



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: March 29, 2021	INSP. TIME: 09:00
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:	BOND AMOUNT: \$159,491,188.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 11, 2021	

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>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>Y</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

OBSERVATIONS

This inspection was conducted by Brock Bowles of the Division of Reclamation, Mining and Safety (Division). Jeana Ratcliff, Jessy Darby and Dylan Noble (Operator) were present for the inspection. The Cresson Project is located between the towns of Cripple Creek and Victor in Teller County. This site is a 112d-3 Designated Mining Operation (DMO) permitted for 6,007 acres to mine and process gold ore. At the time of the inspection it was cool, clear, windy, and the ground was damp/muddy from melting snow.

This inspection included the following facilities and areas:

- VLF1 Phases I, II/III, IV and V Pumps
- External Storage Pond
- PSES Pond Repair
- VLF2 Pumps
- ADR2 Access Road
- Discuss Weed Control Plan

Valley Leach Facility 1 (VLF1):

The water level readings from transducers for the high volume solution collection system (HVSC), pond piezometers, and low volume solution collection system (LVSC) of Phases I, II/III, IV and V were recorded. All recorded values were below their respective reporting limits. See attached report below.

Valley Leach Facility 2 (VLF2):

The water level readings from transducers for the high volume solution collection system (HVSC) and low volume solution collection system (LVSC) were recorded. All recorded values were below their respective reporting limits. See attached report.

External Storage Pond:

The water level readings were recorded at the External Storage Pond. See attached report.

PSES Pond Repair:

The PSES pond was the subject of a possible problem noted in the June 30, 2020 inspection. CC&V abated the problem in January 2021 by increasing the depth and surface area of the pond to accommodate larger flows, and increased the embankment width to 10 feet. This was a follow up inspection to see the repairs. The pond appeared to be bigger than when last observed, although, the pond dimensions were not recorded before or after the completed work to verify the increase in size. The larger pond capacity will increase the infiltration rate of solution. The embankment width was increased from 2 feet wide to 10 feet wide across the top (photo 1). The top of embankment measurement was verified. The larger embankment width greatly enhances the stability of the embankment. The embankment stability is important because of the pond's proximity to the edge of liner. No water/solution was in the pond and the bird balls were in place.

ADR2 Access Road:

A section of the ADR2 Access Road, located SE of the ADR2 facility, crosses the VLF1 edge of liner. The grade of the road in this area is steep and due to the nature of the terrain, solution and impacted storm water has the potential to follow the road off-liner. A sump and water bar were installed across the road to direct solution off the road and back over liner (photo 2). The sump and water bar were in good condition and were directing solution away from the road and back towards lined areas. The Operator should monitor this area throughout the spring and summer to ensure the sump and water bar remain effective.

The Operator may consider regrading the road above the sump/water bar as an additional low maintenance tool to keeping solution on-liner. The road through the area is sloped outward, or downhill. This forces solution to the outside of the road and into the sump and 6" culvert under the road. Sumps and culverts need constant maintenance, especially in winter. If the road above the sump/culvert was graded inward toward the hill, it forces solution to the inside of the road, into a roadside ditch and downhill to the big perimeter ditch keeping solution on-liner. Also, if 100-200 feet of road above the sump is sloped inward, it creates a gentle change in the roadbed that snow plows will have little effect on (versus a water bar which is easily taken out by a snow plow).

ECOSA:

A section of the ECOSA was being graded to final grade. The work was being done on the southern end of the pile, north of last year's reclamation work (photo 3). A single bulldozer was pushing material downhill from the top of the pile. The top and bottom of the work area was inspected. The top of the work area had been graded, slightly sloped to the north (photo 4).

The bulldozer operator was contacted via radio and he gave permission to inspect the area below grading operations. The grading work did not reach the bottom of the ECOSA yet and the current grading work could not be seen due to the terrain. The area was snow covered and the access road was very muddy and slippery making driving conditions difficult. No slides, boulders, or evidence of falling loose material was seen below the grading operations (photo 5).

Weed Control Plan:

During the Aug 2020 inspection, several areas were noted as having noxious weeds. Some of noted the weed populations were not previously known. CC&V notified their weed control contractor and these areas will now be monitored and treated regularly. These new areas were documented in CC&V's Integrated Weed Management Report submitted with the 2021 Annual Report.

