




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 28, 2015	INSP. TIME: 16:25
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: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: December 29, 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>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</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>Y</u>	(CI) 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 December 28, 2015. 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	10 benches and pit floor, Ironclad facilities beyond
Photo 2	High Grade Mill (note stained area outside berm)	Looking east	SGVLF DCF placement in foreground
Photo 3	East Cresson OSA (ECOSA)	Looking SE	Grassy Valley in upper left
Photo 4	South Cresson	Looking SW	AGVLF beyond
Photo 5	Main Cresson Pit	Looking east	Note backfill in center
Photo 6	Arequa Gulch VLF	Looking NE	ADR-1 & PSES in center foreground
Photo 7	Phase 1 Stormwater Pond EMP-008c and New growth medium stockpile #34	Looking east	South end of Growth medium stockpile #34 on left, pond in center
Photo 8	Squaw Gulch OSA	Looking east	Contractor laydown area in foreground
Photo 9	Squaw Gulch VLF (SGVLF) – note PSSA filling in center	Looking NE	High Grade Mill on right, SG ADR in foreground
Photo 10	Phase 2 Stormwater Pond EMP-008b and New growth medium stockpile #34	Looking NE	North end of Growth medium stockpile #34 center foreground, pond in center
<u>Acronyms:</u>		PSSA – Pregnant Solution Storage Area	
ADR – Adsorption/desorption Recovery		OSA – overburden storage area	
PSES – Process Solution Enhancement System		VLF – valley leach facility	

The observed staining outside the High Grade Mil berm needs to be checked on the ground (see **Photo 2**). The Division will inspect the channel during the next inspection

PHOTOGRAPHS



Photo 1. Wildhorse Extension Pit (Looking SW).

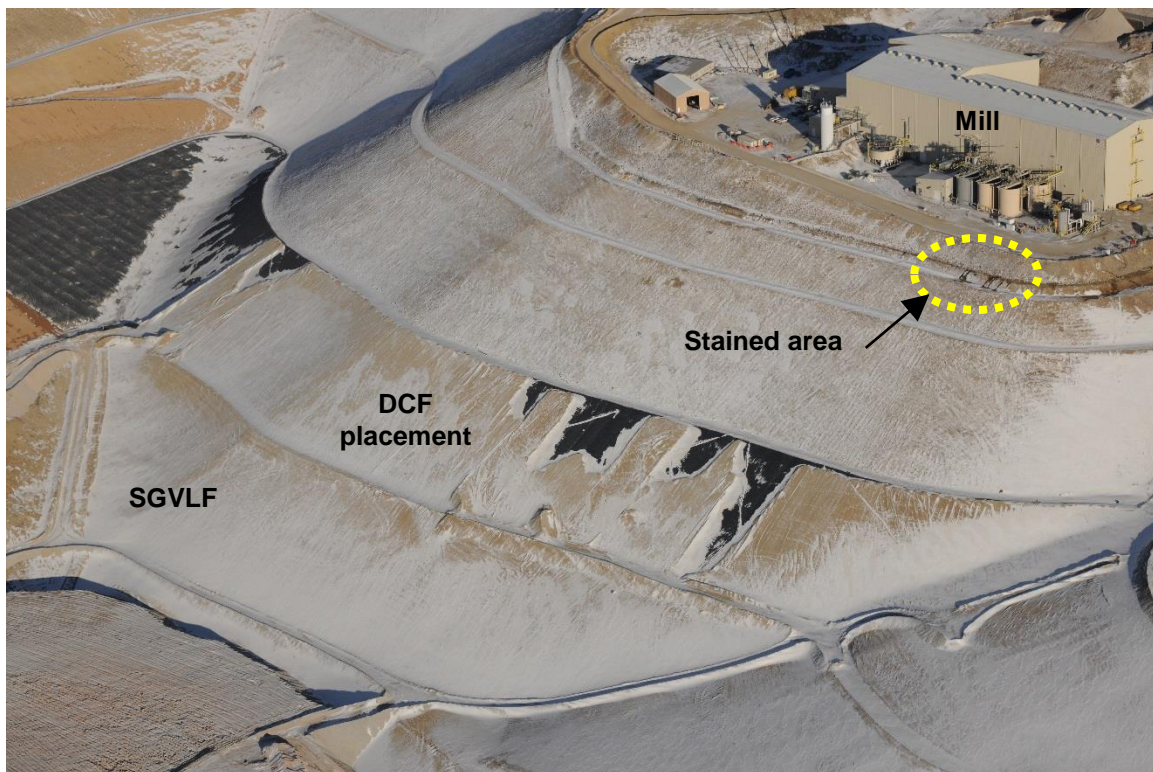


Photo 2. High Grade Mill (Looking east).

