




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: June 13, 2019	INSP. TIME: 13:37
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: \$209,491,188.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 8, 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>*</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

* = Needs to be ground checked

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 June 13, 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 SE	SGOSA and Main Cresson beyond
Photo 2	North Cresson pit (Globe Hill)	Looking ENE	WHEX beyond
Photo 3	Altman backfill and East Cresson OSA (ECOSA)	Looking north	Main Cresson on left
Photo 4	East Cresson OSA (ECOSA) Toe	Looking SE	Seep area circled, Grassy Valley center to upper left
Photo 5	South Cresson	Looking north	Possible ponding* on 10,300 level of VLF 1 (circled on left); SGOSA visible beyond
Photo 6	Main Cresson Pit	Looking north	Altman backfill on right
Photo 7	Arequa Gulch VLF (VLF 1) 1 of 2	Looking NNW	Possible ponding on 10,200 & 10,400 level of VLF 1 (circled)
Photo 8	Arequa Gulch VLF (VLF 1) 2 of 2	Looking north	Possible ponding* on north 10,200 & south 10,200 levels of VLF 1 (circled); Crusher on right
Photo 9	High Grade Mill building	Looking north	Possible ponding* on north 10,200 level of VLF 1 (circled); VLF 2 left of mill
Photo 10	Squaw Gulch VLF (VLF 2)	Looking SE	Topsoil Stockpile #34 in foreground; Mill beyond (<i>note VLF 2 liner construction beyond TS #34</i>).
Photo 11	Site Overview	Looking SE	<i>Note VLF 2 liner construction beyond TS #34</i>
<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	

* Possible process solution ponding at multiple locations on VLF 1. The Division ground checked this potential problem on June 24, 2019.

