



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: January 29, 2019	INSP. TIME: 13:33
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: None	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$208,491,188.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 7, 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 January 29, 2019. 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	North Cresson pit (Schist Island Pit)	Looking south	Mill, VLF 1 and 2 beyond
Photo 2	North Cresson pit (Globe Hill)	Looking SE	WHEX, Grassy Valley and ECOSA beyond
Photo 3	East Cresson OSA (ECOSA), Altman backfill and WHEX	Looking WNW	Ironclad facilities and WHEX beyond
Photo 4	East Cresson OSA (ECOSA) Toe	Looking south	Seep area circled
Photo 5	South Cresson	Looking west	VLF 1 visible beyond
Photo 6	Main Cresson Pit	Looking north	South Cresson in foreground
Photo 7	Arequa Gulch VLF (VLF 1) 1 of 2	Looking west	Leach Cell study site circled near center
Photo 8	Arequa Gulch VLF (VLF 1) 2 of 2	Looking NW	Crusher in center
Photo 9	High Grade Mill building	Looking south	VLF 2 in foreground, VLF 1 in background
Photo 10	Squaw Gulch VLF (VLF 2)	Looking north	VLF 1 and Mill in foreground
Photo 11	Site Overview	Looking SE	
<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

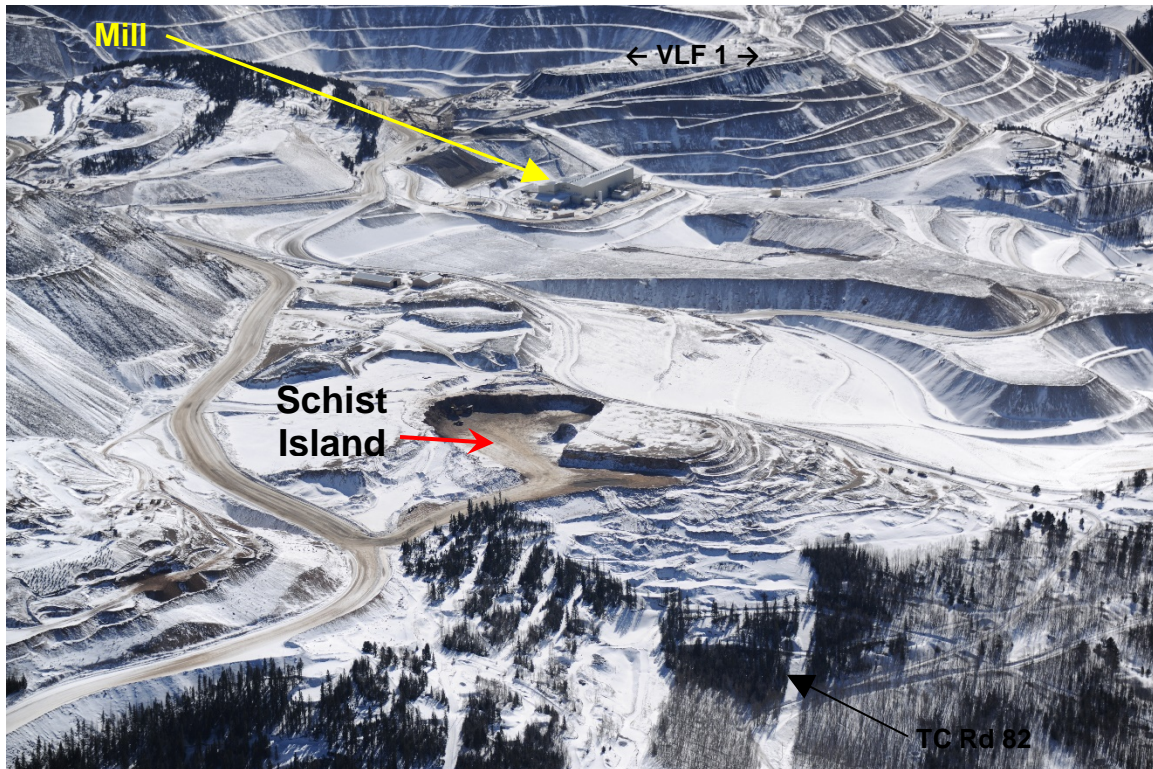


Photo 1. North Cresson pit – Schist Island Pit (Looking south).

