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: Cresson Project	**MINE/PROSPECTING ID#:** M-1980-244	**MINERAL:** Gold	**COUNTY:** Teller
INSPECTION TYPE: Monitoring	**INSPECTOR(S):** Timothy A. Cazier	**INSP. DATE:** May 21, 2019	**INSP. TIME:** 09:45
OPERATOR: Cripple Creek & Victor Gold Mining Company	**OPERATOR REPRESENTATIVE:** Justin Bills & Katie Blake	**TYPE OF OPERATION:** 112d-3 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	**BOND CALCULATION TYPE:** None	**BOND AMOUNT:** $209,491,188.00
DATE OF COMPLAINT: NA	**POST INSP. CONTACTS:** None	**JOINT INSP. AGENCY:** None
WEATHER: Cloudy	**INSPECTOR'S SIGNATURE:** 	**SIGNATURE DATE:** July 5, 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---------- Y	(FN) FINANCIAL WARRANTY-------- Y	(RD) ROADS---------- Y
(HB) HYDROLOGIC BALANCE---------- Y	(BG) BACKFILL & GRADING---------- N	(EX) EXPLOSIVES--------- N
(PW) PROCESSING WASTE/TAILING---- N	(SF) PROCESSING FACILITIES------- Y	(TS) TOPSOIL---------- N
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE---------- Y	(RV) REVEGETATION---- N
(SM) SIGNS AND MARKERS---------- Y	(SP) STORM WATER MGT PLAN---- NA	(RS) RECL PLAN/COMP-- N
(ES) OVERBURDEN/DEV. WASTE--------- N	(SC) EROSION/SEDIMENTATION--- N	(ST) STIPULATIONS------- Y
(AT) ACID OR TOXIC MATERIALS------- Y	(OD) OFF-SITE DAMAGE----------N	

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

Tim Cazier (DRMS) conducted a regular monitoring inspection of the site on Tuesday, May 21, 2019. Mr. Justin Bills and Ms. Katie Blake represented CC&V during the inspection. The planned inspection agenda included the following facilities and areas:

- High Grade Mill (HGM);
- Arequa Gulch Valley Leach Facility (AGVLF, a.k.a. VLF 1), including HVSCS and LVSCS water levels;
- Squaw Gulch Valley Leach Facility (SGVLF, a.k.a. VLF 2), including HVSCS and LVSCS water levels;
- Recent Spill Areas at: Buckley Emulsion Facility, ADR 2 & VLF 2;

Inspections of the Valley Leach Facilities (VLFs) for ponded solution were postponed due to approximately eight inches of snow accumulation Monday night.

High Grade Mill: Mr. Bills and Ms. Blake accompanied the DRMS on the mill exterior walk-around inspection. The purpose was to perform a visual inspection for leaks, spills and secondary containment problems. Both the east and west sides of the mill exterior were inspected, as well as the area around the concentrate storage facility (Con Barn). No problems were observed and little to no snow was observed in the secondary containment areas external to the mill building (See **Photo 1**). The vat leach circuit on the west side of the HGM continued to be offline (since around February 18, 2018).

HVSCS and LVSCS water levels: The high and low volume solution collection system water levels were checked for both the Arequa Gulch Valley Leach Facility (VLF 1) and Squaw Gulch Valley Leach Facility (VLF 2). All water levels were observed to be within acceptable levels (See **Attachment A**). The Pump #1 transducer for the Phase IV LVSCS was observed to be unstable with constant readout fluctuations, all of which were less than the maximum allowable 24 inches. The LVSCS Phase IV Pump #2 transducer was stable with a steady level of 12.4 inches. As such we are not concerned about the water level being too high in Pump #1, but The DRMS recommends CC&V personnel investigate the cause of the Phase IV Pump Transducer #1 readout fluctuation and perform the necessary maintenance to correct the problem.

No discharge was observed from the VLF 1 south underdrain (See **Photo 2**).