PHOTOGRAPHS

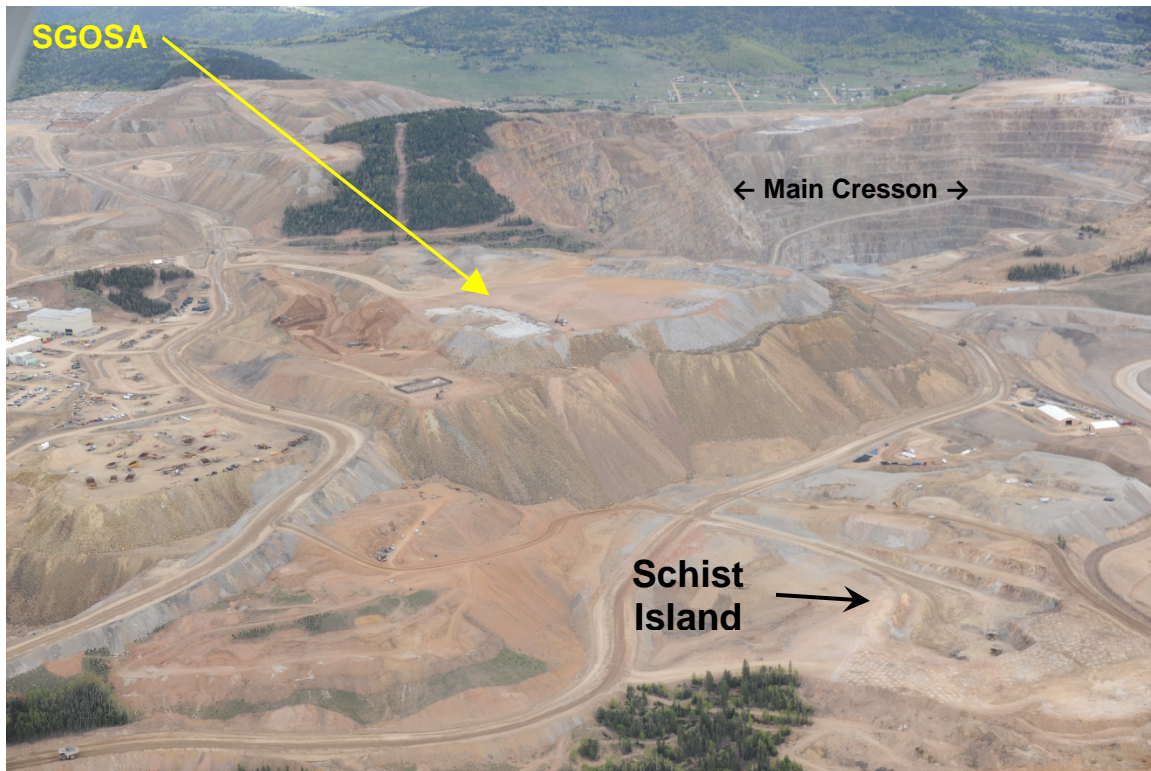


Photo 1. North Cresson pit – Schist Island Pit (Looking SE).

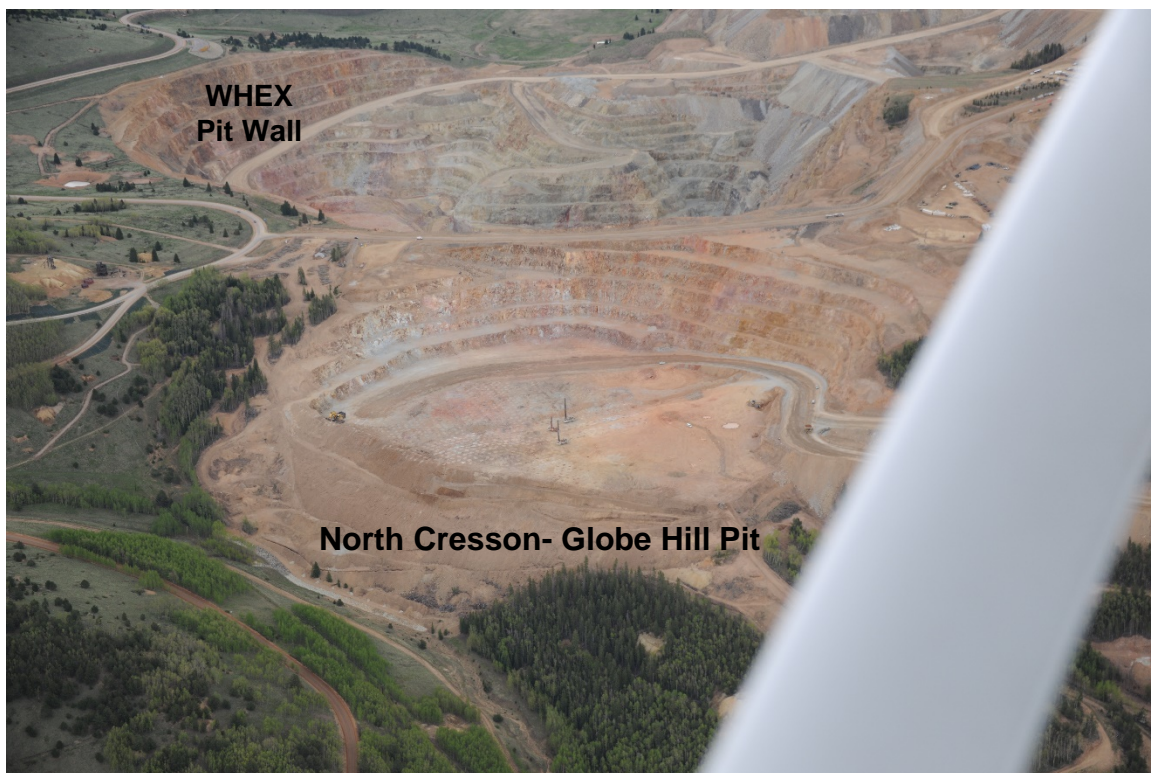


Photo 2. North Cresson (looking ENE).

