




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: March 30, 2017	INSP. TIME: 11:22
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: N/A	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$207,828,54.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: January 16, 2018	

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>Y</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>N</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>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>Y</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 30, 2017. 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 NW	Teller County Road 82 on right
Photo 2	North Cresson pit (future)	Looking south	AGVLF beyond, SGOSA mid-photo
Photo 3	East Cresson OSA (ECOSA)	Looking SE	Grassy Valley on left, WHEX in foreground
Photo 4	South Cresson	Looking SW	Arequa Gulch VLF beyond, Main Cresson on right
Photo 5	Main Cresson Pit	Looking north	Note pit backfills on both west and east sides
Photo 6	Arequa Gulch VLF (1 of 2)	Looking north	ADR 2 in background (left) and mill in background.
Photo 7	Arequa Gulch VLF (2 of 2)	Looking NW	Crusher area in center
Photo 8	High Grade Mill building	Looking NE	SGVLF on left, AGVLF on right
Photo 9	Squaw Gulch VLF	Looking SE	SGOSA on left, ADR 2 & Mill on left & center, respectively
Photo 10	ECOSA seep collection pond	Looking west	Note water in collection pond
<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 NW).



Photo 2. North Cresson (future) / Squaw Gulch Area (Looking south).

PHOTOGRAPHS (cont.)



Photo 3. East Cresson OSA (looking SE).



Photo 4. South Cresson (looking SW).

PHOTOGRAPHS (cont.)

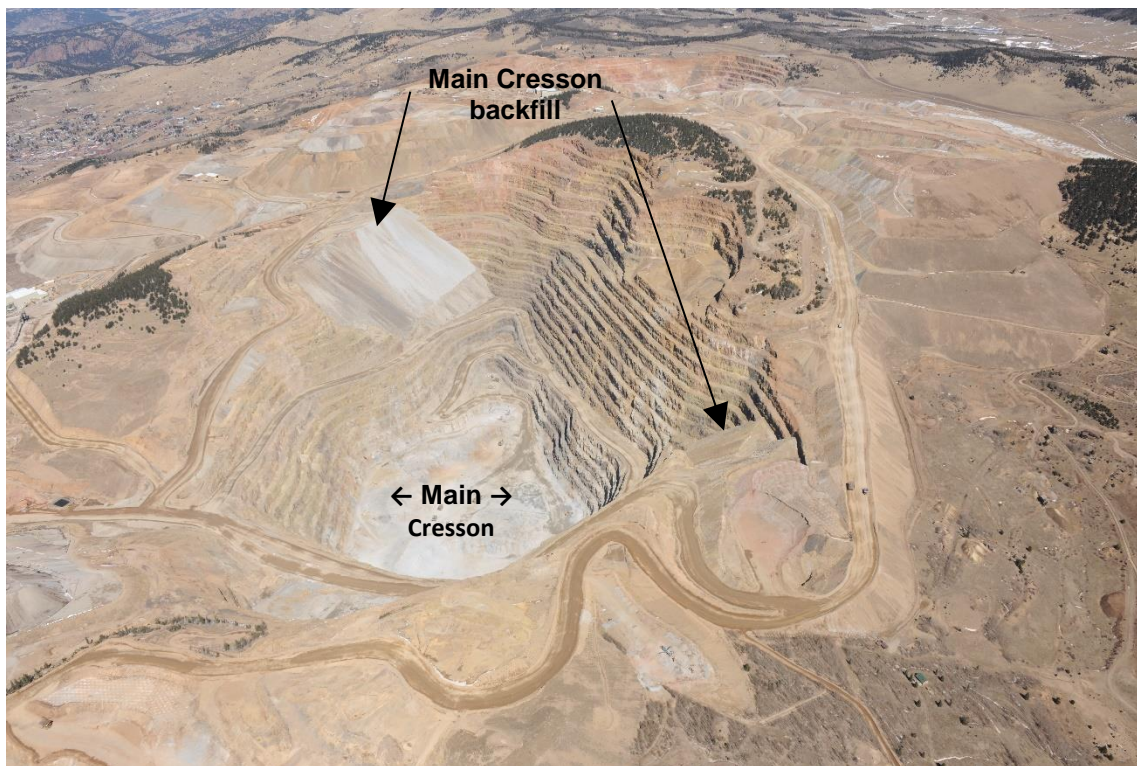


Photo 5. Main Cresson Pit (looking north).

