




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: Monitoring	INSPECTOR(S): Timothy A. Cazier	INSP. DATE: October 11, 2017	INSP. TIME: 9:30
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: Jeff Gaul	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$207,991,188.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: February 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>Y</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</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

The Division conducted a monitoring inspection of the site on October 11, 2017. Messrs. Jeff Gaul and Justin Bills represented CC&V during the inspection. Tim Cazier represented the Division. The planned inspection agenda included the following facilities and areas:

- Poverty Gulch Diversion Channel: under construction at the time of this inspection;
- Poverty Gulch / Chicago Tunnel area AM-12 expansion: check proposed boundary alignment;

Site Inspection:

Poverty Gulch Diversion Channel: The development of the Globe Hill Pit is planned to encroach slightly into Poverty Gulch. As such, a diversion channel is required (reference TR-86) to direct normal flows in Poverty Gulch around the encroachment and back into the lower segment of Poverty Gulch and on to Cripple Creek. The upper ~15-foot segment of this diversion is relatively steep requiring the addition of grout to help stabilize the riprap armoring this portion of the channel. The primary purpose of this inspection was to observe the installation of the grout in this segment of the diversion channel. The grout crew appeared to do an adequate job of working the grout into the lower voids of the previously placed riprap (**See Photo 1**) and leaving the upper portions of the riprap exposed (**See Photo 2**) to enhance the roughness of the channel for energy dissipation.

The remainder of the riprap lined channel was inspected and was observed to be within the permit boundary (**See Photo 3**). Riprap appeared to be well graded and adequately placed (**See Photo 4**). The Record of Construction report for the completed diversion channel was received by the Division on December 11, 2017 and accepted on February 14, 2018. The Division observed the contractor placing geotextile (**See Photo 5**) and riprap (**See Photo 6**) in smaller side channels (approx. channel design station 4+75) to transition into the main diversion channel. The Division noted the topsoil placed on the north side of the channel (**See Photo 9**) where the native material had been excavated to construct the diversion channel.

AM-12 Boundary: Mr. Gaul accompanied the Division to the Chicago Tunnel area where CC&V had staked the proposed AM-12 permit boundary extension. The Division collected GPS points (**See Photo 7**) for each survey stake (**See Figure 1**) using a handheld GPS unit (Trimble Juno 3B). The previously disturbed area (**See Photo 8**) south and west of the Chicago Tunnel area that initiated the Division's requirement for AM-12 appeared adequately contained within the proposed boundary extension. Subsequent to this inspection, the Division approved AM-12 on November 14, 2017.

Please contact Tim Cazier (303-866-3567, ext. 8169) if you have any questions regarding this report.

PHOTOGRAPHS



Photo 1. Crew working grout into lower voids.



Photo 2. Finished grout, leaving upper portions of rock exposed.

PHOTOGRAPHS (cont.)



Photo 3. Completed portion of riprap channel within permit boundary (note stakes on left).



Photo 4. Well graded and placed riprap.

PHOTOGRAPHS (cont.)



Photo 5. Laying geotextile in side drainage (~ Sta. 4+75).



Photo 6. Placed riprap in side drainage (~ Sta. 4+75).

PHOTOGRAPHS (cont.)



Photo 7. Collecting GPS points on handheld unit (AM-12 survey stakes).



Photo 8. AM-12 permit boundary survey stakes (near Poverty Gulch/Chicago Tunnel area) .

PHOTOGRAPHS (cont.)



Photo 9. Topsoil placed on are disturbed for channel construction.
(note grubbed trees in foreground for Globe Hill Pit development).

