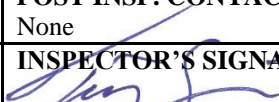




**COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY**  
**MINERALS PROGRAM INSPECTION REPORT**  
**PHONE: (303) 866-3567**

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> March 24, 2016	<b>INSP. TIME:</b> 11:40
<b>OPERATOR:</b> Cripple Creek & Victor Gold Mining Compar	<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> \$173,434,420.00
<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> March 29, 2016

**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>Y</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>	(SW) STORM WATER MGT PLAN---- <u>N</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 March 24, 2016. 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 west	10 benches and pit floor, Ironclad facilities on left
Photo 2	High Grade Mill	Looking NE	SGVLF DCF placement in foreground
Photo 3	East Cresson OSA (ECOSA)	Looking SW	Grassy Valley in foreground
Photo 4	South Cresson	Looking north	Note stemming material in pit, Main Cresson beyond
Photo 5	Main Cresson Pit	Looking north	Note backfill on both sides (east and west)
Photo 6	Arequa Gulch VLF	Looking NW	Crusher in center
Photo 7	North Cresson (future pit area)	Looking NE	Ironclad facilities on right, WHEX pit beyond
Photo 8	Squaw Gulch OSA	Looking SE	Contractor laydown area in right foreground
Photo 9	Squaw Gulch VLF (SGVLF) – note NO exposed water in PSSA	Looking NE	High Grade Mill on right, SG ADR in foreground
Photo 10	ECOSA – southern extents	Looking south	Altman backfill on right
<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	

No problems were observed.

## PHOTOGRAPHS



Photo 1. Wildhorse Extension Pit (Looking west).

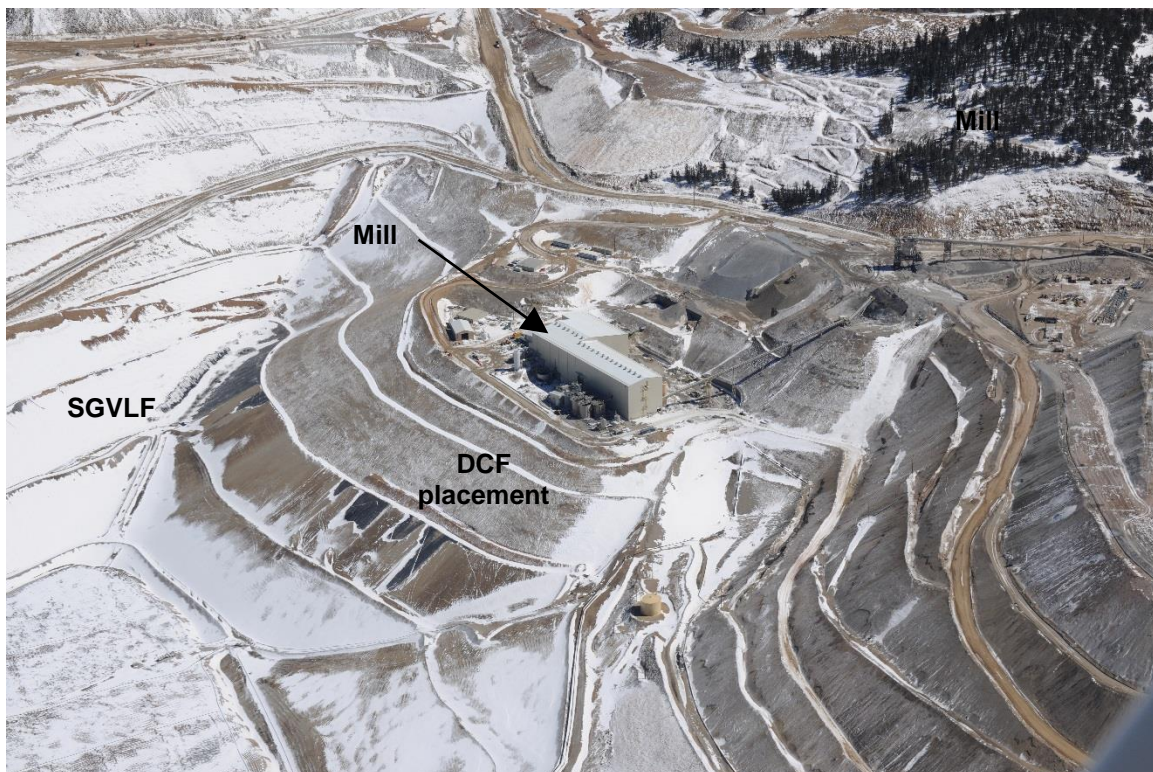


Photo 2. High Grade Mill (Looking NE).