PHOTOGRAPHS (cont.)



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

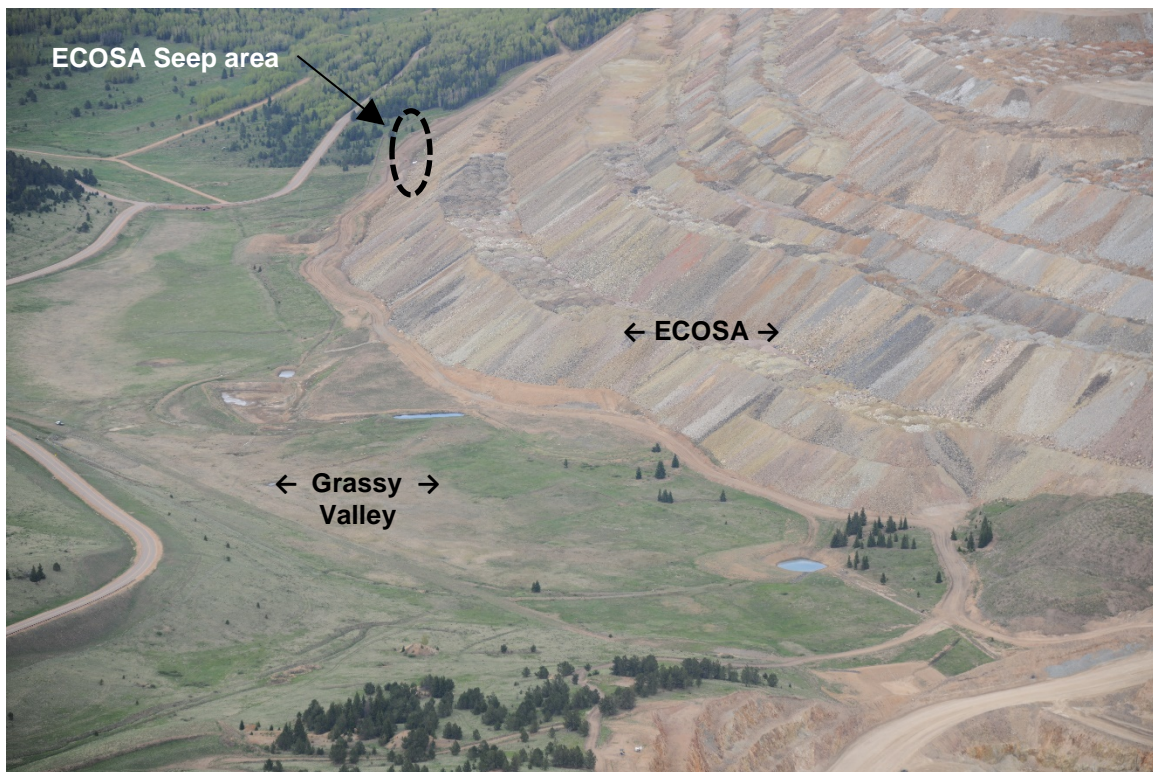


Photo 4. East Cresson OSA Toe, south end (looking SE).

PHOTOGRAPHS (cont.)



Photo 5. South Cresson Pit (looking north, note possible ponding on VLF 1).



Photo 6. Main Cresson Pit (looking north)

PHOTOGRAPHS (cont.)

