

Newmont Mining Corporation
Cripple Creek & Victor Mine
100 N 3rd St
P.O. Box 191
Victor, CO 80860

www.newmont.com

SUBMITTED VIA ELECTRONIC SUBMISSION

April 3, 2019

Mr. Tim Cazier, P.E.
Colorado Department of Natural Resources
Office of Mined Land Reclamation
Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, Colorado 80203

Re: Cresson Project, Permit M-1980-244 Annual Report and Fee

Dear Mr. Cazier:

Enclosed via digital submission, please find the annual report form and annual mineral fee of \$1,150.00 for Newmont Mining Corporation's Cripple Creek & Victor Mine Company (CC&V) Cresson Project, Permit M-1980-244. This report covers the 2018 reporting period.

Reportable Conditions:

On November 14, 2017, the Division of Reclamation, Mining, and Safety (DRMS) approved the Amendment 12 application to Office of Mined Land Reclamation Board Permit M-1980-244 for Mine Life Extension 2 (MLE2) to the Cresson Project. This application included:

- Extension of the permit boundary into Poverty Gulch to incorporate development rock piles into affected lands boundary;
- Reflection of boundary changes under AR-04.

Technical Revisions (TRs) under Amendment 12 were submitted to and approved by the DRMS during the reporting period (2018) for:

- **TR 97:** TR 97 was proposed and approved to install a monitoring well in Grassy Valley. The financial warranty increase submitted with TR 97 of \$1,897.00 was determined acceptable.
- **TR 98:** TR 98 was proposed and approved to install two groundwater monitoring wells in the Poverty Gulch area. The financial warranty increase submitted with TR 98 of \$1,897.00 was determined acceptable.
- **TR 99:** TR 99 was submitted and later withdrawn.

- **TR 100:** TR 100 was submitted and approved to conduct an inspection of VLF2 liner. An addendum to TR 100 regarding inspection of the mill surge pile was also submitted and approved. It was determined and approved that TR 100 would have no impacts on the financial warranty; therefore, no increase was proposed.
- **TR 101:** TR 101 was proposed and approved to conduct a stormwater management evaluation. It was determined and approved that TR 101 would have no impacts on the financial warranty; therefore, no increase was proposed.
- **TR 102:** TR 102 was proposed and approved to relocate and consolidate topsoil stockpiles 20 and 21 into topsoil stockpile 39. It was determined and approved that TR 102 would have no impacts on the financial warranty; therefore, no increase was proposed.
- **TR 103:** TR 103 was proposed and approved to address VLF2 ore stacking guidelines. It was determined and approved that TR 103 would have no impacts on the financial warranty; therefore, no increase was proposed.
- **TR 105:** TR 105 was proposed and approved to address installation of three Wi-Fi communication towers. The financial warranty increased submitted with TR 105 of \$1,378.00 was determined acceptable.
- **TR 106:** TR 106 was proposed and approved for the construction of the ECOSA ready line. It was determined and approved that TR 106 would have no impacts on the financial warranty; therefore, no increase was proposed.
- **TR 107:** TR 107 was proposed and approved for a solution flow modification of Arequa Gulch Phase II. It was determined and approved that TR 107 would have no impacts on the financial warranty; therefore, no increase was proposed.
- **TR 110:** TR 110 was proposed and approved for installation of 9 power poles. The financial warranty increased submitted with TR 105 of \$2,282.00 was determined acceptable.

Enhancement and general maintenance of stormwater control features continued in 2018. Other Amendment 12 construction activities will continue throughout 2019 and beyond.

Reclamation accomplished in 2018 included the following projects:

Approximately 1.8 acres of disturbance associated with the Cresson Project were reclaimed in 2018 as shown on the figure in Attachment 2. All areas were re-contoured and six inches of growth medium was applied prior to seeding.