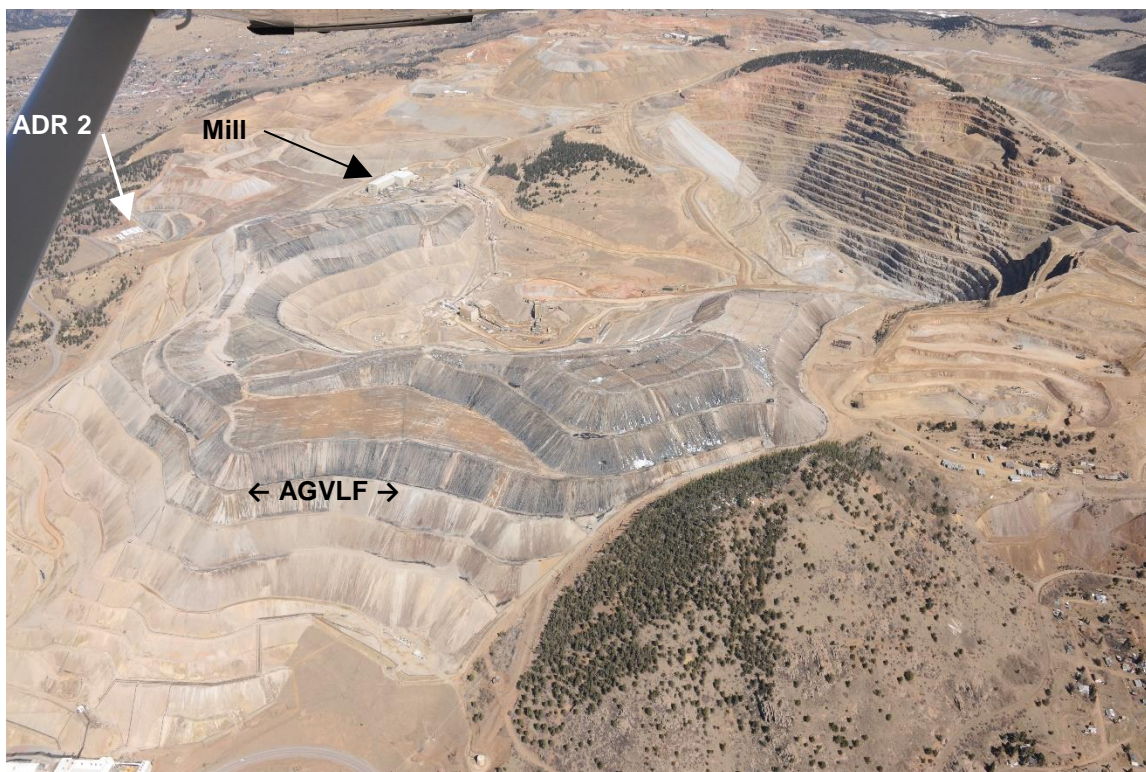


Photo 6. Arequa Gulch VLF (looking north).

PHOTOGRAPHS (cont.)



Photo 7. Arequa Gulch VLF (looking NW).



Photo 8. Mill building between SGVLF & AGVLF (Looking NE).

PHOTOGRAPHS (cont.)

