

COLORADO Division of Reclamation, Mining and Safety Department of Natural Resources

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:	MINE/PROSPECTING ID#:	MINERAL:	COUNTY:		
Cresson Project	M-1980-244	Gold	Teller		
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:		
Aerial Inspection	Timothy A. Cazier	August 29, 2017	9:22		
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:			
Cripple Creek & Victor Gold Mining Company	N/A	112d-3 - Designated Mining Operation			
REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:			
Normal I&E Program	None	\$207,828,54.00			
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:			
NA	None	None			
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DATE:			
Clear	Thing alg=	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 Y	(BG) BACKFILL & GRADING Y	(EX) EXPLOSIVES <u>N</u>
(PW) PROCESSING WASTE/TAILING <u>N</u>	(SF) PROCESSING FACILITIES N	(TS) TOPSOIL <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE N	(RV) REVEGETATION N
(SM) SIGNS AND MARKERS <u>N</u>	(SP) STORM WATER MGT PLAN <u>N</u>	(RS) RECL PLAN/COMP Y
(ES) OVERBURDEN/DEV. WASTE Y	(SC) EROSION/SEDIMENTATION <u>N</u>	(ST) STIPULATIONS <u>N</u>
(AT) ACID OR TOXIC MATERIALS <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 August 29, 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.

Photo ID	Mine Facility	Perspective	Notes
Photo 1	Wildhorse Extension Pit	Looking SW	Teller County Road 82 on
	(WHEX)		right
Photo 2	North Cresson pit (future)	Looking NE	Poverty Gulch on left
Photo 3	East Cresson OSA (ECOSA)	Looking SW	Altman backfill in background
Photo 4	South Cresson	Looking SW	Arequa Gulch VLF beyond
Photo 5	Main Cresson Pit	Looking	Note pit backfills on both
		north	west and east sides
Photo 6	ADR 1	Looking	Arequa Gulch VLF beyond
		north	
Photo 7	Arequa Gulch VLF	Looking	Crusher area on right
		west	
Photo 8	High Grade Mill building	Looking	SGVLF on left, AGVLF on right
		east	
Photo 9	Squaw Gulch VLF	Looking NE	SGOSA beyond, ADR 2 in
			foreground, Mill on right
Photo 10	ADR 2	Looking NE	Squaw Gulch VLF beyond
Acronyms:		PSSA – Pregnant Solution Storage Area	
ADR – Adsorption/desorption Recovery		OSA – overburden storage area	
PSES – Process Solution Enhancement System		VLF – valley leach facility	

The following table summarizes the attached photos:

No problems were observed.

PERMIT #: M-1980-244 INSPECTOR'S INITIALS: TC1 INSPECTION DATE: August 29, 2017

PHOTOGRAPHS

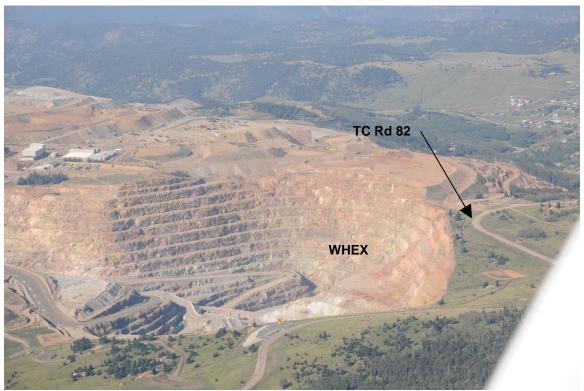


Photo 1. Wildhorse Extension Pit (Looking SW).



Photo 2. North Cresson (future) / Poverty Gulch Area – on left (Looking NE).

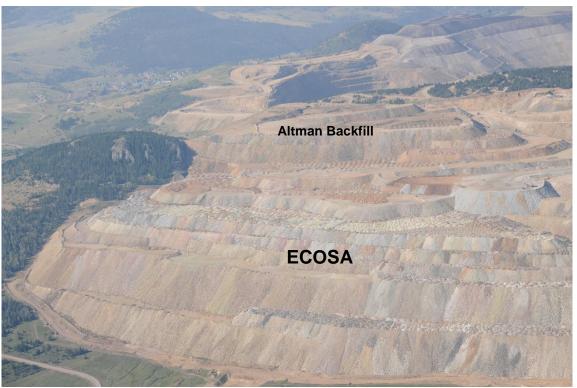


Photo 3. East Cresson OSA (looking SW).



Photo 4. South Cresson (looking SW).



Photo 5. Main Cresson Pit (looking north).

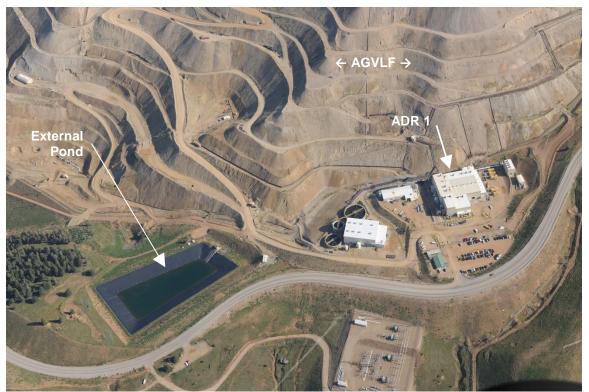


Photo 6. ADR 1 (looking north).



Photo 7. Arequa Gulch VLF (looking west).



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

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Photo 9. Squaw Gulch VLF (Looking NE).



Photo 10. ADR 2 (looking NE).

Inspection Contact Address

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