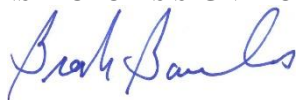




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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): Brock Bowles	INSP. DATE: August 18, 2020	INSP. TIME: 09:00
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: Katie Blake and Jeana Ratcliff	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: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 8, 2020	

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Topsoil
PROBLEM/POSSIBLE VIOLATION: Problem: There are state-listed noxious weeds present on site. This is a problem for failure to employ weed control methods for state listed noxious weed species within the permitted area, and to reduce the spread of weeds to nearby areas as required by Section 3.1.10 (6) of the rule.
CORRECTIVE ACTIONS: Implement approved weed control plan and provide proof to the Division that the weed control plan has been implemented.
CORRECTIVE ACTION DUE DATE: 10/09/20

OBSERVATIONS

This inspection was conducted by Brock Bowles of the Division of Reclamation, Mining and Safety (Division). Katie Blake and Jeana Ratcliff of CC&V (operator) were present for the inspection. The CC&V Mine is located between the towns of Victor and Cripple Creek, CO. The site is an active 112d-3 designated mining operation with 6,007 acres permitted. This inspection was conducted as part of the normal monitoring program. At the time of the inspection it was warm, clear and the ground was dry.

This inspection included the following facilities and areas:

- High Grade Mill
- VLF2 Phase 2 Construction
- Buckley Annex Bulk Emulsion Facility
- Topsoil Stockpiles #11, #6, #21 and #1A/B.

High Grade Mill:

Andy Orser accompanied DRMS in the mill exterior walk-around. The Vat Leach tank area on the west side of the HGM was clean and no sludge was observed (photo 1). The ore concentrate apron area on the south side of the HGM was clean. All concentrate material was inside the con barn cover (photo 2). The secondary containment areas on the east side of the mill were inspected. The individual containment areas around the neutral water, high pH thickener and process ore thickener (photo 3) were clean and clear of sludge.

VLF2 Phase 2 Construction Area:

Charles Bissue and Steve Blaskovich accompanied DRMS on this part of the inspection. Ore was being stacked on the Phase 2 area from west to east, up Squaw Gulch Canyon. The lift appeared to be about 50 feet thick and the dozer was pushing the material in a perpendicular orientation to the slope (photo 4).

The liner was being installed at the top of the gulch. Drain cover fill was being spread on the bench below the liner installation. The DCF was staged at the bottom of the bench and being pushed uphill by a dozer (photo 5).

Buckley Annex Bulk Emulsion Facility:

Jessie Darby, John Garamendi and Brian Crawford accompanied DRMS in the Buckley Facility. John Garamendi guided the inspection. He explained how the ammonium nitrate (AN) is delivered and stored. AN was being delivered by a truck during the inspection. The secondary containment area for the AN had a small amount of water in the southern end but was overall clean (photo 6). The filter system to remove storm water from the secondary containment area was explained. The emulsion delivery truck maintenance area and the emulsion mixing process was explained. All areas of the facility were clean, walkways were free of obstructions and no spills were noted. No pictures were taken inside the emulsion facility.

Topsoil stockpiles:

Topsoil stockpiles #11, #6, #21, and #1A/1B were inspected for weed control, erosion control, protection from mine related disturbances and location/area were verified using Drawing C-4b of Amendment 13.

Weed control: Several species of Colorado Noxious Weeds B-List species were noted on the topsoil stockpiles. On pile #6- Yellow toadflax and Canada thistle (photo 7), pile #21- Dalmatian toadflax (photo 8), and pile #1A/1B- Yellow toadflax and musk thistle. A Problem has been cited for the noxious weeds noted on the topsoil stockpile. The Weed Control Plan that was approved in TR-75 needs to be implemented and proof that the plan has been implemented needs to be submitted to the Division within 30 days. The Annual Reports for years 2017-2019 shows that the topsoil stockpiles were not treated (Carlton Tunnel excluded). The topsoil stockpiles should be a high priority area for continued weed

treatment to prevent seed bank establishment.

Erosion control: No erosion features were noted on the topsoil piles that were inspected. Topsoil piles #11 and #21 (photo 9) had limited vegetation on them to control wind and water erosion. Vegetation needs to be established on these piles to comply with Rule 3.1.9(3). Topsoil pile #21 was approved to be moved to pile #39 in TR-102. If pile #21 is not moved by the Spring of 2021, then vegetation needs to be established to control erosion.

