




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: September 10, 2019	INSP. TIME: 15:16
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: December 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>NA</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>N</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 (DRMS) based on aerial photographs taken by the DRMS on September 10, 2019. 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 purpose of the inspection was to provide the DRMS a broad perspective that cannot be obtained from the ground and to document changes in areas of the mine experiencing rapid change. The DRMS 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 east	SGOSA beyond; VLF 2 construction in foreground
Photo 2	North Cresson pit (Globe Hill)	Looking east	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 south	Seep area circled
Photo 5	South Cresson	Looking SW	Main Cresson on right
Photo 6	Main Cresson Pit	Looking north	Pit floor and NW backfill visible
Photo 7	Arequa Gulch VLF (VLF 1) 1 of 2	Looking north	No visible ponding, leaching slopes
Photo 8	Arequa Gulch VLF (VLF 1) 2 of 2	Looking NE	Leaching slopes, concentrate removed from temporary storage; Crusher in center
Photo 9	High Grade Mill building & VLF 1	Looking NNE	No visible ponding on north 10,200 level of VLF 1 (circled); VLF 2 on left
Photo 10	Squaw Gulch VLF (VLF 2)	Looking ENE	SGOSA beyond (<i>note VLF 2 liner construction in foreground</i>).
Photo 11	WHEX pit	Looking south	<i>Backfill visible in upper left</i>
<u>Acronyms:</u> WHEX – Wildhorse Extension Pit VLF – valley leach facility OSA – overburden storage area			

