




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): Patrick Lennberg	INSP. DATE: October 29, 2020	INSP. TIME: 08:30
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: 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: November 17, 2020	

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>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</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>Y</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>Y</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

OBSERVATIONS

This was a normal monitoring inspection of the Cresson Project (Permit No. M-1980-244) conducted by Patrick Lennberg of the Division of Reclamation, Mining and Safety (Division). The Division was accompanied by Jeana Ratcliff and others during the inspection. This is a 112d-3 Designated Mining Operation (DMO) permitted for 6,007 acres to mine and process gold ore. The site is located between the towns of Cripple Creek and Victor in Teller County. The approved post-mining land use is a combination of rangeland and wildlife habitat. Photos 1-12 taken during the inspection are included with this report.

This inspection included the following facilities and areas:

- Arequa Gulch Valley Leach Facility (VLF1)
- Squaw Gulch Valley Leach Facility (VLF2) Overview
- Valley Leach Facility Leak Detection Sumps
- Valley Leach Facility Water Level Readings
- High Grade Mill Facility (HGM)
- and Pumpback System

Squaw Gulch Valley leach Facility (SGVLF or VLF2):

The operation is currently placing lifts with run of mine material mixed with cement material, which is dispensed directly into the truck beds from the relocated silo approved through TR-114. Run of mine material is ore material of sufficient quality that it can be leached without having to be crushed. Additionally, crushed material is also being placed in lifts. The Division inspected active leaching surfaces on the SGVLF. The operation is required to minimize ponding of leaching solution to less than 3 feet by 3 feet in area. This is to prevent the ponds from being a wildlife attractant. Active leaching areas appeared to be well-ripped to minimize ponding. No ponding was observed.

Arequa Gulch Valley Leach Facility (AGVLF or VLF1):

The current and maximum elevation of ore placement in the AGVLF is 10,400 feet (for Phase V). The Division inspected active leaching surfaces on the AGVLF. These surfaces were dry and no ponding of leachate, greater than 3 feet by 3 feet, was observed. The operator has moved away from surface leaching in favor of using injection wells as the weather has moved to winter conditions. There are a 143 injection wells at the site and at any given time there are three wells in operation. Similar conditions were observed on the 10,300 and 10,200 feet areas.

All 15 of the AGVLF Leak Detection System (LDS) sumps were inspected. All the sumps were found to be dry, except LDS-3 and 13. While the bottom of each sump did have water in it the buckets at the outfall of the leak detection piping were dry. Possible sources of the water in the bottom of the sumps are meteoric water entering the sump from poorly sealing lids and/or condensation resulting from the interaction of cold temperatures with humid ambient air. The operator must inspect all sumps weekly, and sample and characterize any water present. The operator is reminded any water in the sump should be removed after sampling so it can be determined if water continues to enter the sump.

Valley Leach Facility Water Level Readings:

The Division recorded water level readings from transducers for the high volume solution collection system (HVSCS), pond piezometers, and low volume solution collection system (LVSCS) of the II/III, and IV of the AGVLF. All recorded values were below their respective reporting limits.

High Grade Mill (HGM) Facility:

The Division performed a mill exterior walk-around inspection. The purpose was to perform a visual inspection for leaks, spills and secondary containment problems. The west side of the mill exterior was inspected, as well as the area around the concentrate storage facility (Con Barn). No problems were observed.

At the time of this inspection the Mill was not in operation. The Mill was in the middle of a scheduled outing for repairs and maintenance. It was scheduled to resume operation in ~20 hours from the time of inspection.

Pumpback System:

The pumpback system was observed. The ponds and basins associated the system were dry, a minor dusting of snow remained in the basins from a recent storm event. The structure over the pumpback system was being reinforced to protect from falling debris from the elevated highway overhead.

Please contact Patrick Lennberg (303)866-3567 ext. 8114 or email at patrick.lennberg@state.co.us if you have any questions regarding this report.

Inspection Contact Address

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PHOTOGRAPHS



Photo 1: External Storage Pond area



Photo 2: Leak detection system (LDS) sump number 3



Photo 3: Inside LDS 3 note water in bottom of sump but bucket is dry



Photo 4: Inside of the pumpback shed



Photo 5: Crowded work area on the east side of the High Grade Mill



Photo 6: Top of the AGVLF 10,400 ft level, typical conditions, looking east



Photo 7: Top of the AGVLF 10,400 ft level, typical conditions, looking west



Photo 8: Top of the AGVLF 10,200 ft level, typical conditions, looking south



Photo 9: VLF 2 overlook area, no ponding visible at the time of inspection

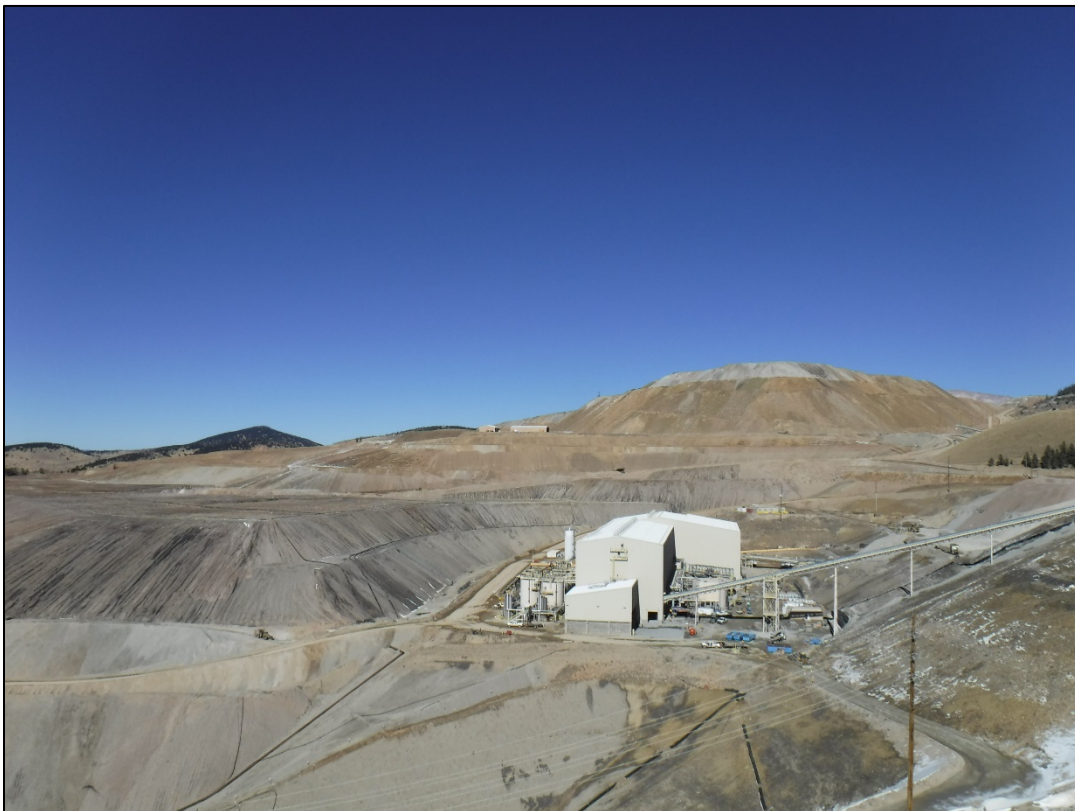


Photo 10: VLF 2 overlook area, overview of High Grade Mill and surrounding area



Photo 11: Water storage tank and elongated sump on VLF 1



Photo 12: Close-up view of the dry sump.