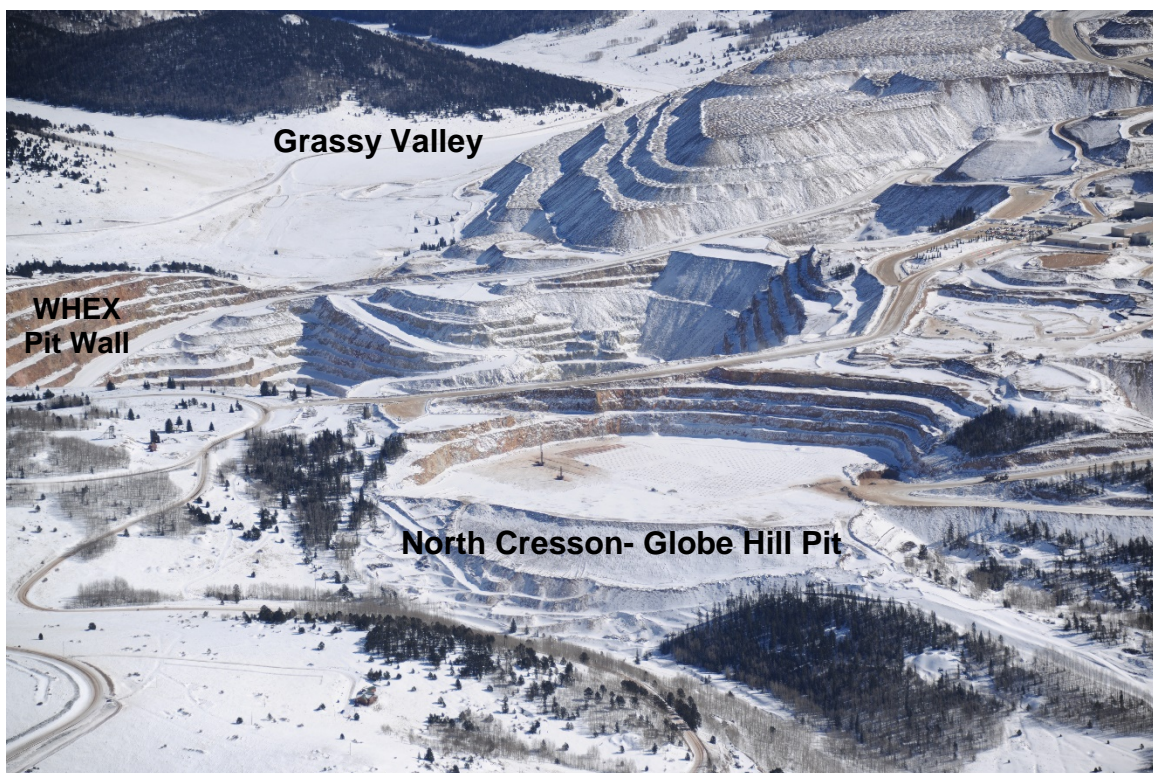


Photo 2. North Cresson (looking south).

PHOTOGRAPHS (cont.)

