




**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> July 26, 2018	<b>INSP. TIME:</b> 14:08
<b>OPERATOR:</b> Cripple Creek & Victor Gold Mining Company	<b>OPERATOR REPRESENTATIVE:</b> N/A	<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> \$208,491,188.00	
<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> January 4, 2019	

**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>Y</u>	(SF) PROCESSING FACILITIES----- <u>Y</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>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</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>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**

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 July 26, 2018. 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 south	Teller County Road 82 in foreground
Photo 2	North Cresson pit (Globe Hill)	Looking SE	WHEX in upper left
Photo 3	East Cresson OSA (ECOSA) and Altman backfill	Looking west	Altman backfill in center
Photo 4	South Cresson	Looking WSW	Arequa Gulch VLF beyond (note Ajax Bldg to be removed)
Photo 5	Main Cresson Pit, South Cresson Pit & Phase V VLF 1	Looking NE	VLF 1 elevations 10,200; 10,300 & 10,400 visible
Photo 6	Arequa Gulch VLF (VLF 1) 1 of 2	Looking NW	Note solution ponding on 10,300 elevation
Photo 7	Arequa Gulch VLF (VLF 1) 2 of 2	Looking WNW	Note solution ponding on 10,400 elevation
Photo 8	High Grade Mill building	Looking NE	SGVLF on left (note liner repair efforts immediately left of HGM)
Photo 9	Squaw Gulch VLF (VLF 2) – north end	Looking NE	Highlights area needing special attention when stacking ore after Phase II liner is certified & approved
Photo 10	ADR 2	Looking south	Squaw Gulch VLF on left
<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	

Observed problems were VLF solution ponding which were cited in the July 31, 2018 regular monthly inspection.

**PHOTOGRAPHS**

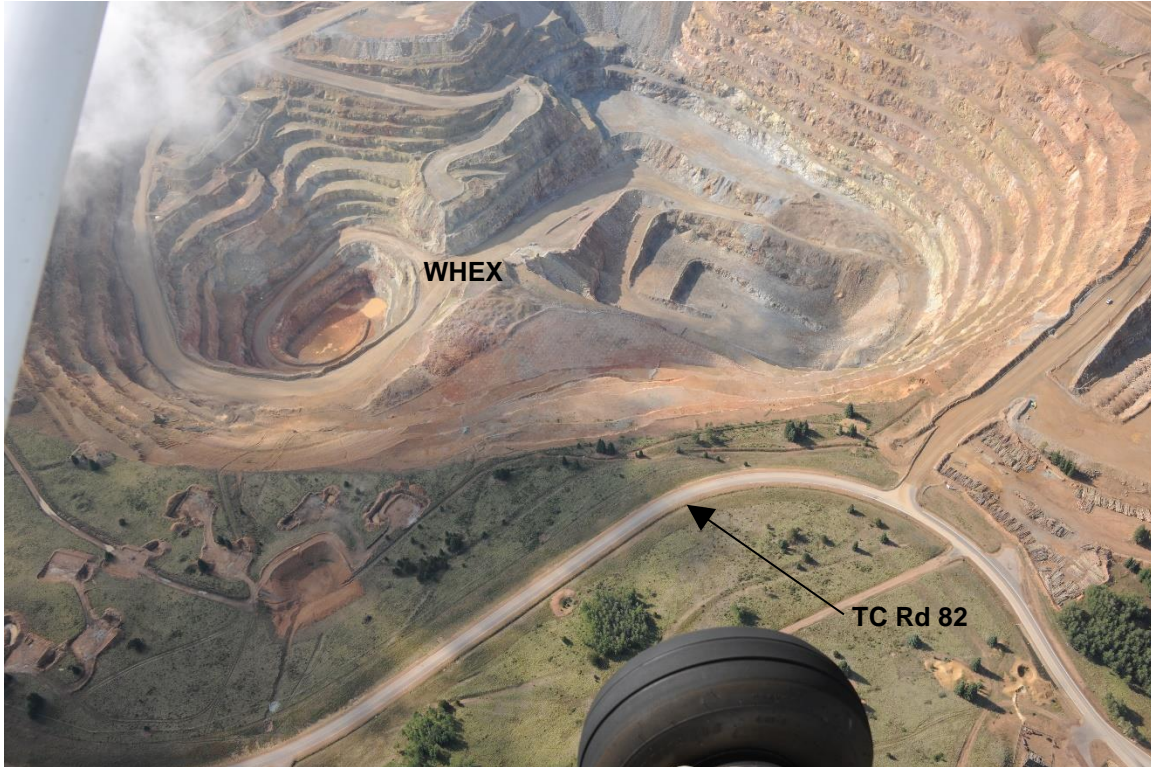


Photo 1. Wildhorse Extension Pit (Looking south).



