




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: June 30, 2020	INSP. TIME: 09:00
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: Justin Bills and Jeana Ratcliff	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE:	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: July 17, 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: Gen. Compliance With Mine Plan

PROBLEM/POSSIBLE VIOLATION: Problem: The lime holding tank located north of the PSES needs to be added to the cost estimate through a SA revision or verified that it has been included in the cost estimate in a previous revision.

CORRECTIVE ACTIONS:

CORRECTIVE ACTION DUE DATE: 8/19/20

INSPECTION TOPIC: Gen. Compliance With Mine Plan

PROBLEM/POSSIBLE VIOLATION: Problem: A demonstration must to be submitted to the Division showing that the impacted water observed in the holding pond west of the PSES will be contained within the lined primary containment system area in the event that the pond capacity is exceeded.

CORRECTIVE ACTIONS:

CORRECTIVE ACTION DUE DATE: 8/19/20

OBSERVATIONS

This inspection was conducted by Brock Bowles of the Division of Reclamation, Mining and Safety (Division). Justin Bills 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:

- Holding pond west of PSES
- VLF 1 Phase V (10,400 ft. and 10,200 ft. levels)
- Topsoil stock piles #27 and #34

The first two hours of this inspection consisted of safety training to operate a vehicle on the mine site, required by the Operator, as DRMS staff are currently required to perform inspections in separate vehicles from site Operators per State COVID-19 protocols.

PSES:

The area to the west of the PSES facility was inspected to follow-up on the plume of white substance documented in the May 18, 2020 aerial inspection report. Dylan Noble of CC&V explained that the plume was the result of lime solution being released from the lime holding tank located north of the PSES facility (see photo 1). The lime holding tank was installed sometime between January 2019 and June 2019 according to aerial photos of those respective months. A records search does not show that the lime holding tank was added to the reclamation cost estimate. **The lime holding tank needs to be added to the cost estimate through a SA revision or shown that it was included in a previous cost estimate.**

The lime solution noted in the May 18 photo, flowed in a westerly direction, downhill into a small holding pond (see photo 2). The pond appeared to contain the lime solution. The holding pond is located over the liner, is full of bird balls to protect wildlife and does not have a designed spillway. It appears that ADR1 and the PSES areas also drain to this small pond.

The pond's south embankment is less than 50 feet from the edge of liner and it is perched higher than the edge of liner (photo 3). The outslope of the south embankment is graded towards the edge of liner. There is not a notable berm or secondary containment structure between the embankment and the edge of liner. Data as to the pond's design and its capacity have not been submitted to the Division. In the event that the pond's capacity is exceeded or there is an embankment failure, contents of the pond would appear to flow off liner, and thereby be released from the liner's primary containment system. **A demonstration must be submitted to the Division showing that the pond's impacted water contents observed as part of the May 18, 2020 aerial inspection in of the holding pond west of the PSES will be contained within the lined, primary containment system area in the event that the pond capacity is exceeded.**

VLF1 Phase V:

The 10,400 foot level was inspected (photo 4). The area was dry and solution was not being applied to the top via the drip system. Process solution was being applied via large sprinklers on the outslopes on the south side of VLF1.

The 10,200 foot level was inspected. The area was dry and solution was not being applied. The dripline irrigation system was being installed in preparation for winter applications.

VLF2:

The edge of liner markers along the west side of the VLF2 were in place (photo 5). Solutions was being applied to the new flatter outcrops with the drip irrigation system.

Topsoil:

Stockpile #27 is located northeast of the high grade mill. The footprint of the pile depicted on Drawing C-4b submitted in AM-13 is inaccurate and needs to be updated. **This item will be addressed through the AM-13 review process.** The vegetation on the stockpile appeared to be adequate for the purpose of stabilizing the topsoil and controlling erosion (photo 6). Noxious weeds were not seen on the stockpile.