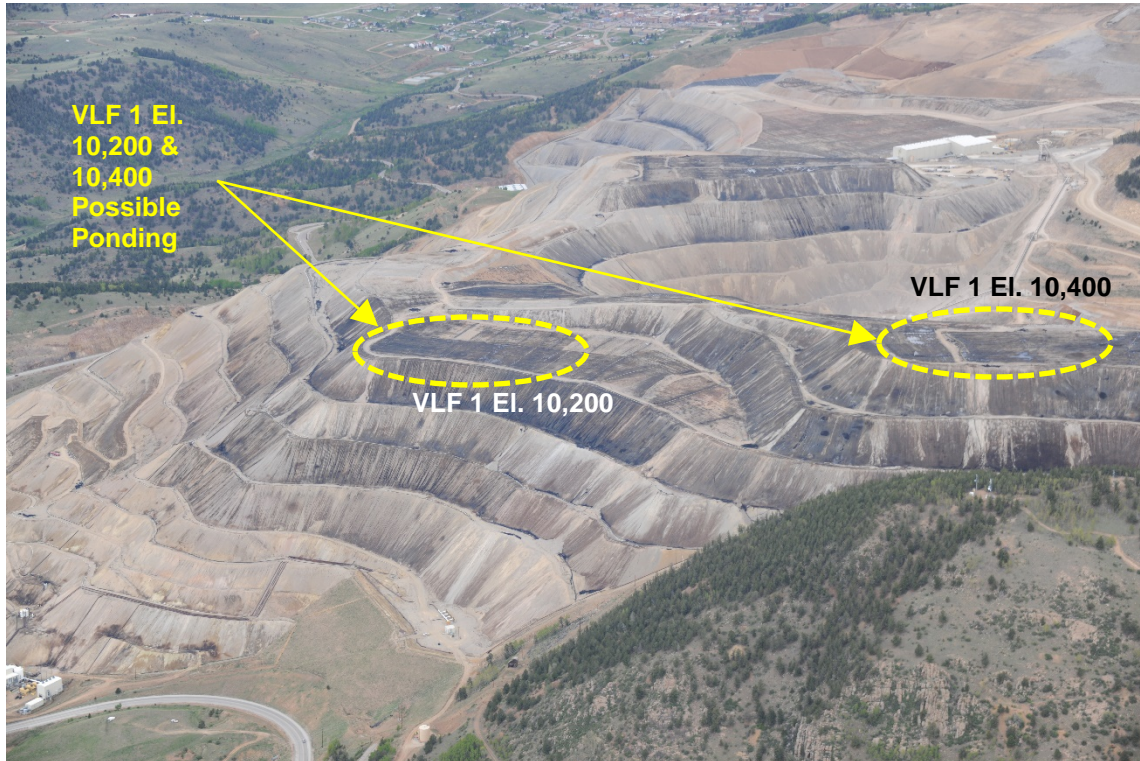


Photo 7. VLF 1/Arequa Gulch VLF (looking NNW); Note possible ponding on VLF 1.