Recent Spill Areas: The overnight snow prevented observations of spill cleanup efforts. However, CC&V personnel explained the circumstances, extents of the spill area and corrective measures taken at the Buckley Emulsion Facility (See **Photo 3**), ADR 2 and VLF 2 (See **Photo 4**).

Please contact Tim Cazier (303)866-3567 ext. 8169 or email at tim.cazier@state.co.us if you have any questions regarding this report.

PHOTOGRAPHS

Photo 1. Secondary containment of Process Ore Thickener Tank.

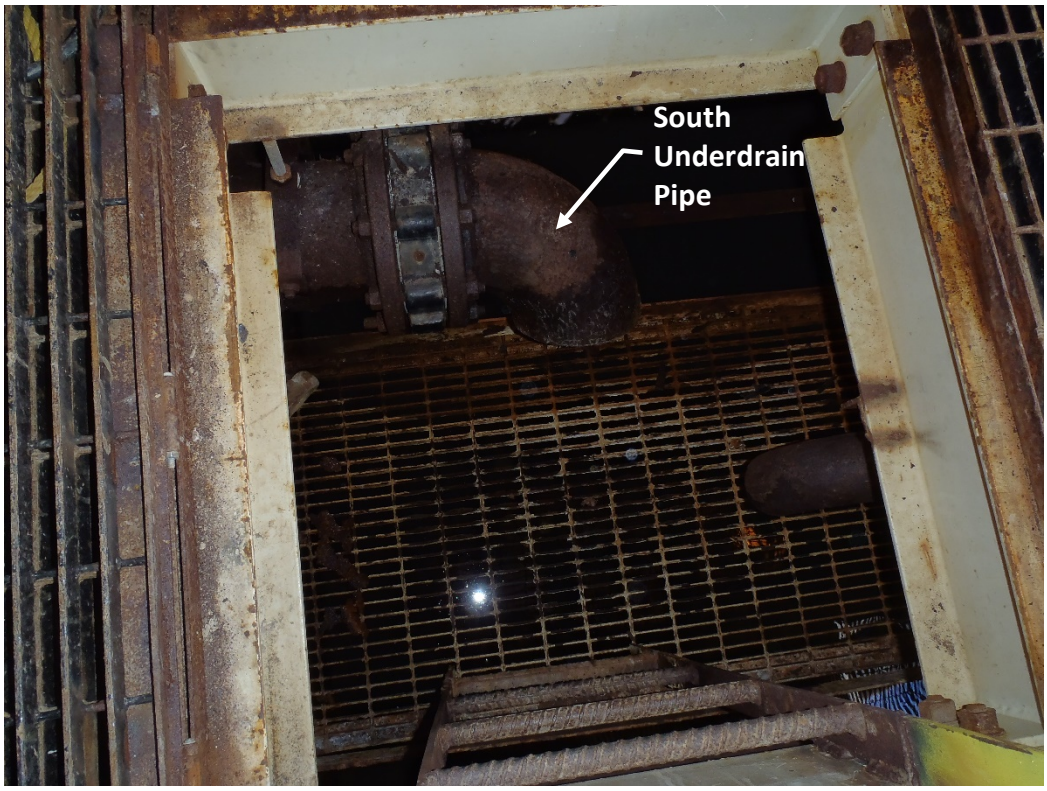

Photo 2. No discharge from South Underdrain pipe.

PHOTOGRAPHS (cont.)

Photo 3. Buckley Emulsion Facility spill location (looking WNW).