Weed control techniques were implemented within the Cresson Project area in the spring and late summer of 2018, and will continue as needed in 2019 (Attachment 1, figures). A full report which details weed management activities, prepared by H2 Enterprises, Inc., can be found in Attachment 1. Herbicides were applied by a certified applicator to manage noxious weeds in and around the Cresson Project including Canada thistle, musk thistle, yellow toadflax, Dalmatian toadflax, bindweed, and common mullein. These herbicides are broadleaf selective and have a very low potential for injury to surrounding, native grass species. A surfactant was included in the herbicide mixture to increase leaf adhesion and absorption while blue marker dye was included in the mixture to track applications. Spatial data was collected to track predominant weeds and track progression and control accordingly.

Per the requirements of C.R.S. 34-32-116(3), and C.R.S. 34-32.5-116(3)(a):

Reclamation accomplished to date: Approximately 430 acres.

Reclamation accomplished during the preceding year: Approximately 1.8 acres of disturbance associated with the Cresson Project were reclaimed in 2018 as described above.

New disturbances anticipated during the upcoming year: Continued development of the following areas in 2019 includes:

- Main Cresson Pit (including South Cresson),
- North Cresson mine areas (including continued development of Globe Hill Pit and Schist Island),
- East Cresson Overburden Storage Area (ECOSA),
- SGVLF and High Grade Mill,
- Associated haul roads, sediment control measures, topsoil stockpiles, and other ancillary disturbances.

Reclamation anticipated during the upcoming year: 6 acres of miscellaneous sites, including stormwater improvement areas and South Cresson area.

Reclamation/Closure Liability and Financial Warranty:

At the commencement of 2018, CC&V maintained a financial warranty of \$208,491,188.00. Including technical revision updates to the financial warranty, the estimated liability was calculated to be \$208,191,958.00 by the end of 2018, resulting in a current surplus bond of \$299,230.00.

EOY2018:

Liability:	\$208,191,958.00
Bond Held:	\$208,491,188.00
Current Surplus Bond:	\$299,230.00

Per 2CCR 407-1, 407-4, and Rules 1.15(1)(a), the following Financial Warranties/Surety Bonds were placed:

- Liberty Mutual Insurance bond no. 965-009-918 for \$100,000,000.00, (Verification: Attachment 7)
- North American Specialty Insurance bond no. 03101 for \$50,000,000.00, (Verification: Attachment 8), and,
- Argonaut Insurance bond no. SUR0008080 for \$24,434,420.00 (Verification: Attachment 9) .

Enclosed in Attachments 4-6 are the annual balance sheets for Liberty Mutual, North American Specialty, and Argonaut Insurance Companies that demonstrates that the Surety Bonds do not exceed ten percent (10%) of the bank's capital surplus accounts as per regulation.

Designated Mining Operation:

Per 2CCR 407-1, 407-4, and Rules 1.15(1)(c), monitoring information presented as part of the Amendment No. 10 , 11, and 12 application is routinely submitted to the DRMS.

Should you require further information, please do not hesitate to contact Jeana Ratcliff at 719-689-4125, or jeana.ratcliff@newmont.com, or myself at 719-689-4042, or justin.raglin@newmont.com.

Sincerely,

Justin Raglin
Senior Environmental Manager
Cripple Creek & Victor Mine

JR/jmr

Attachments (if by email)

Attachment 1: CCV Weed Management Report

Attachment 2: Affected Boundary Map

Attachment 3: Growth Medium Storage Areas

Attachment 3a: Growth Medium Accounting Table

Attachment 4: Balance Sheet – North American Specialty Insurance

Attachment 5: Balance Sheet – Liberty Mutual Insurance

Attachment 6: Balance Sheet – Argonaut Insurance

Attachment 7: Verification Certificate – Liberty Mutual Insurance

Attachment 8: Verification Certificate – North American Specialty Insurance

Attachment 9: Verification Certificate – Argonaut Insurance

Attachment 10: Balance Sheet – Bank of Nova Scotia

Attachment 11: Cover letter