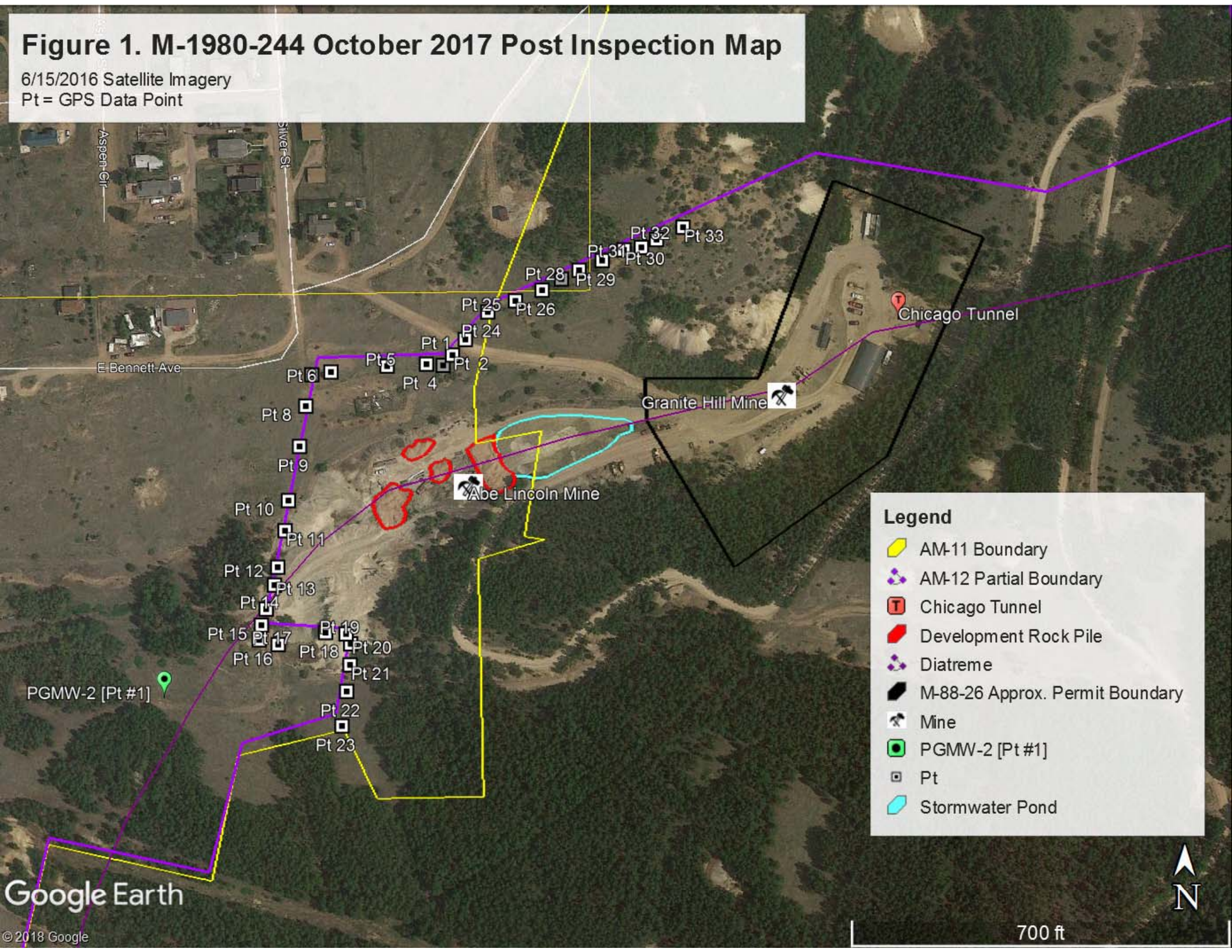
Inspection Contact Address

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DRMS file

Figure 1. M-1980-244 October 2017 Post Inspection Map

6/15/2016 Satellite Imagery
Pt = GPS Data Point



Legend

- AM-11 Boundary
- AM-12 Partial Boundary
- Chicago Tunnel
- Development Rock Pile
- Diatreme
- M-88-26 Approx. Permit Boundary
- Mine
- PGMW-2 [Pt #1]
- Pt
- Stormwater Pond