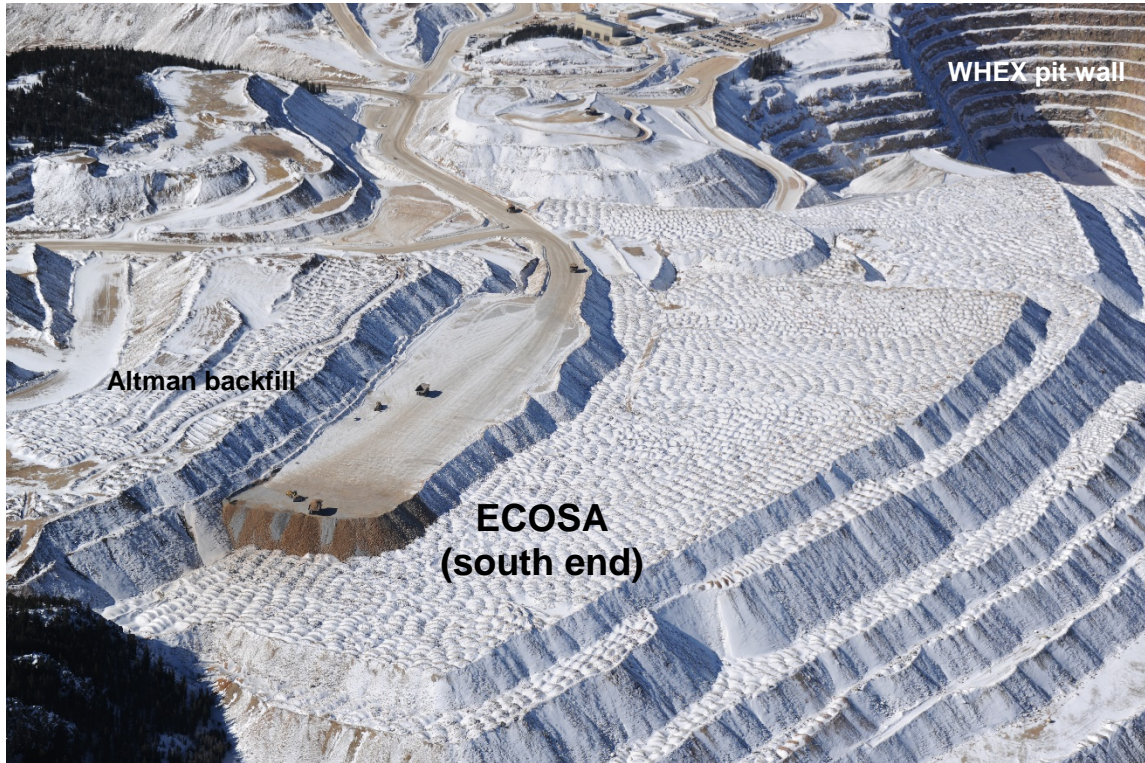


Photo 3. East Cresson OSA, south end (looking west).