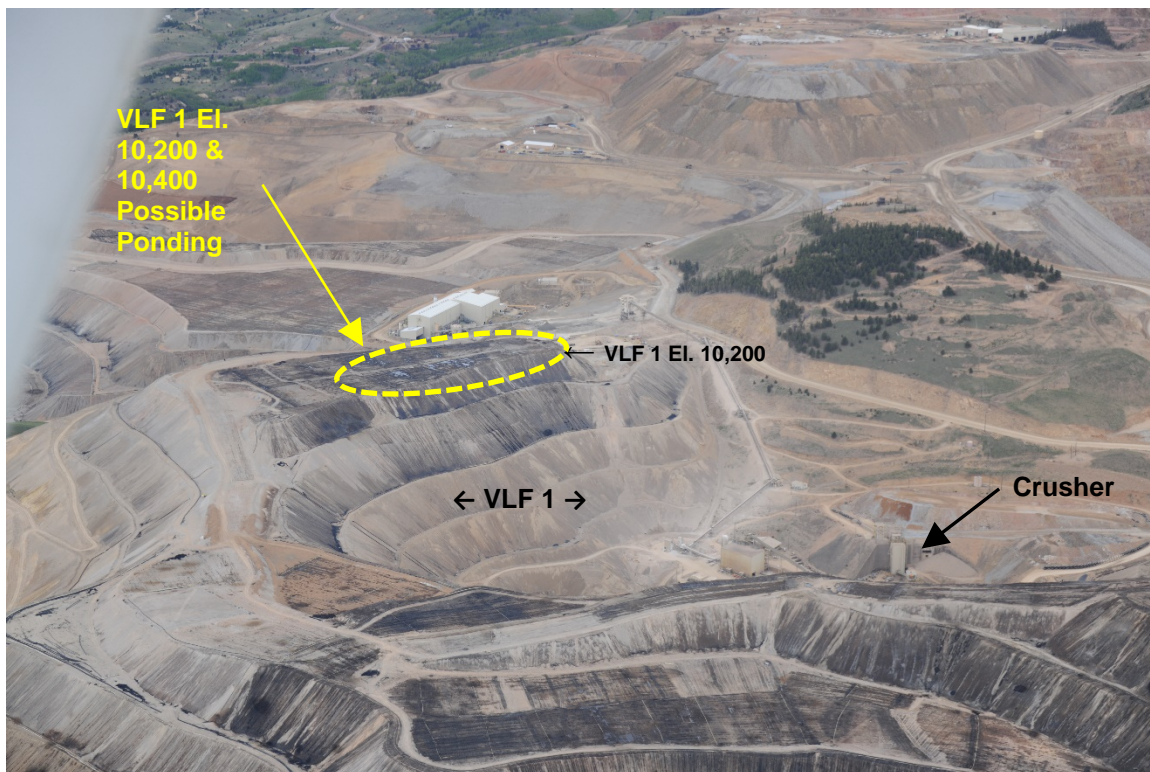


Photo 8. VLF 1/Arequa Gulch VLF (looking north) ; Note possible ponding on VLF 1.

PHOTOGRAPHS (cont.)