**PHOTOGRAPHS (cont.)**



Photo 3. East Cresson OSA (looking SW).

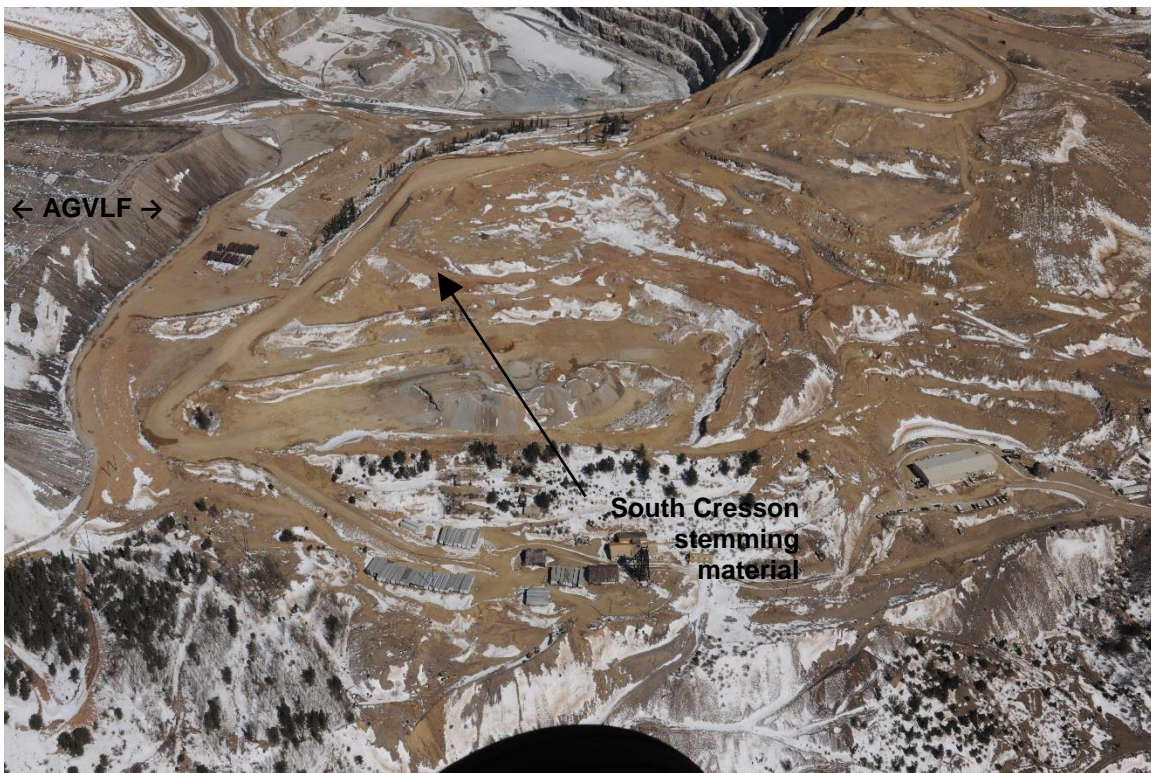


Photo 4. South Cresson (looking north).