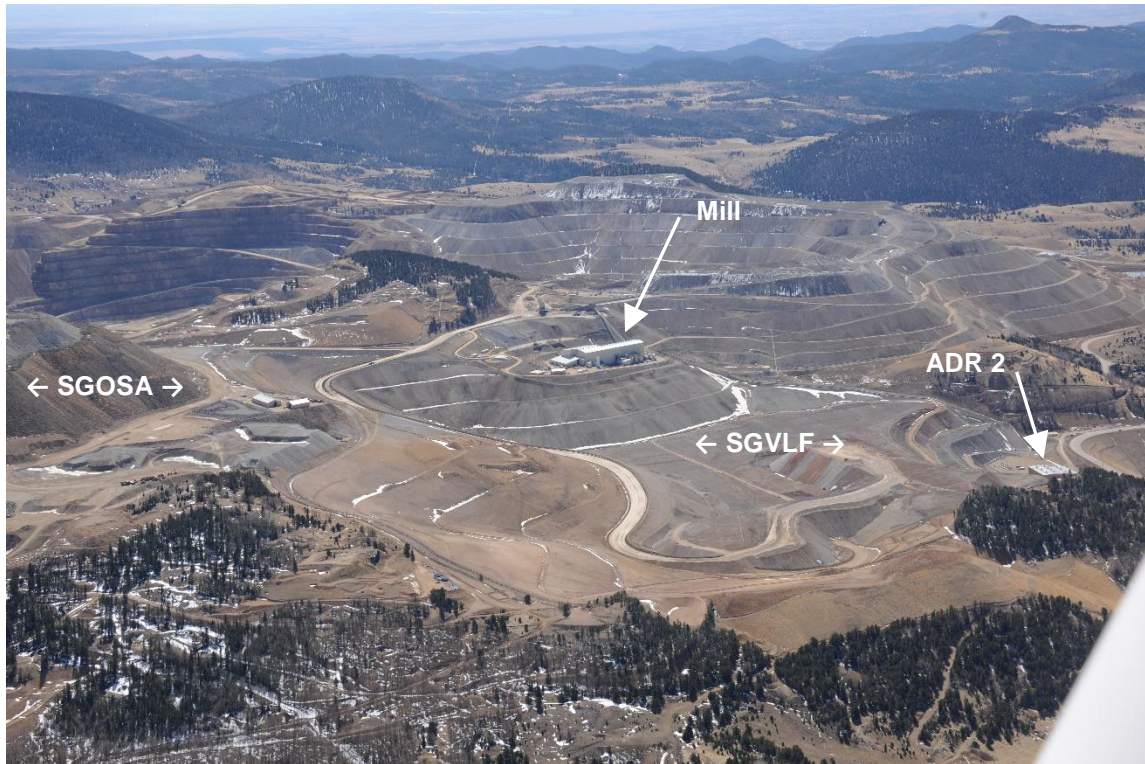


Photo 9. Squaw Gulch VLF (Looking SE).

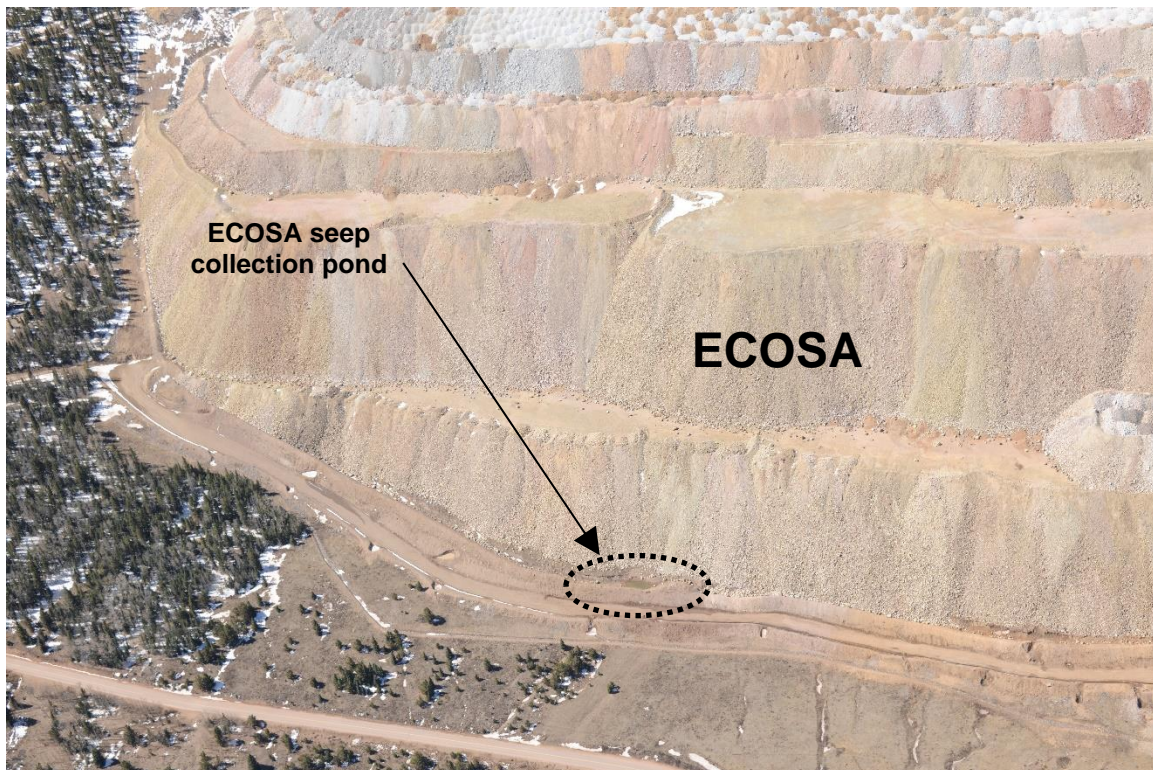


Photo 10. ECOSA – note water in seep collection pond (SE Toe, looking west).

Inspection Contact Address

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