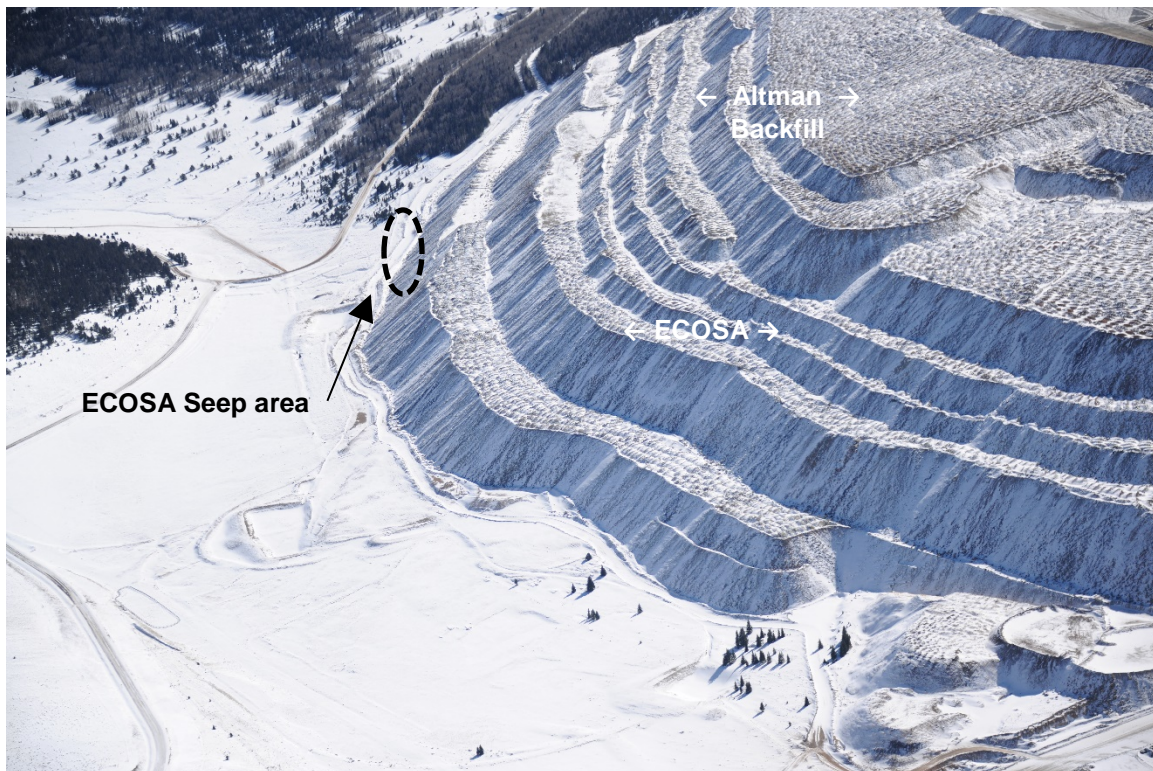


Photo 4. East Cresson OSA Toe, south end (looking south).

PHOTOGRAPHS (cont.)



Photo 5. South Cresson Pit (looking SW).

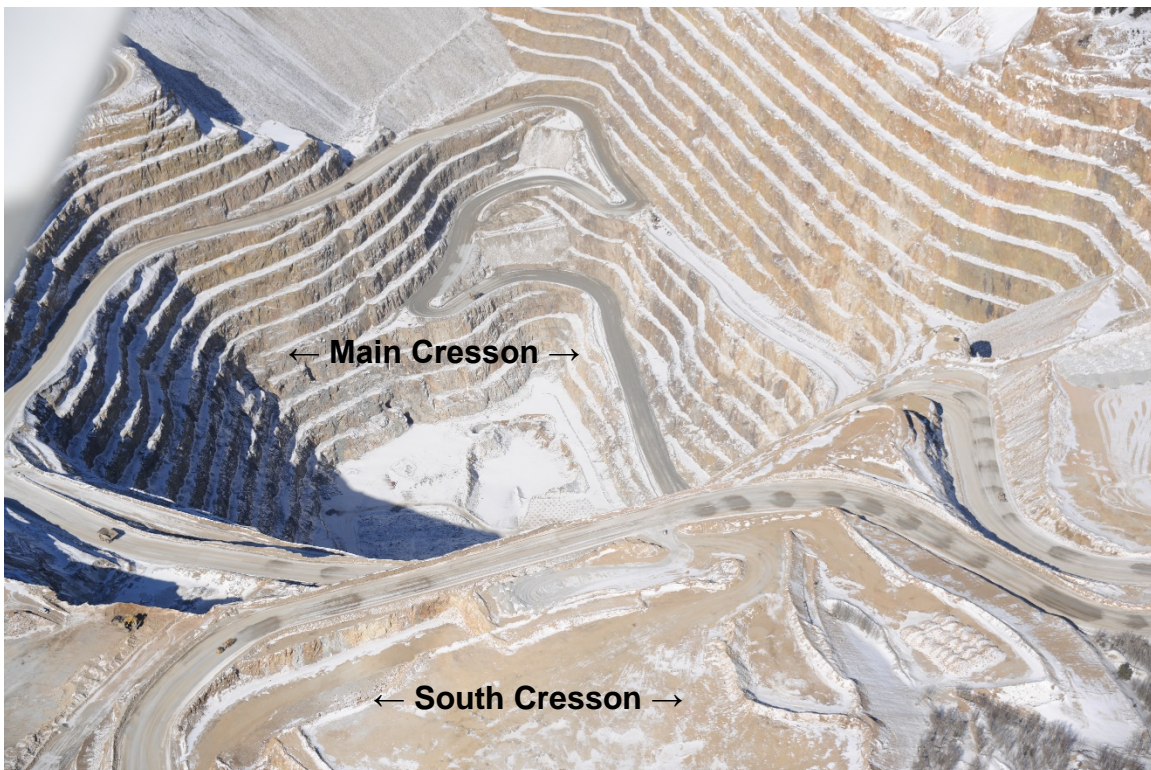


Photo 6. Main Cresson Pit (looking west)

PHOTOGRAPHS (cont.)