Protection from mine related disturbances: Newmont uses the Mine Star system to keep track of equipment movement and the locations of different earthen materials on the mine site. The Mine Star operator/controller gave a tour of the Mine Star control center. Each piece of heavy equipment on the mine has a GPS tracking device and all earthen materials are geo-located, including topsoil piles. Each piece of equipment needs authorization from the Mine Star operator/controller to enter a designated area to conduct a task. If by chance, a piece of equipment enters an area they were not authorized to enter, the in-cab computer screen flashes, notifying the equipment operator it is in the wrong area. DRMS deems that this system approach is adequate to protect topsoil piles from mine related disturbances provided that the topsoil stockpile locations are accurately maintained in the Mine Star system. DRMS did not verify topsoil pile locations in the Mine Star system.

The wildlife fence in the area of topsoil stockpile 1A/1B was in good condition (photo 10).

PHOTOGRAPHS



Photo 1 - Vat Leach area on west side of high grade mill



Photo 2 - Con barn area on south side of high grade mill

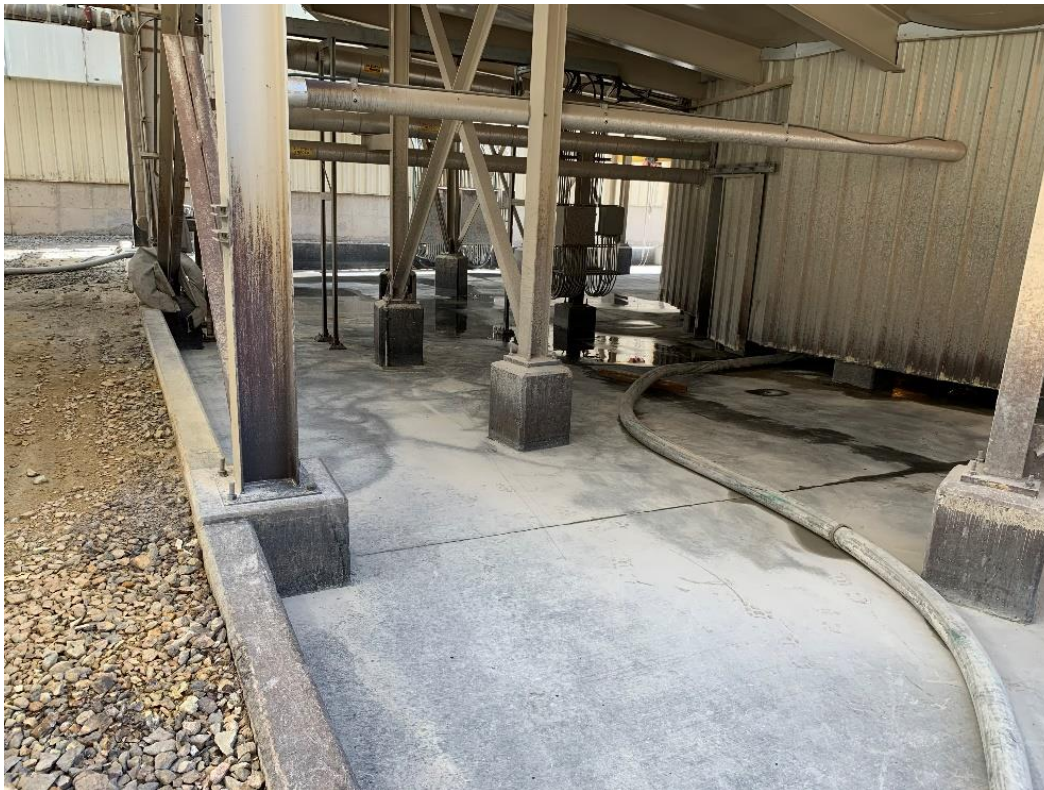


Photo 3 - Process ore thickener containment area, east side high grade mill



Photo 4 - Ore stacking in Squaw Gulch



Photo 5 - Liner installation-upper left, DCF spreading- right side of photo



Photo 6 - AN storage and cooling unit secondary containment



Photo 7 - Canada thistle on topsoil stockpile #6



Photo 8 - Dalmatian toadflax on topsoil stockpile #21



Photo 9 - Topsoil stockpile #21, needs vegetation to control wind and water erosion



Photo 10 - Wildlife fence in the area of topsoil stockpile 1A/1B

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>Y</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>PB</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>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / **PB = Problem cited** / PV = Possible violation cited

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