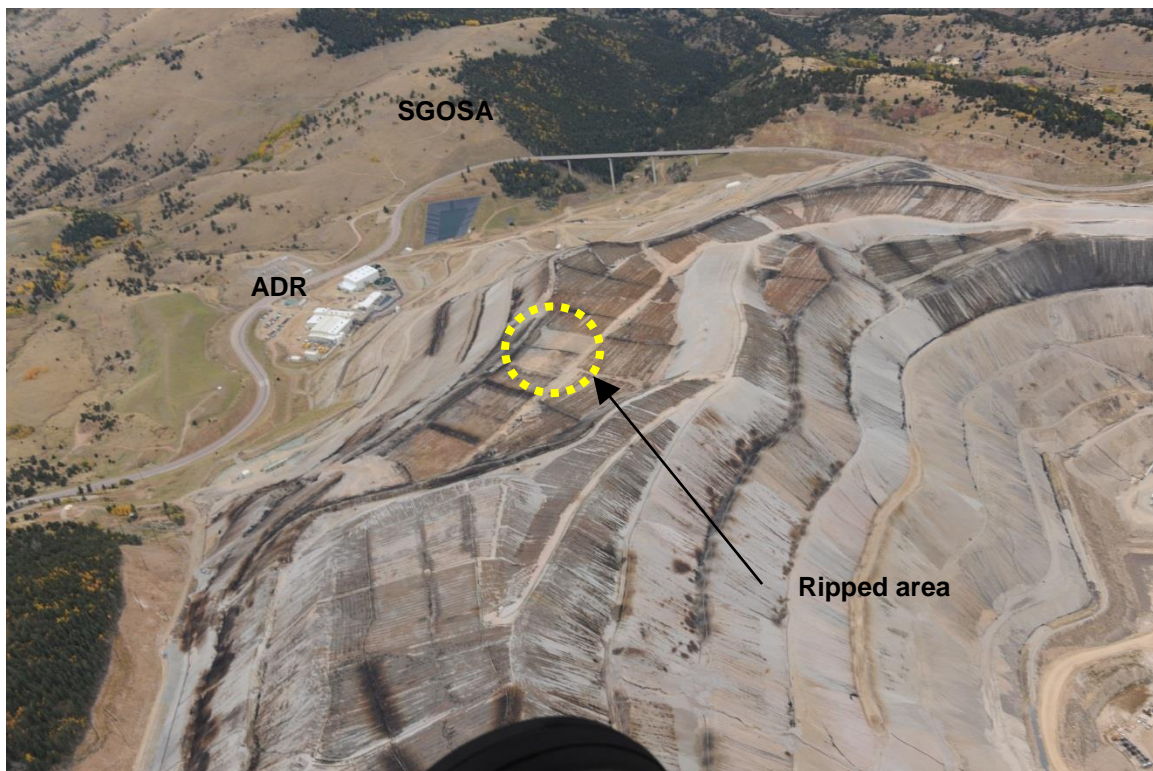


Photo 2. Arequa Gulch VLF (Looking west).

PHOTOGRAPHS (cont.)



Photo 3. East Cresson OSAs (looking NW).