PHOTOGRAPHS

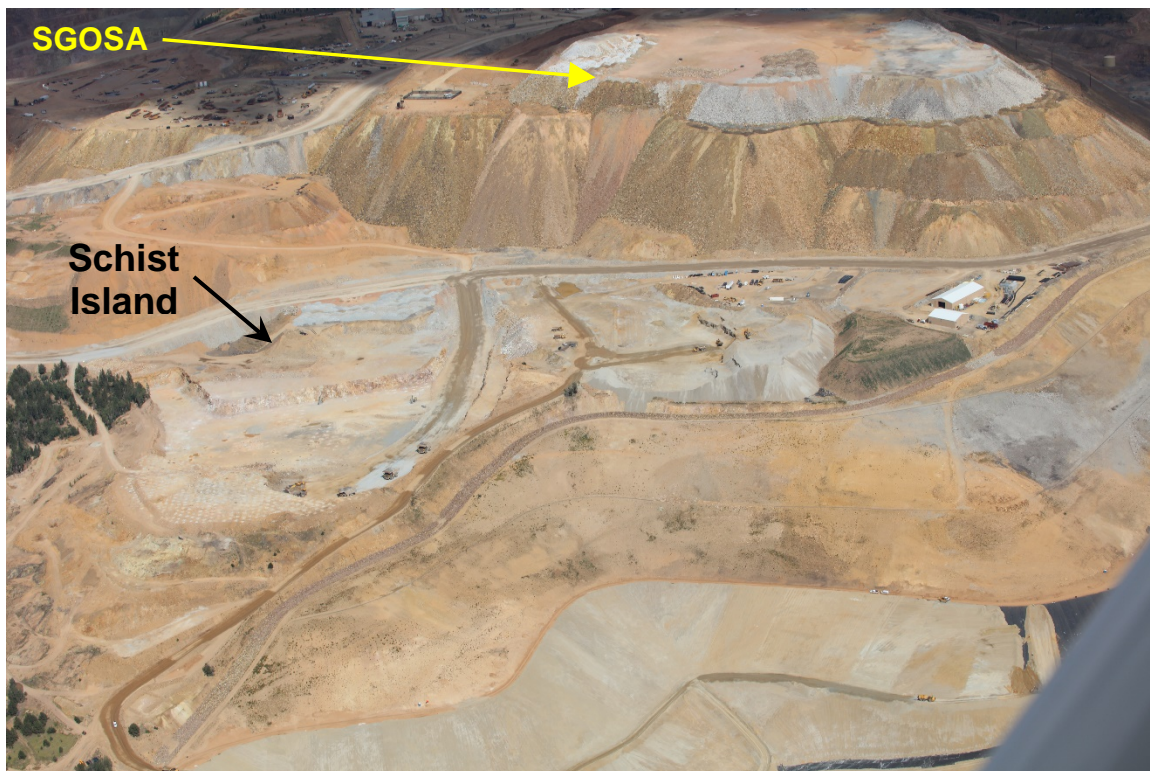


Photo 1. North Cresson pit – Schist Island Pit (Looking east).



Photo 2. North Cresson (looking east).

PHOTOGRAPHS (cont.)



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

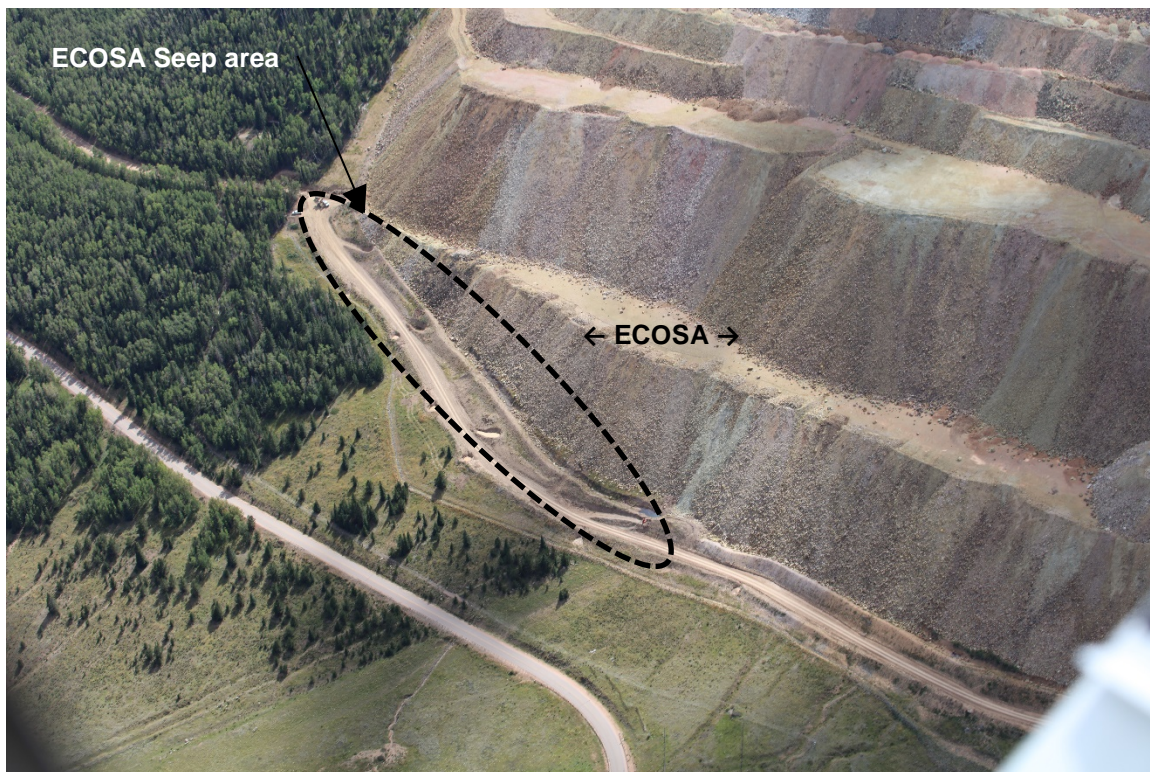


Photo 4. East Cresson OSA Toe, south end (looking south).

PHOTOGRAPHS (cont.)



Photo 5. South Cresson Pit (looking SW).