Photo 2. North Cresson (looking SE).



**PHOTOGRAPHS (cont.)**



Photo 3. East Cresson OSA (looking west).

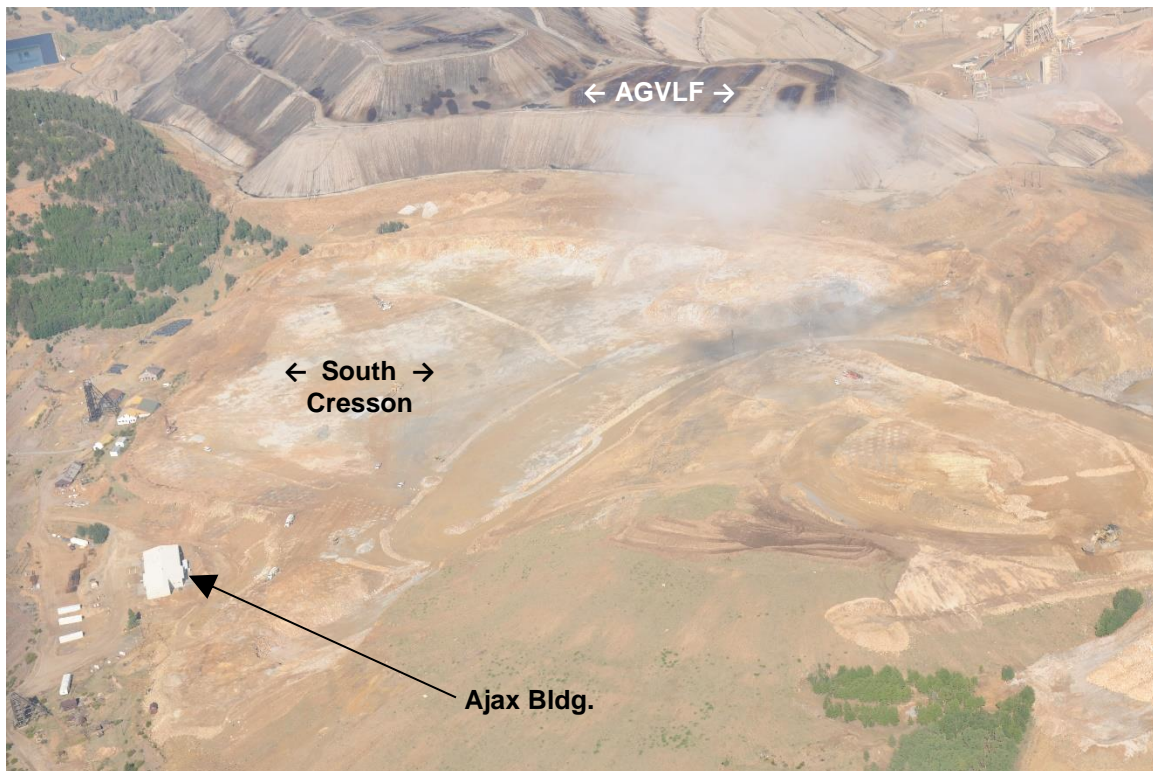


Photo 4. South Cresson (looking WSW).



**PHOTOGRAPHS (cont.)**



Photo 5. Main Cresson Pit (looking north).



Photo 6. Solution ponding on AGVLF (VLF 1), El. 10,300 (looking NW).



**PHOTOGRAPHS (cont.)**



Photo 7. Arequa Gulch VLF El. 10,400 solution ponding (looking WNW).



Photo 8. High Grade Mill building (Looking NE).



**PHOTOGRAPHS (cont.)**



Photo 9. North end of Squaw Gulch VLF (Looking NE).



Photo 10. ADR 2 (looking south).

**Inspection Contact Address**

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