PHOTOGRAPHS (cont.)



Photo 3. East Cresson OSAs (looking SE).

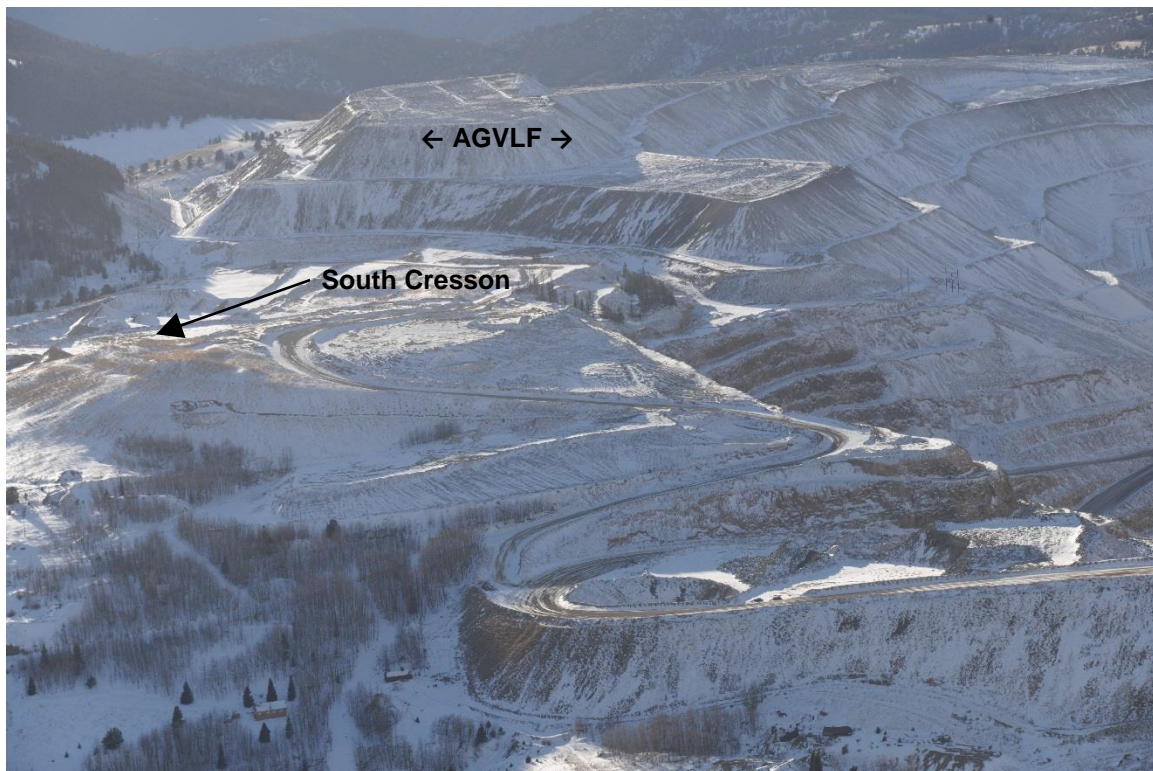


Photo 4. South Cresson (looking SW).

PHOTOGRAPHS (cont.)