Photo 6. Main Cresson Pit (looking north)

PHOTOGRAPHS (cont.)



Photo 7. VLF 1/Arequa Gulch VLF (looking north); No visible ponding on VLF 1.



Photo 8. VLF 1/Arequa Gulch VLF (looking NE); No visible ponding on VLF 1.

PHOTOGRAPHS (cont.)



Photo 9. High Grade Mill and VLFs (Looking NNE; no visible solution ponding).

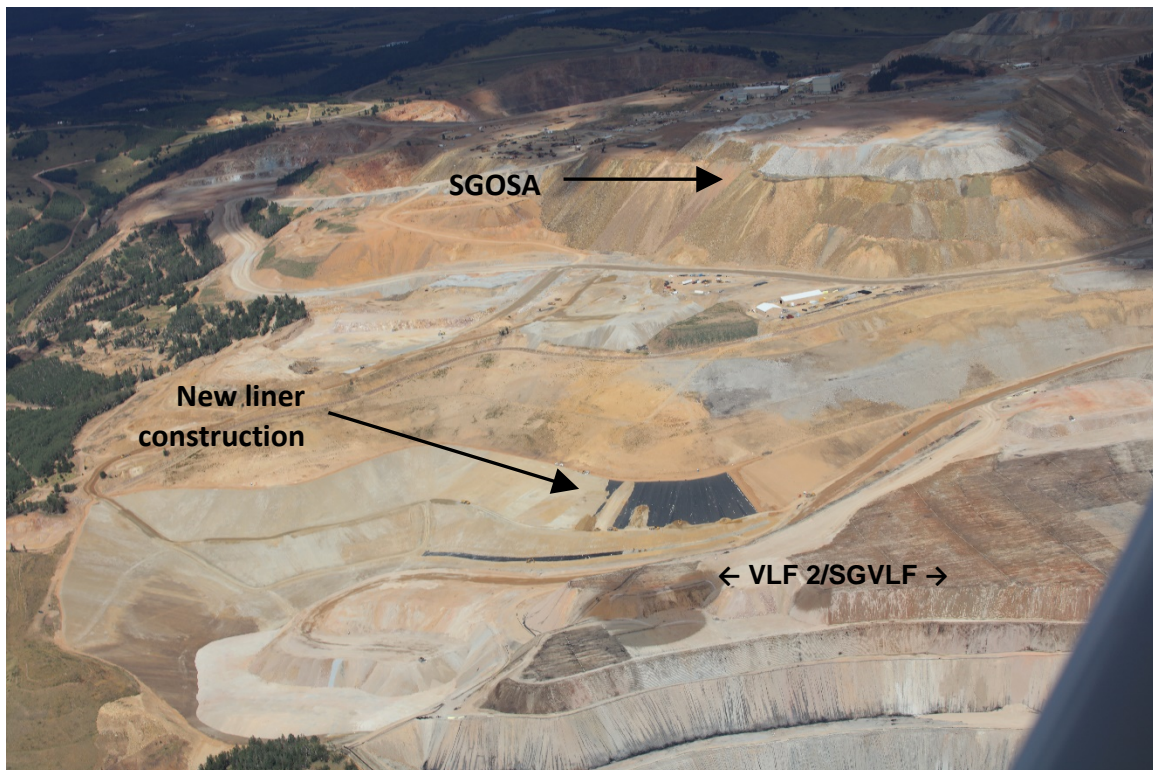


Photo 10. VLF 2/Squaw Gulch VLF (looking ENE).

PHOTOGRAPHS (cont.)



Photo 11. WHEX Pit (Looking south).

Inspection Contact Address

Mike Schaffner
Cripple Creek & Victor Gold Mining Company
P. O. Box 191
Victor, CO 80860

ec: Michael Cunningham, DRMS
Elliott Russell, DRMS
Patrick Lennberg, DRMS
Brock Bowles, DRMS
DRMS file
Justin Raglin, CC&V
Katie Blake, CC&V