Photo 7. Arequa Gulch VLF (looking west); Note proposed Leach Cell study area.

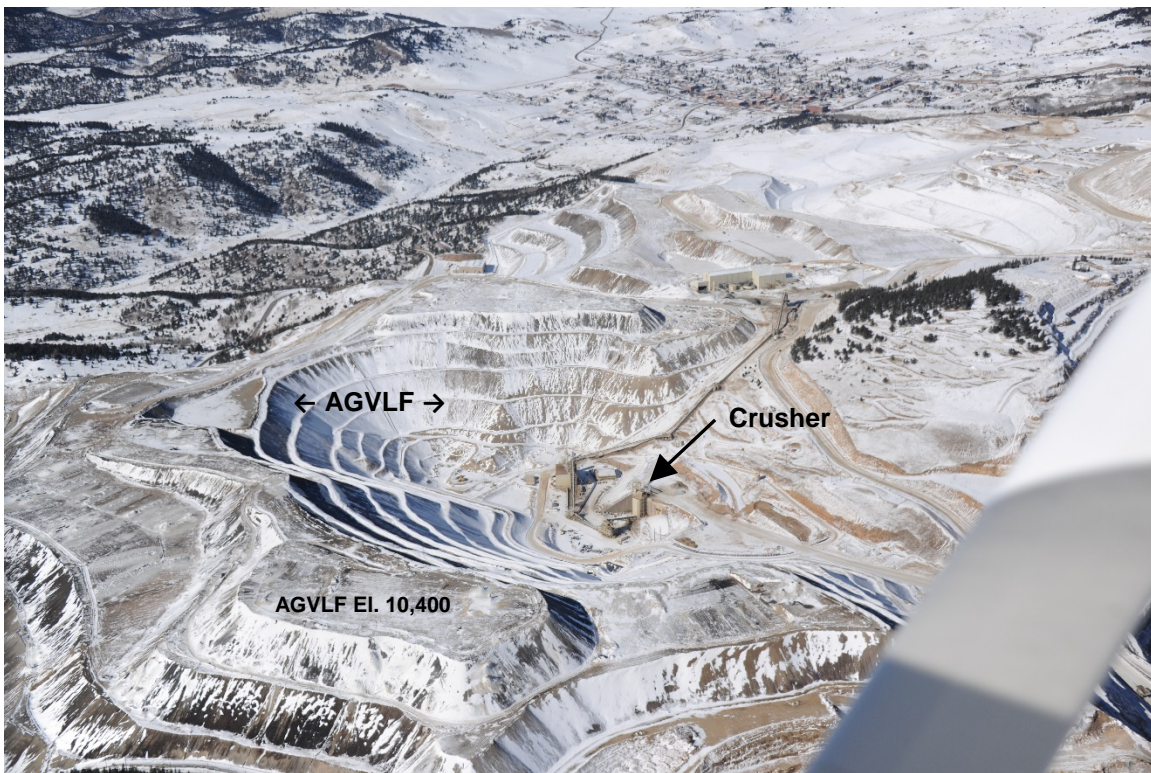


Photo 8. Arequa Gulch VLF (looking NW).

PHOTOGRAPHS (cont.)