**PHOTOGRAPHS (cont.)**

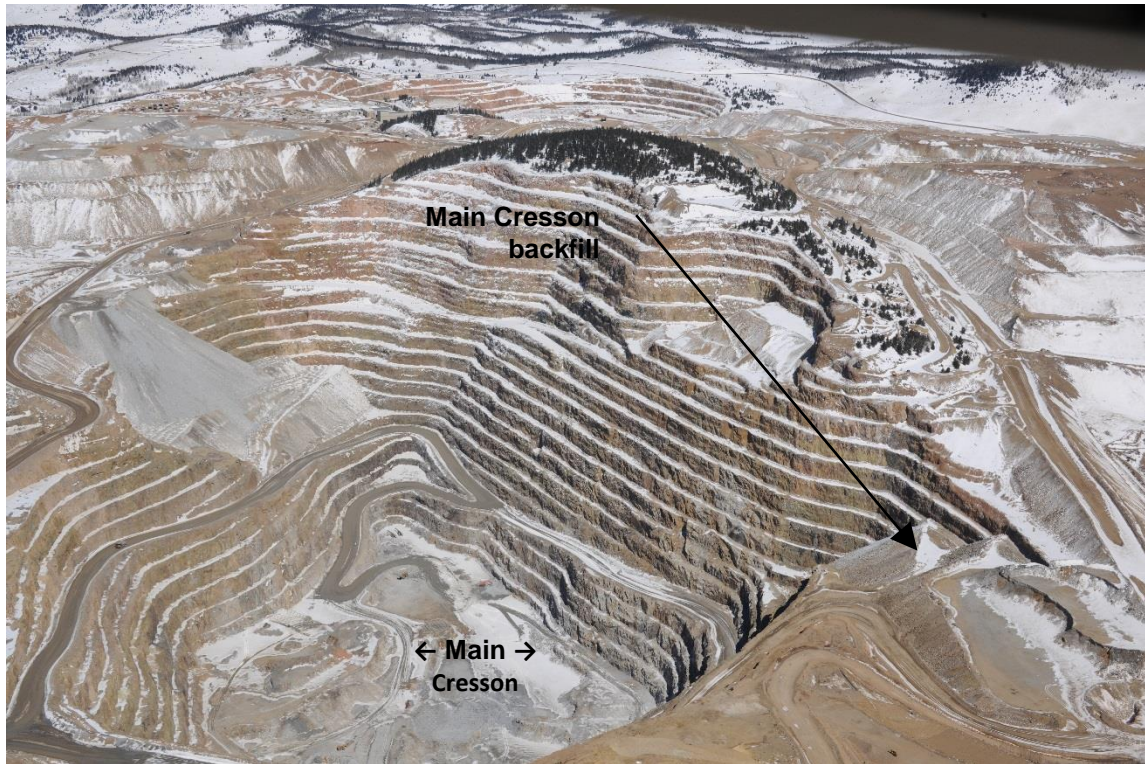


Photo 5. Main Cresson Pit (looking north).