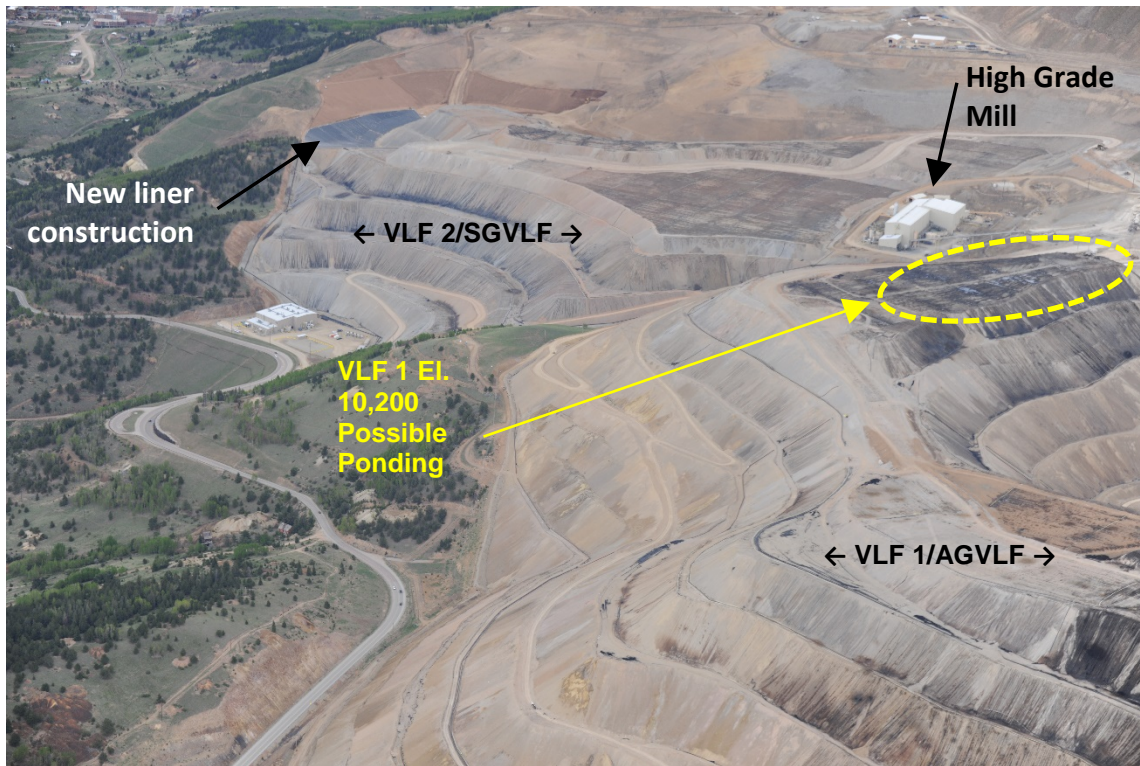


Photo 9. High Grade Mill (Looking south).

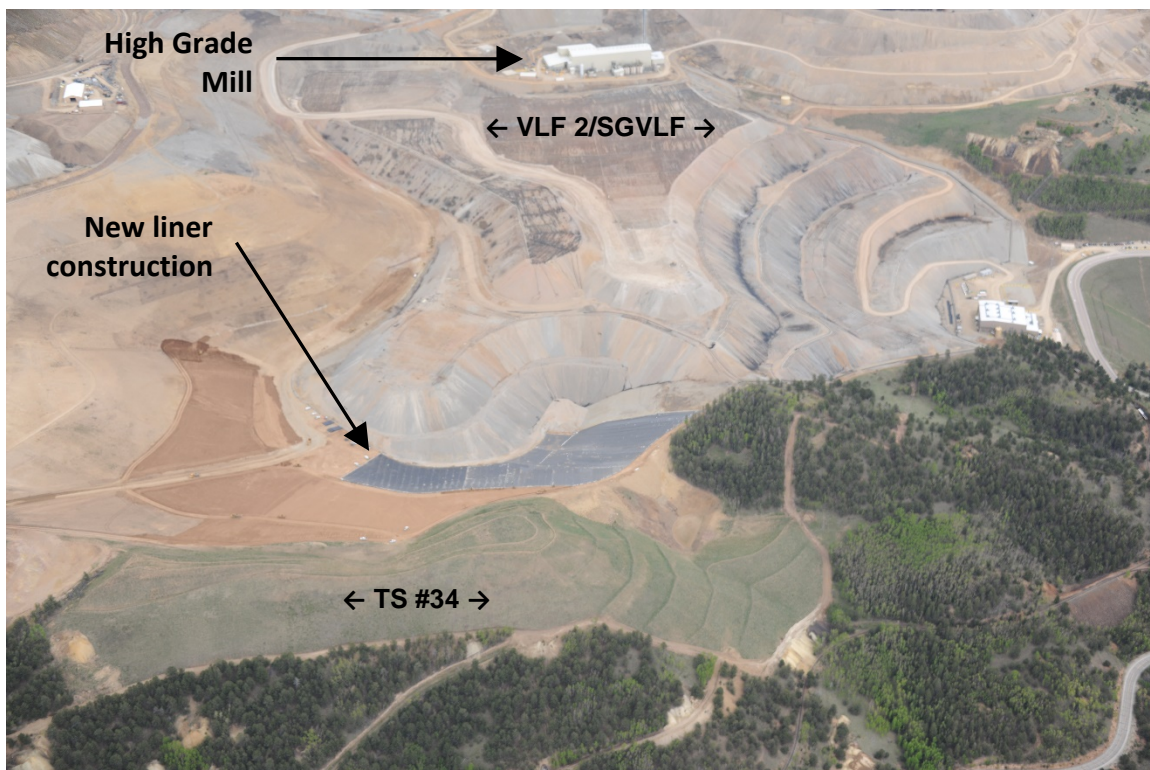


Photo 10. VLF 2/Squaw Gulch VLF (looking SE) .

PHOTOGRAPHS (cont.)



Photo 11. Site Overview (Looking SE).

Inspection Contact Address

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