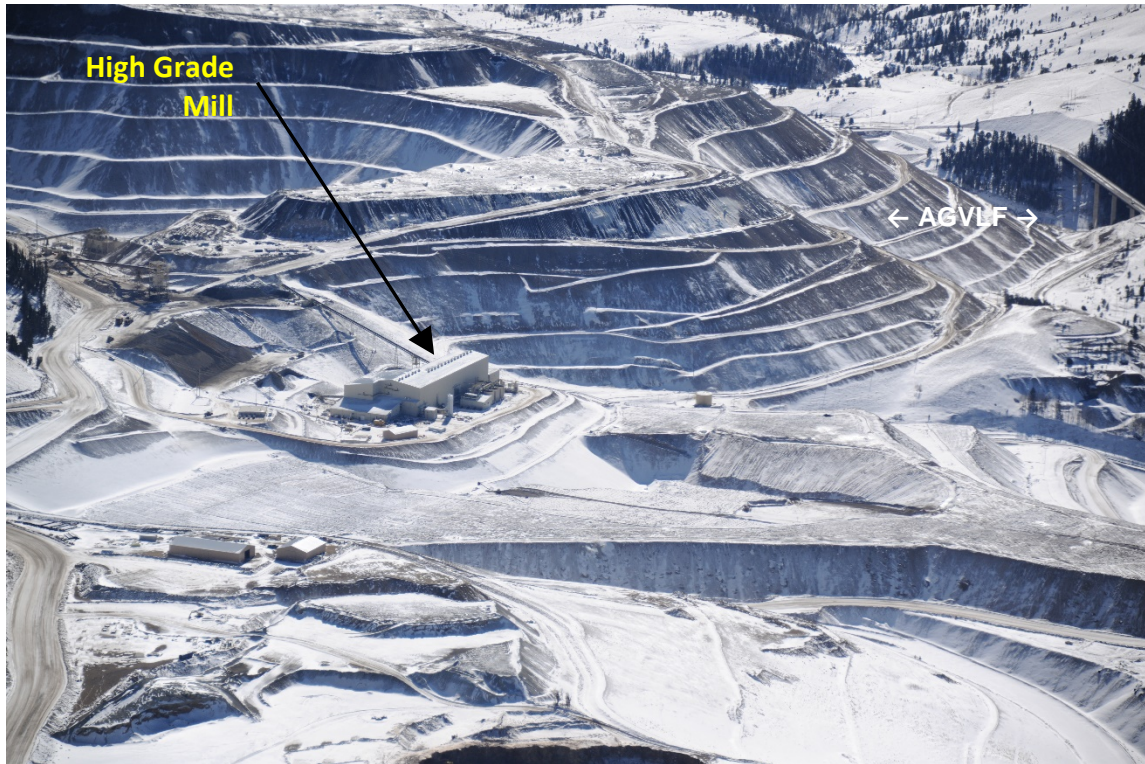


Photo 9. High Grade Mill (Looking south).