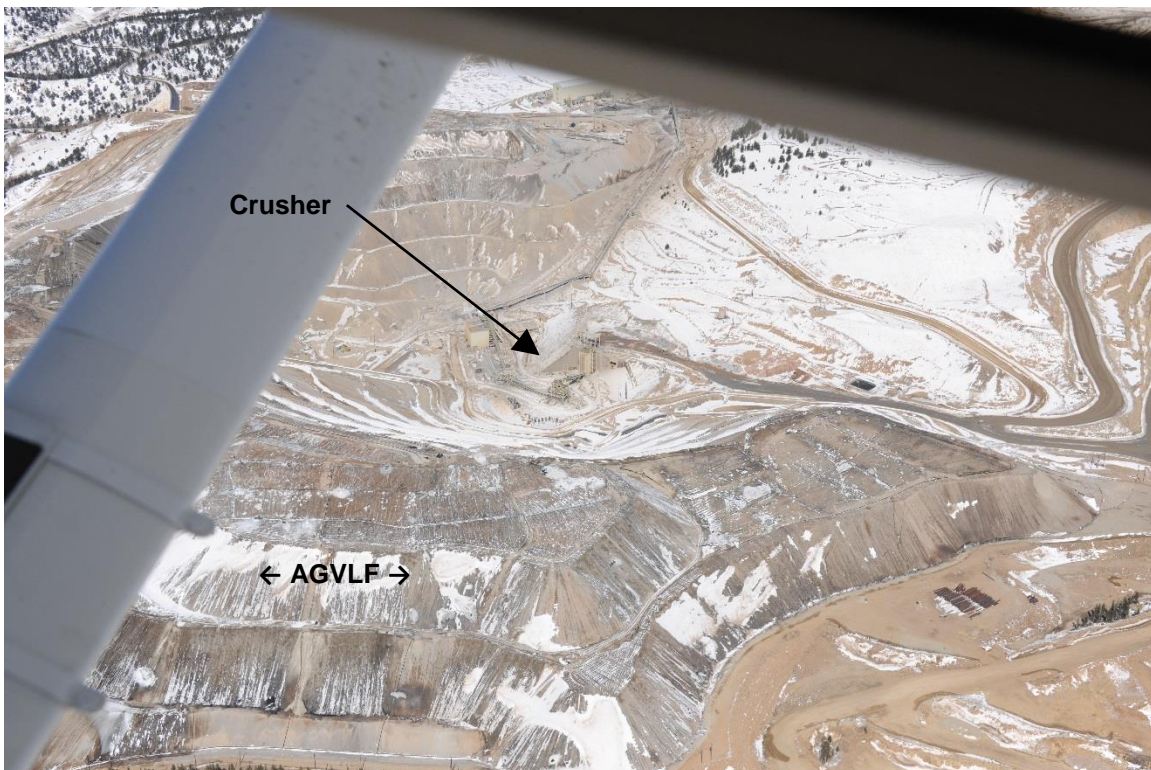


Photo 6. Arequa Gulch VLF (looking NW).



**PHOTOGRAPHS (cont.)**

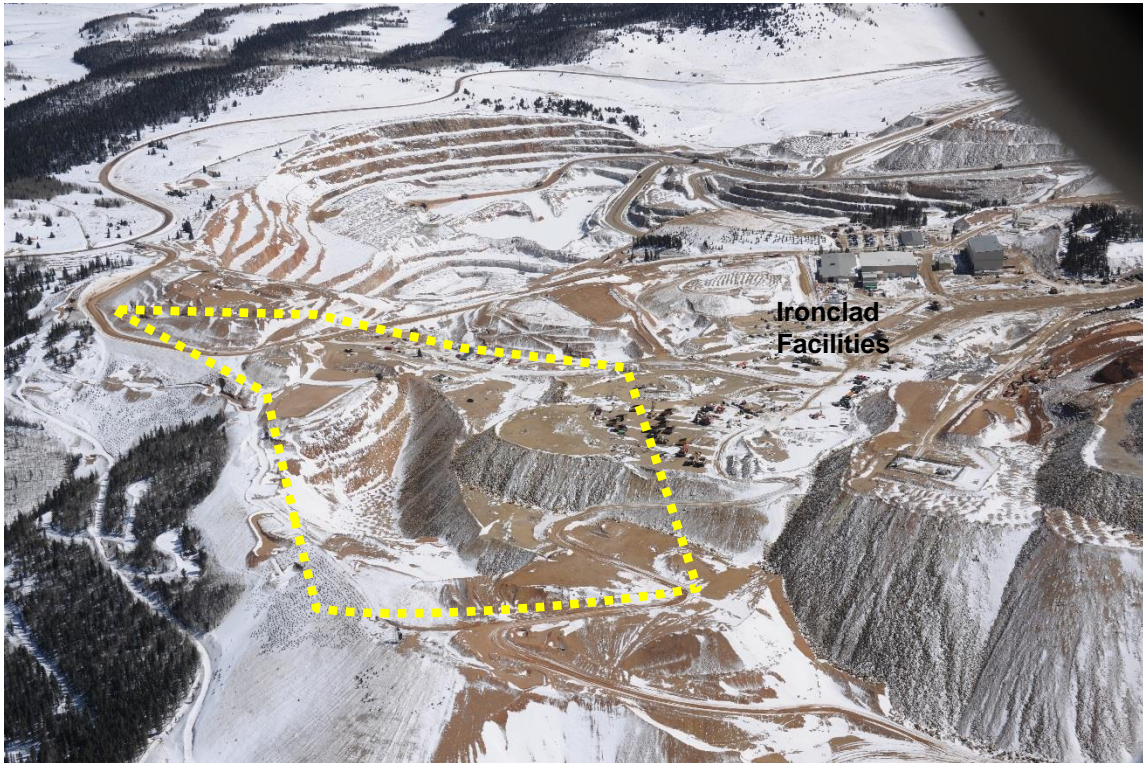


Photo 7. North Cresson (future pit area – looking NE).