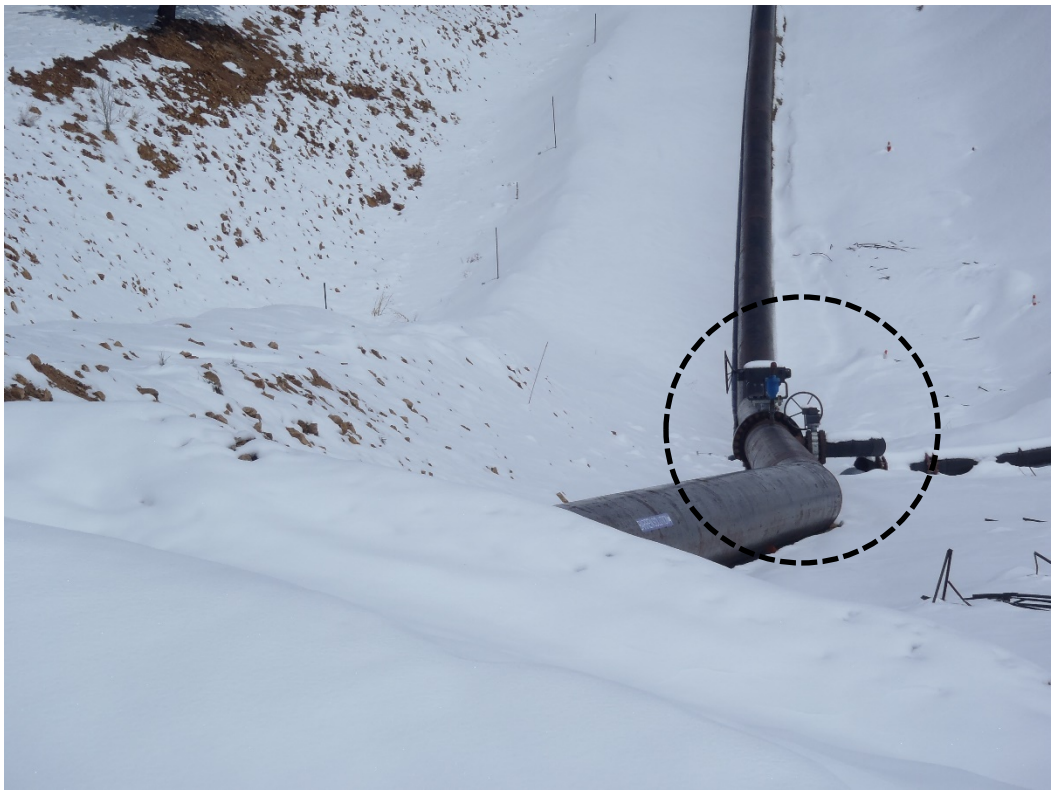

Photo 4. VLF 2 pipe valve failure/spill location (looking NNE).

Inspection Contact Address

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Enclosure: Attachment A

ec: Michael Cunningham, DRMS
Elliott Russell, DRMS
Patrick Lennberg, DRMS
Amy Eschberger, DRMS
Justin Raglin, CC&V
Justin Bills, CC&V
Katie Blake, CC&V
DRMS file