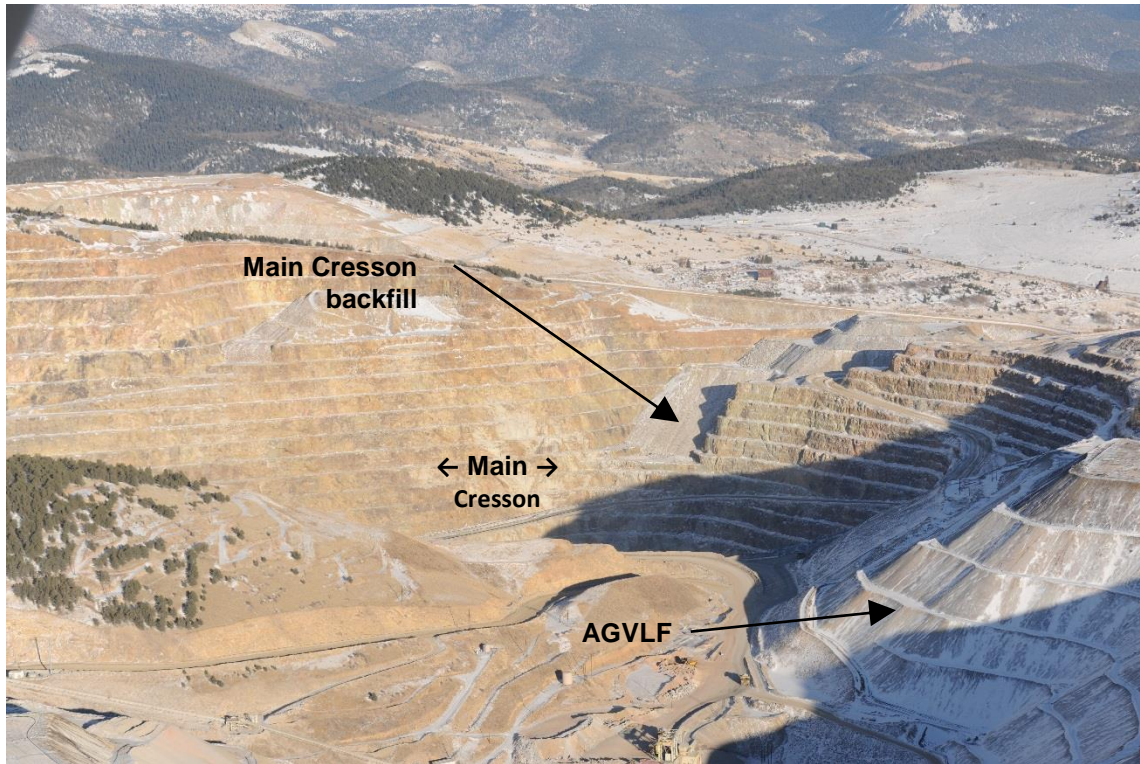


Photo 5. Main Cresson Pit (looking east).