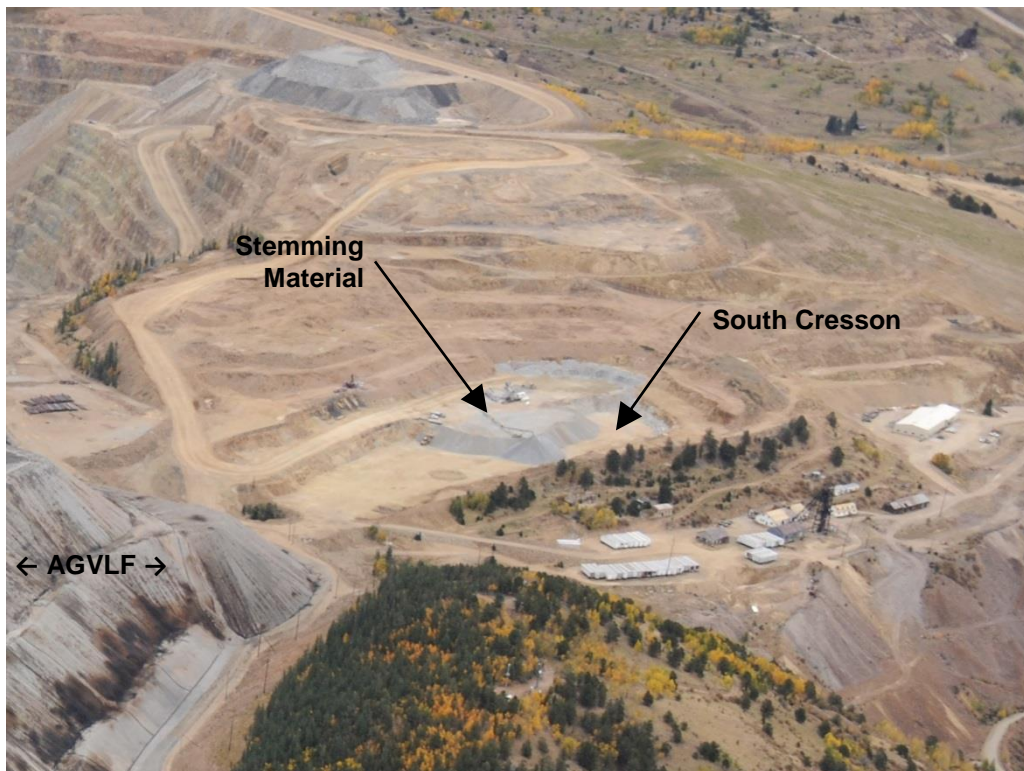


Photo 4. South Cresson (looking NE).

PHOTOGRAPHS (cont.)



Photo 5. Main Cresson Pit (looking NW).



Photo 6. Arequa Gulch VLF (looking SSW).

PHOTOGRAPHS (cont.)