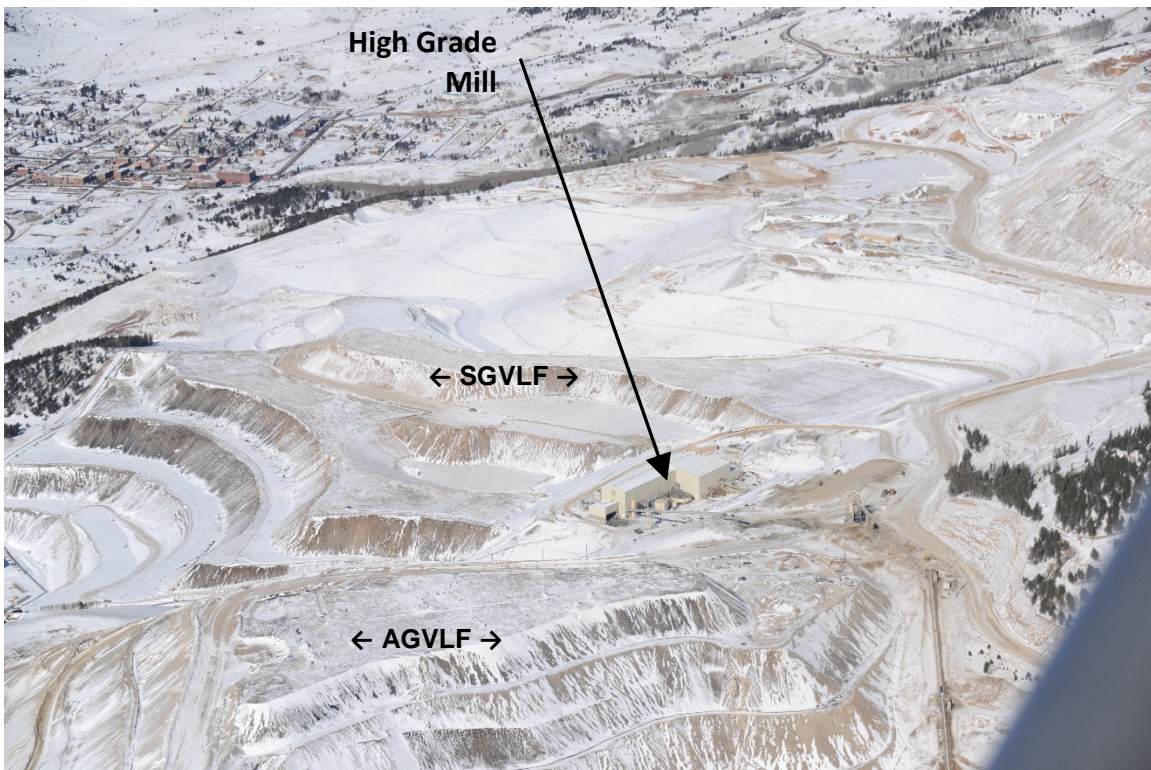


Photo 10. Squaw Gulch VLF (looking north) .

PHOTOGRAPHS (cont.)

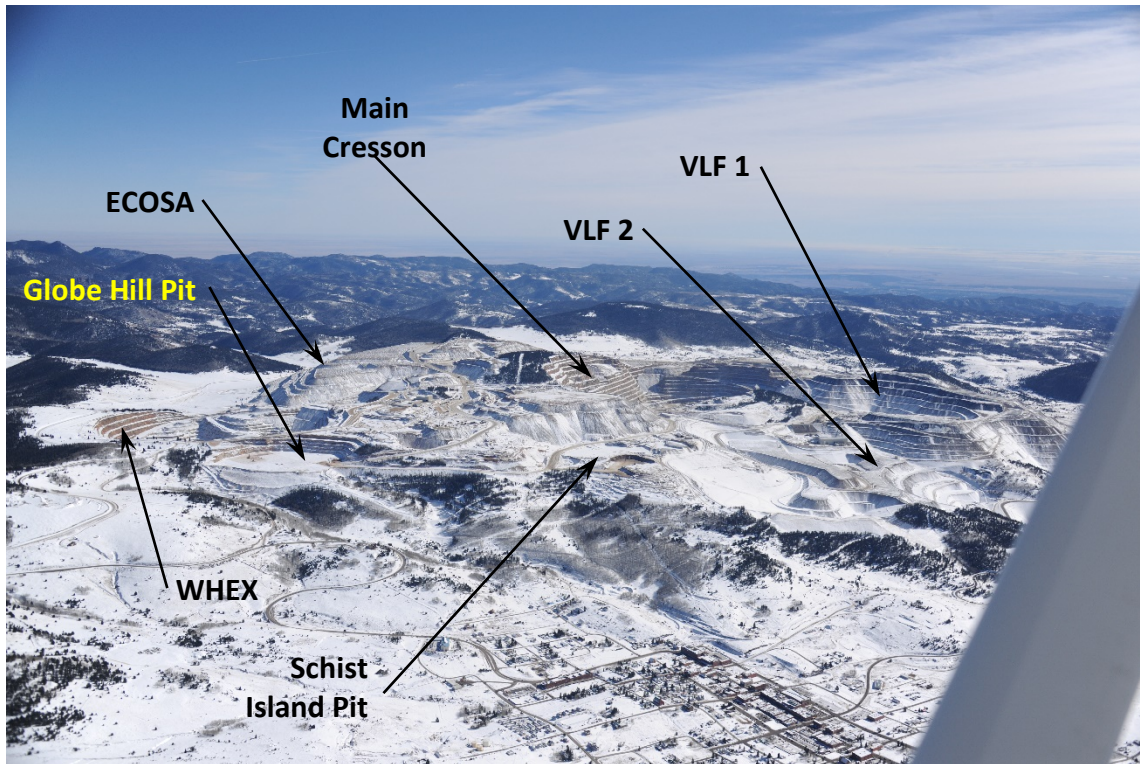


Photo 11. Site Overview (Looking SE).

Inspection Contact Address

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