ATTACHMENT A

CC&V VLF Water Level Inspection Readings

Previous Results

Date:			9/27/18	10/30/18	2/14/19	3/21/19	4/23/19	5/21/19	Notes
AREQUA VLF:		EPS:	TC1	AME	ERR	TC1	AME	TC2	
Phase I HVSC & Pond Piezometers		TIME:	10:28	11:17	11:48			13:14	
Note: 80% cap. @ 63.75 ft	Max. of Pump #299, #300, #301, 302, or #303 (Circle Pump #)	(ft)	53.5	56.2	59.4			57.8	
	Pond Lvl / XDCR #1	(ft)	52.9	11.2	59.7			58.0	
	System Press / XDCR #2	(ft)	38.3	15.1	42.5			39.3	system head
Phase I Low Volume Solution Collection		TIME:		11:14	11:01			13:03	
Note: Req'd < 2 ft	Piezo #1 (HAND)	(ft)	--	0.66	0.45			0.44	
	Piezo #2 (AUTO)	(ft)	--	0.79	0.83			0.75	
Phase II & III HVSC & Pond Piezometer		TIME:		11:00	11:11	10:45		13:09	
Note: 80% @ 49.4 ft	Max. of XDCR #4, #5 or #6 (Circle XDCR #) (35.2, 0.0)	(ft)	--	34.7	44	44.6		35.2	
	Piezo (Pipe)	(ft)	--	32.7	43.4	44.7		44.6	
Phase II & III Low Volume Solution Collection		TIME:		11:02	11:15	10:50		13:06	
Note: Req'd < 2 ft	Pump / XDCR #1 (AUTO)	(ft)	--	0.57	0.49	0.58		0.64	
	Pump / XDCR #2 (AUTO)	(ft)	--	0.48	0.41	0.44		0.48	
Phase IV High Volume Solution Collection		TIME:	11:40	12:07	12:10	12:46	12:05	10:54	
Note: 80% cap. @ 56.5 ft	Max. of Pump #307, #308, or #309 (Circle Pump #)	(ft)	30.4	46.1	44.8	43.7	28.5	35.1	
	XDCR pipe (#310 Resv'd)	(ft)	38.0	45.9	44.8	44.2	25.1	25.1	
Phase IV Low Volume Solution Collection		TIME:	11:47	12:11	12:12	12:50	12:07	10:59	
Note: Req'd < 24"	Pump / XDCR #1	(in)	11.2	15.2	17.2	13.3 to 17.0	16.5	16.4	Jumping a lot
	Pump / XDCR #2	(in)	12.3	12.6	12.5	12.4	12.5	12.4	STABLE Log up to DATE
Phase V High Volume Solution Collection		TIME:		13:25	10:35			12:44	
Note: 80% cap. @ 36.5 ft	Max. of XDCR #311, #312, #313, or #314 (Circle XDCR #)	(ft)	--	31.1	31.1			28.1	
Phase V Low Volume Solution Collection		TIME:		13:26	10:36			12:46	
Note: Req'd < 24"	XDCR #001	(in)	--	13.72	12.07			15.37	Log up to
	XDCR #002	(in)	--	15.7	17			15.1	DATE
External Pond Low Volume Solution Collection		TIME:			11:00			13:00	
Note: Req'd < 24"	Pump / XDCR #1-EXT (AUTO)	(in)	--	--	13.7			13.2	
	Pump / XDCR #2-EXT (AUTO)	(in)	--	--	13.8			7.2	
Underdrain Discharge Area		TIME:						13:24	
Note: 1 ℓ/sec = 15.85 gpm	South Underdrain (S U/D)	(gpm)	--	--	--			DRY	
	4" Pipe Discharge AG 01 Spring Pipe	(gpm)	--	--	--				
	NPDES Discharge AG 1.5 -001A	(gpm)	--	--	--				
	North Underdrain (N U/D)	(gpm)	--	--	--				
	24-inch Solid Pipe	(gpm)	--	--	--				
Arequa Gulch Monitor Well Pumpback System		TIME:							
Data first collected by DRMS 3/8/12	35A	(in)	--	--	--			0.00	
	63B	(ft)	--	--	--			—	
	B63	(gpm)	--	--	--			NO FLOW	
	A35	(gpm)	--	--	--			"	
SQUAW GULCH VLF High Vol. SC:		TIME:		10:24	10:15	10:25	10:20	12:22	
Note: 80% cap. @ 94 ft	LIT #88301 (north end)	(ft)	--	55.59	83.92	70.61	54.82	52.79	
	LIT #88303	(ft)	--	54.8	84.77	69.68	53.79	51.89	
	LIT #88305	(ft)	--	54.97	83.54	70.21	54.4	52.32	
	LIT #88307 (south end)	(ft)	--	54.6	84.99	70.18	56.9	55.1	
	Piezometer-LIT #88314	(ft)	--	62.72	84	80.6	63.14	62.4	
SQUAW GULCH VLF Low Vol. SC:		TIME:		10:27	10:20	10:19	10:25	12:29	
Note: Req'd < 24"	Leachate Pump 1	(in)	--	6.4	7.0	6.6	7.2	8.1	Log back up today
	Leachate Pump 2	(in)	--	6.7	7.6	6.9	7.8	8.3	