Stockpile #34 is located north of the ADR2 and west of the VLF-2. The footprint of the pile depicted on Drawing C-4b submitted in AM-13 appeared to be accurate. The vegetation on the west side of the pile appeared to be adequate for the purpose of stabilizing the topsoil and controlling erosion. Many musk thistle plants were noted on the south side of the pile (photo 7). Musk thistle is a CO B-List noxious species and needs to be treated. Justin Bills explained that a contractor is scheduled to treat the thistles. **Please submit evidence that the thistles have been treated during this growing season.**

According to Drawing C-4b, the south side of stockpile #34 extends below a sediment pond which has a rock lined spillway. A visual inspection of the pond verified that the spillway directs any pond overflow onto the lower portions of the topsoil stockpile (photo 8). Rule 3.1.9(3) states that topsoil stockpiles will be stored in locations and configurations to minimize erosion and disturbance of ongoing mining operations will be minimized. **This item will be addressed through the AM-13 review process.**

PHOTOGRAPHS



Photo 1 - Lime holding tank located north of the PSES



Photo 2 - Small holding pond west of PSES



Photo 3 - Pond location in relation to edge of liner



Photo 4 - VLF-1, 10,400 foot level



Photo 5 - VLF-2, western side with edge of liner markers in place



Photo 6 - Topsoil stockpile #27



Photo 7 - Topsoil stockpile #37 with musk thistle plants

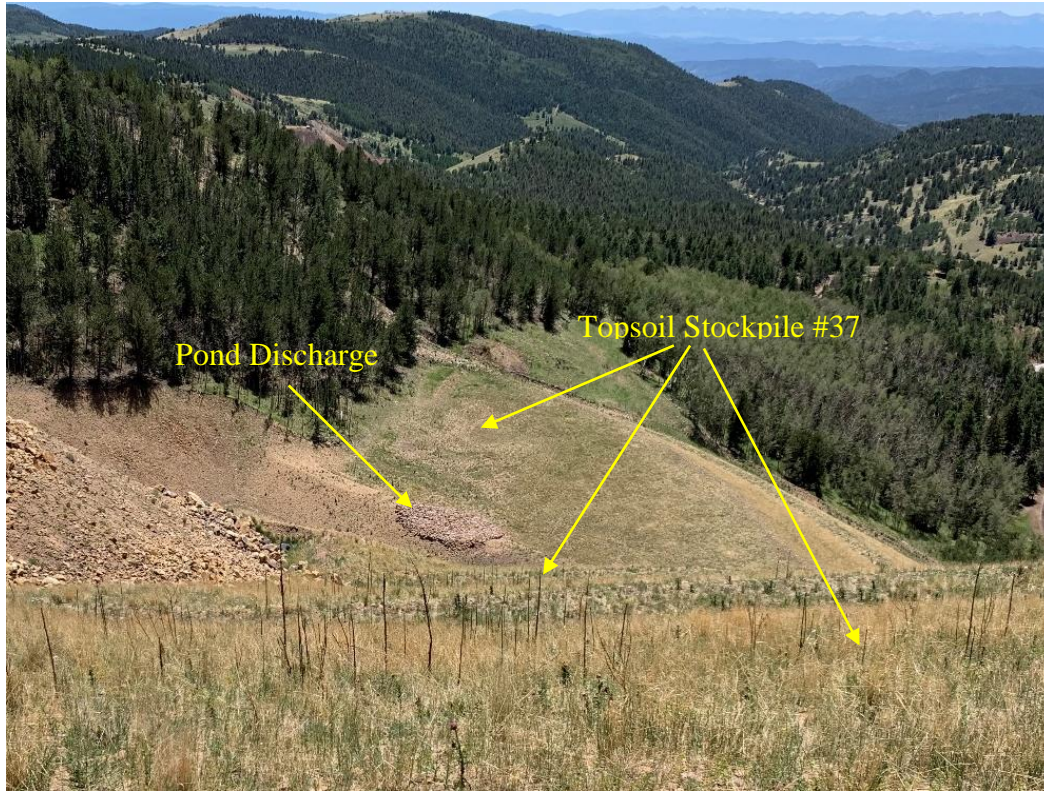


Photo 8 – Pond discharge above topsoil pile

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>Y</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- PBx2	(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>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

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

Inspection Contact Address

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