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

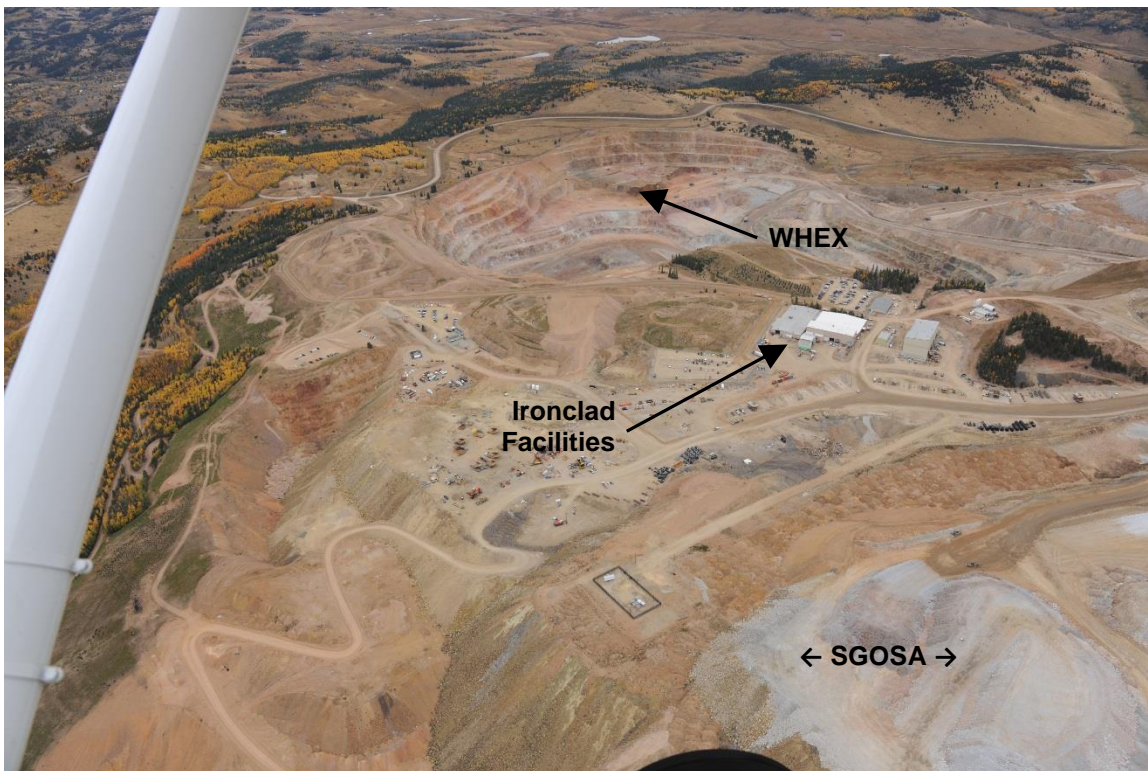


Photo 8. Squaw Gulch OSA (Looking NE).

PHOTOGRAPHS (cont.)

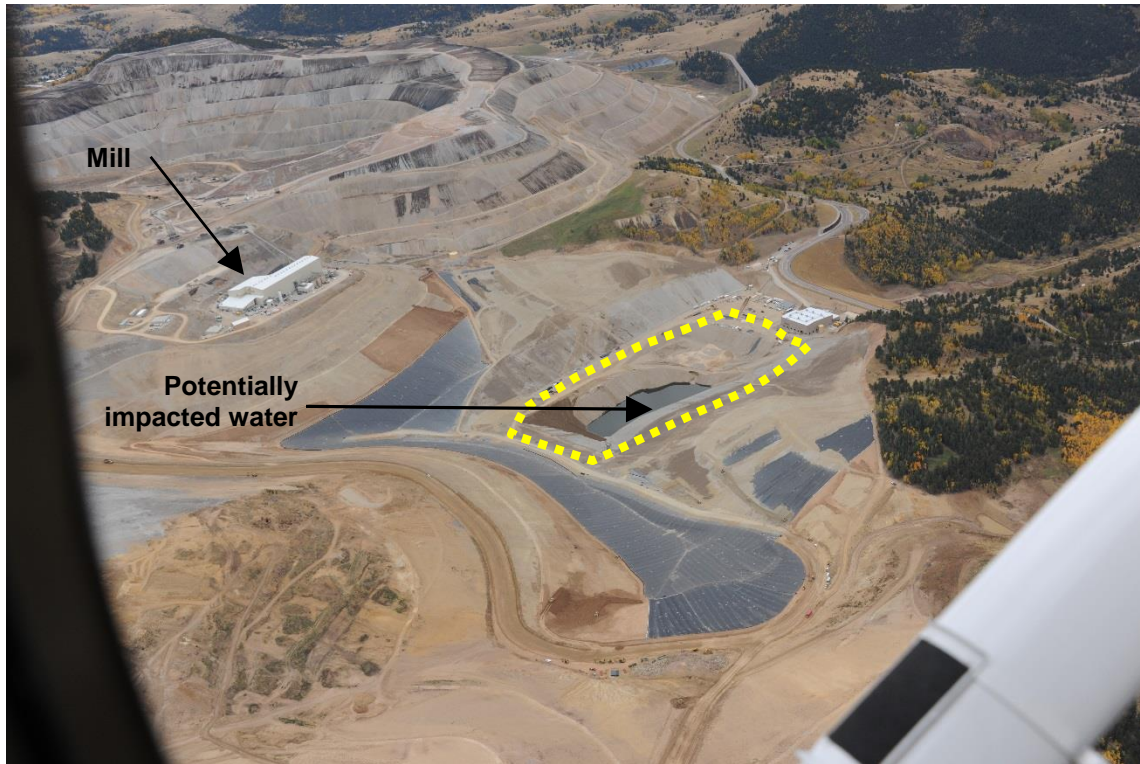


Photo 9. Squaw Gulch VLF Pregnant Solution Storage Area (Looking NE).

Inspection Contact Address

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