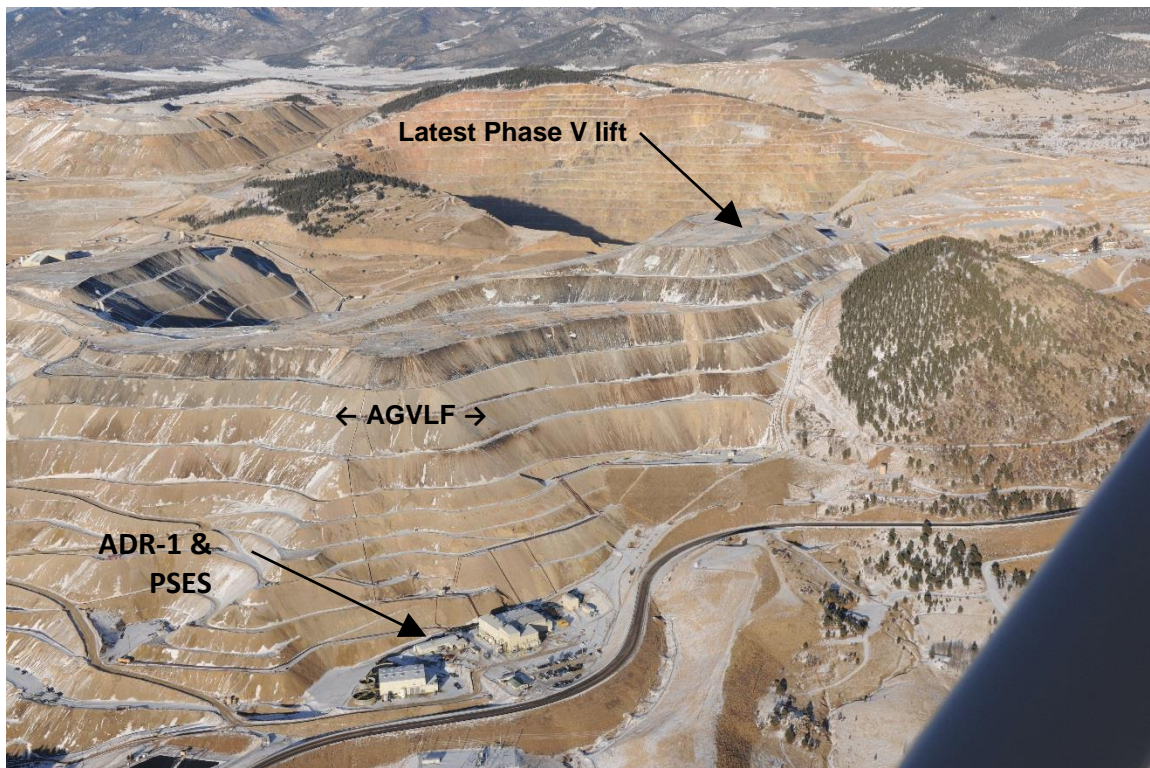


Photo 6. Arequa Gulch VLF (looking east).

PHOTOGRAPHS (cont.)



Photo 7. Phase 1/EMP-008c Pond & New growth medium stockpile #34 (looking east).

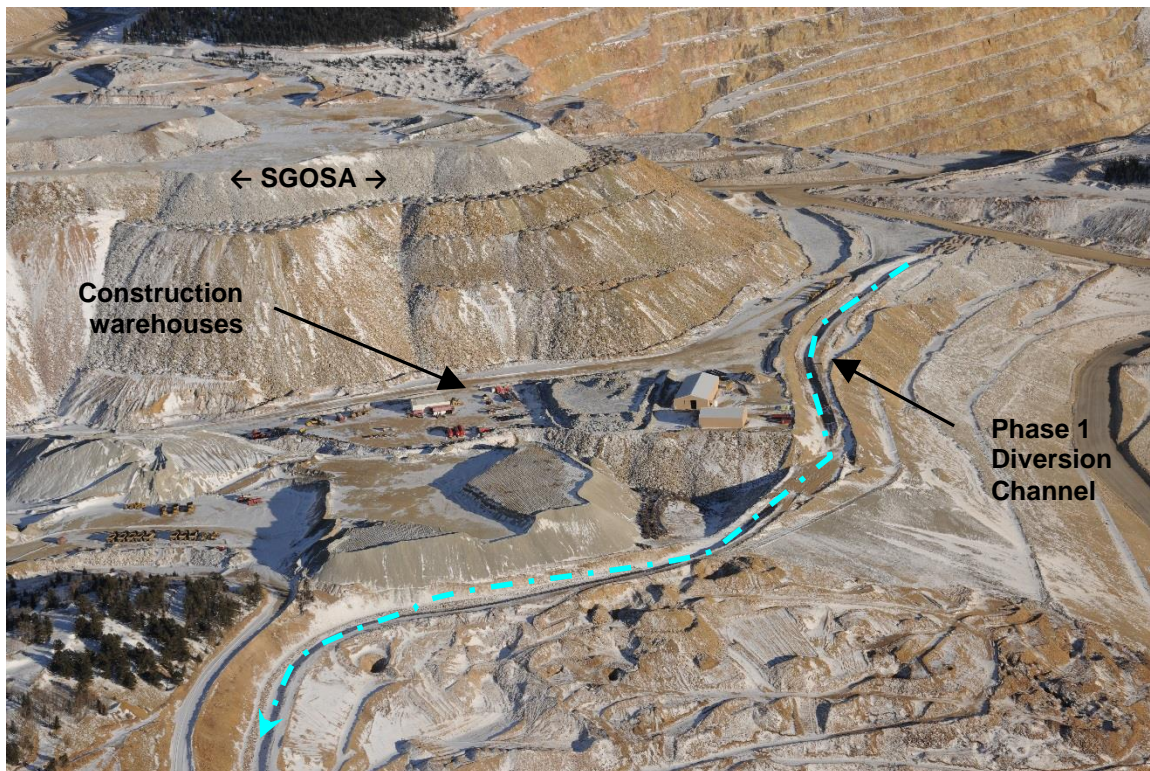


Photo 8. Squaw Gulch OSA (Looking east).

PHOTOGRAPHS (cont.)



Photo 9. Squaw Gulch VLF - note PSSA filling in center (Looking NE).



Photo 10. Phase 2/EMP-008b Pond & New growth medium stockpile #34 (looking NE).

Inspection Contact Address

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