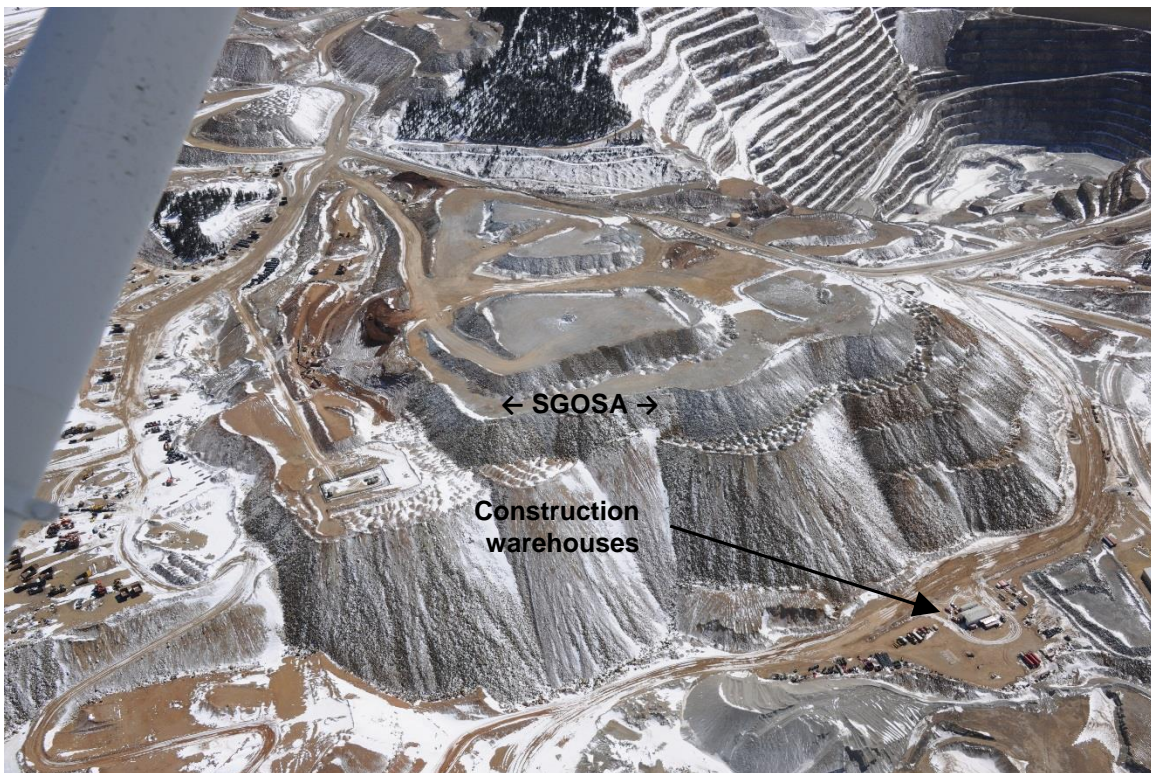


Photo 8. Squaw Gulch OSA (Looking SE).