PHOTOGRAPHS



Photo 1 – PSES pond larger embankment



Photo 2 – Water bar and sump across the access road



Photo 3 – Grading work on ECOSA



Photo 4 – ECOSA graded at the top, facing south



Photo 5 – ECOSA below grading operations



Photo 6 – VLF2 overlook

Inspection Contact Address

Jeana Ratcliff
Cripple Creek & Victor Gold Mining Company
P. O. Box 191
Victor, CO 80860

EC: Elliott Russell, DRMS
Michael Cunningham, DRMS
Tim Cazier, DRMS
Patrick Lennberg, DRMS
DRMS file
Justin Raglin, CC&V
Katie Blake, CC&V
Jeana Ratcliff, CC&V

ATTACHMENT A

CC&V VLF Water Level Inspection Readings

		Previous Results					Notes
Date:		7/29/20	9/15/20	10/29/20	3/29/21	4/29/21	
AREQUA VLF:		TC1	TC1	JPL	BFB	TC1	
Phase I HVSC & Pond Piezometers		TIME: 10:01		12:38	10:39	12:56	
Note: 80% cap. @ 63.75 ft Max. of Pump #299, #300, #301, 302, or #303 (Circle Pump #) Pond Lvl / XDCR #1 System Press / XDCR #2	(ft)	45.6	--	46.5@301	47.9@299	53.2	
	(ft)	45.2	--	42.8	44.3	52.4	
	(ft)	43.3	--	2.5	43.9	44.3	system head
Phase I Low Volume Solution Collection		TIME: 10:19			10:32	10:25	
Note: Req'd < 2 ft Piezo #1 (HAND) Piezo #2 (AUTO)	(ft)	0.42	--	--	0.68	0.60	
	(ft)	0.85	--	--	0.68	0.82	
Phase II & III HVSC & Pond Piezometer		TIME: 10:26		11:38	10:19	9:47	
Note: 80% @ 49.4 ft Max. of XDCR #4, #5, or #6 (Circle XDCR #) Piezo (Pipe)	(ft)	31.4	--	24.4@6	21.3@4	21.7	
	(ft)	41.4	--	31.2	32.5	31.2	
Phase II & III Low Volume Solution Collection		TIME: 10:30		11:40	10:21	9:50	
Note: Req'd < 2 ft Pump / XDCR #1 (AUTO) Pump / XDCR #2 (AUTO)	(ft)	0.74	--	0.45	0.32	0.72	
	(ft)	0.29	--	0.68	0.35	0.54	
Phase IV High Volume Solution Collection		TIME: 13:07			11:53	11:50	
Note: 80% cap. @ 56.5 ft Max. of Pump #307, #308, or #309 (Circle Pump #) XDCR pipe (#310 Resv'd)	(ft)	19.1	--		12.1@309	12.4	
	(ft)	37.7	--		37.7	37.7	
Phase IV Low Volume Solution Collection		TIME: 13:09			11:55	11:52	
Note: Req'd < 24" Pump / XDCR #1 Pump / XDCR #2	(in)	15.0	--		14.9	14.9	
	(in)	12.1	--		12.1	12.0	
Phase V High Volume Solution Collection		TIME: 9:45		11:05	9:56	9:35	
Note: 80% cap. @ 36.5 ft Max. of XDCR #311, #312, #313, or #314 (Circle XDCR #)	(ft)	15.1	--	14.8@311	18.7@314	19.3	
Phase V Low Volume Solution Collection		TIME: 9:46			9:58	9:37	
Note: Req'd < 24" XDCR #001 XDCR #002	(in)	6	--	7	6	6.0	
	(in)	11.7	--	10.8	11	15.9	
External Pond Low Volume Solution Collection		TIME: 10:16		11:21	10:30	10:19	
Note: Req'd < 24" Pump / XDCR #1-EXT (AUTO) Pump / XDCR #2-EXT (AUTO)	(in)	10.1	--	4	6.7	4.2	
	(in)	17.5	--	14.7	12	12.9	
Underdrain Discharge Area		TIME: 10:00					
Note: 1 ft/sec = 15.85 gpm South Underdrain (S U/D) 4" Pipe Discharge AG 01 Spring Pipe NPDES Discharge AG 1.5 -001A North Underdrain (N U/D) 24-inch Solid Pipe	(gpm)	Dry	--	Dry		Dry	
	(gpm)	Dry	--	Dry		Dry	
	(gpm)	Dry	--	Dry		Dry	
	(gpm)	Dry	--	Dry		Dry	
	(gpm)	Dry	--	Dry		Dry	
Arequa Gulch Monitor Well Pumpback System		TIME: 10:40					
Data first collected by DRMS 3/8/12 63B 123C B63 123C	(ft)	15.3	--			--	
	(ft)	20.1	--			--	
	(gpm)	~0.5	--			0	
	(gpm)	--	--			0	
SQUAW GULCH VLF High Vol. SC:		TIME: 10:59		13:02		10:38	
Note: 80% cap. @ 94 ft LIT #88301 (north end) LIT #88303 LIT #88305 LIT #88307 (south end) Piezometer-LIT #88314	(ft)	--	18.3	19.5	30.4	47.2	
	(ft)	--	18.1	19.3	30.2	44.7	
	(ft)	--	18.9	19.6	29.9	46.9	
	(ft)	--	19.2	20.4	30.5	46.9	
	(ft)	--	36.3	--		60.8	
SQUAW GULCH VLF Low Vol. SC:		TIME: 10:55		13:02	11:06	10:38	
Note: Req'd < 24" Leachate Pump 1 Leachate Pump 2	(in)	--	10.8	12.7	11.0	12.6	
	(in)	--	9.3	11.2	9.5	11.1	