**PHOTOGRAPHS (cont.)**

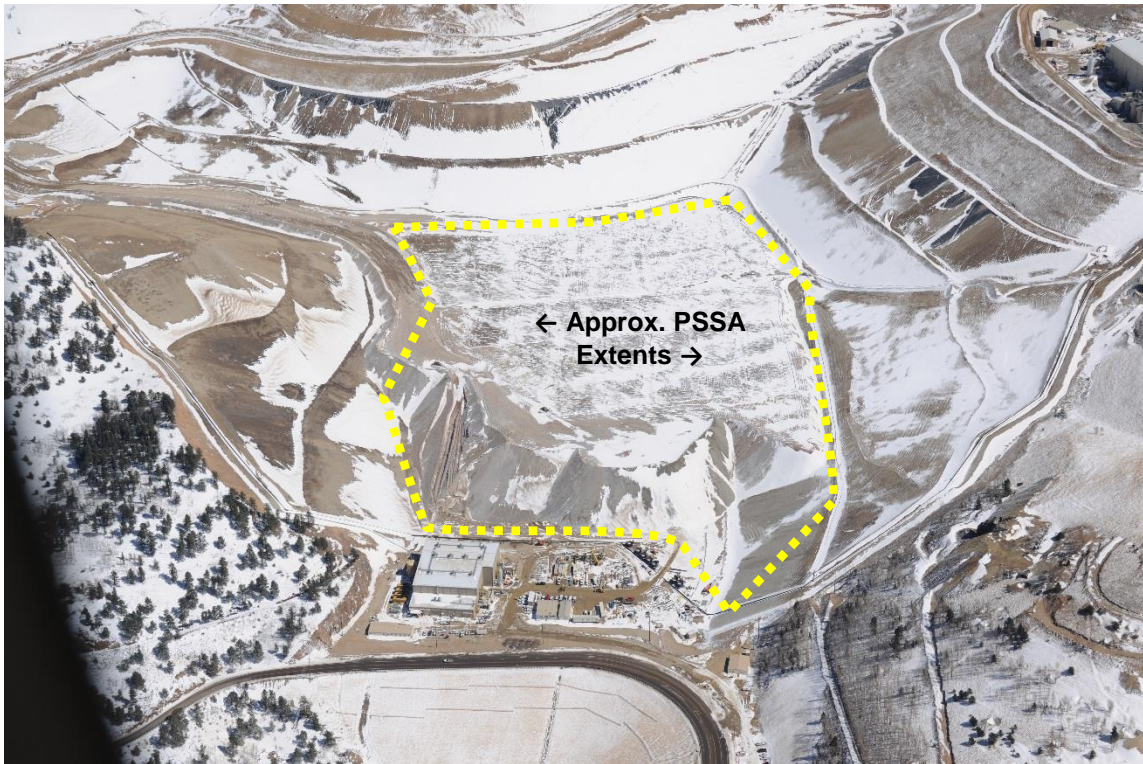


Photo 9. Squaw Gulch VLF – no exposed water in PSSA (Looking NE).

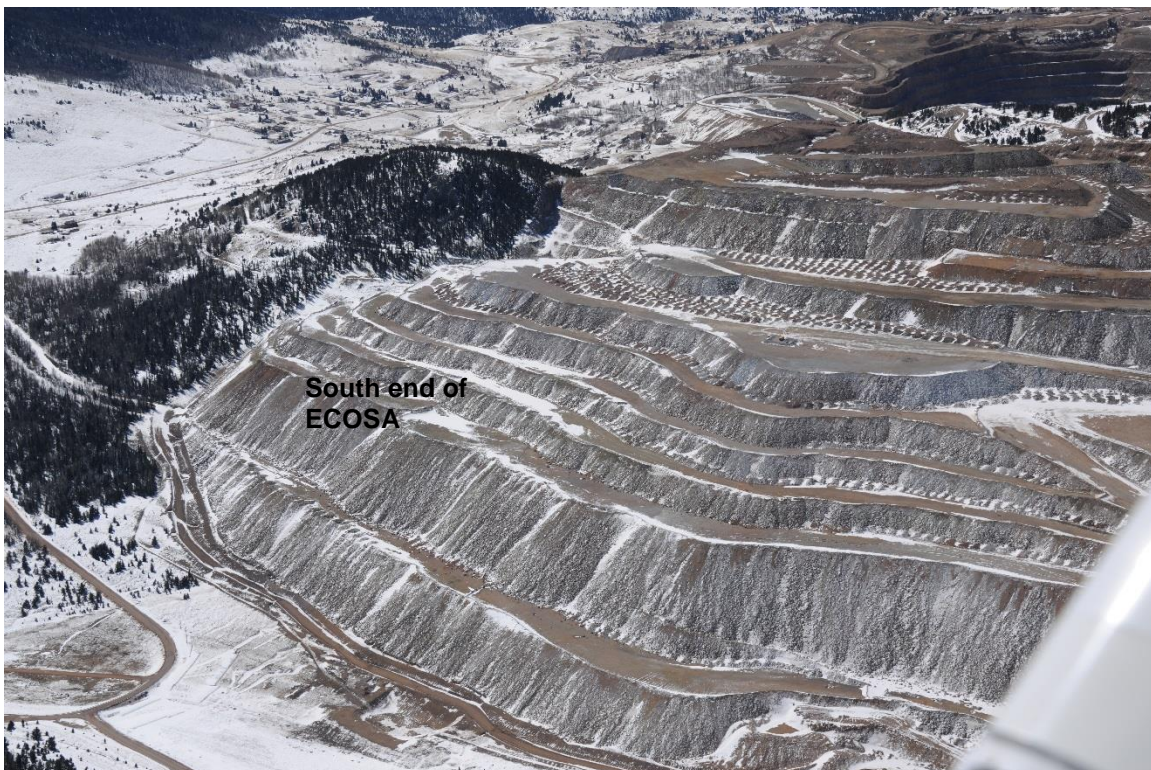


Photo 10. ECOSA – southern extents (looking south).

**Inspection Contact Address**

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