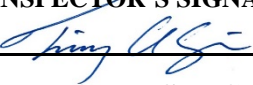




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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): Timothy Cazier, P.E.	INSP. DATE: April 29, 2021	INSP. TIME: 09:00
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: Katie Blake & Dylan Noble	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	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: June 4, 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>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>Y</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>Y</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>Y</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	

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

OBSERVATIONS

Tim Cazier (DRMS) conducted a regular monitoring inspection of the site on Thursday, April 29, 2021. Ms. Katie Blake and Mr. Dylan Noble represented CC&V for the duration of the inspection. The planned inspection agenda included the following facilities and areas:

- SGVLF/VLF2 Water levels and Surface Solution Ponding;
- AGVLF/VLF1 Water levels, Surface Solution Ponding and Phase V Surge Ponds;
- High Grade Mill (HGM);
- South Cresson Highwall.

Due to COVID-19 protocols, DRMS staff are currently required to perform inspections in separate vehicles from site Operators.

SGVLF/VLF2 Water levels and Surface Solution Ponding: The high volume solution collection system (HVSCS) water levels in the VLF2 pregnant solution storage area (PSSA) were checked for compliance with the permit. HVSCS water levels in the PSSA are to be less than 80 percent storage capacity. Sustained conditions where the water levels are above this limit are to be reported to the DRMS. Water levels for all four riser pipes and the piezometer were checked remotely from the ADR2 building as the readout displays at the riser pipes face south (towards the sun) and have become very difficult to impossible to read. Riser pipe water levels were between 44.7 and 47.2 feet and the piezometer (outside the influence from the draw down due to pumping in the risers) water level was at 60.8 feet. The 80% level is at 94 feet. The water levels in the low volume solution collection system (LVSCS) were also checked remotely at the same time. The water levels in the two sumps were observed to be at 11.1 and 12.6 inches, well below the maximum allowed 24 inches. A copy of the field log sheet is included as **Attachment A**.

The surface of VLF2 was being actively leached with process solution at the time of the inspection. Two small areas with ponded solution were observed using binoculars (see **Photo 1**). These two areas appeared to be close to the 3-ft by 3-ft limit in the approved wildlife protection plan. CC&V representatives stated they would remedy the situation.

AGVLF/VLF1 Water levels, Surface Solution Ponding and Phase V Surge Ponds: All HVSCS and LVSCS water levels were checked on VLF 1. All HVSCS levels were well below the 80% limit and all LVSCS levels were below the two-foot limit. A copy of the field log sheet is included as **Attachment A**.

VLF 1 was checked for solution ponding limits based on the approved wildlife protection plan limiting ponding to areas less than 3 feet by 3 feet. No ponding was observed on the 10,200, 10,300, and 10,400 levels. High Grade Mill tailings were observed stacked along the access road (see **Photo 2**).

DRMS aerial inspection images have highlighted ponds on the crusher side of Phase V. Site representatives explained these surge ponds were constructed in this area to accommodate collected Phase V leachate in an area where the collection pipes are on a flatter grade, thereby reducing their flow capacity. These surge ponds were inspected for compliance with the approved wildlife protection plan. Both ponds were dry at the time of the inspection but were surrounded by six-foot chain link fence and filled with bird balls (see **Photos 3 and 4**). The configuration appeared to meet the intent of the wildlife protection plan. The DRMS will continue to monitor these protections to ensure the fence is maintained and the sufficient bird balls are in place.

High Grade Mill: Mr. Donny Bauer accompanied the DRMS on the mill exterior walk-around inspection. The purpose was to perform a visual inspection for leaks, spills and secondary containment problems. Both the east

and west sides of the mill exterior were inspected, as well as the area around the concentrate storage facility (Con Barn). Both sides appeared well maintained and no measurable secondary containment storage volume was observed. The maintenance storage shed north of the HGM was also inspected. Containers not factory sealed and stored inside appeared to have adequate secondary containment (see **Photo 5**).

South Cresson Highwall: The South Cresson highwalls were inspected to observe bench configurations. Benches were more defined than what appeared in DRMS aerial images. Although bench crests appeared more rounded than in the adjacent Main Cresson pit (see **Photo 6**). An image taken of the east South Cresson highwall indicates the overall slope is $\sim 58^\circ$ (see **Photo 7**). The East Cresson west highwall bench crests are also somewhat rounded, limiting rockfall catchment capacity (see **Photo 8**). Site representatives were asked if the highwalls were scaled to limit rockfall. They indicated it was likely not common, but would check with Mine Operations to get a more definitive answer.

Miscellaneous Observations:

- New wildlife fencing was observed along the road between the VLF1 Phase V pumps and Hwy 67 just west of the city of Victor (see **Photo 9**).
- The widening of the berm/embankment for the holding pond west of the PSES (cited as having potential containment concerns in our June 30, 2020 inspection) was observed (see **Photo 10**). This embankment is still the low point where if capacity is exceeded, potentially impacted water would flow off the lined area. However, the widening of the embankment crest will reduce the potential for it to breach from overtopping erosion.
- The Arequa Gulch pumpback system was visited. A steel plate has been placed on the roof (see **Photo 11**) of the pumpback building to cover the hole in the roof and provide some protection from ice fall originating from the overhead Hwy 67 bridge. Site representatives were asked about the bird nest fouling the CRMW-3 series monitoring well. **Photo 12** shows how the cap on CRMW-3B was cut to accommodate several hoses. **Photo 13** shows how the cap on CRMW-3A was patched with duct tape to curtail bird entry.

PHOTOGRAPHS



Photo 1. VLF 2: Smaller areas of ponded solution (looking SW from Brahma Building overlook).



Photo 2. HGM tailings stockpiled along VLF1 haul road (looking north).

PHOTOGRAPHS (cont.)



Photo 3. VLF 1: East Phase V surge pond (looking east).



Photo 4. VLF 1: West Phase V surge pond (looking east, east surge pond in background).

PHOTOGRAPHS (cont.)



Photo 5. Secondary containment under drums and buckets being filled with waste liquids (HGM Maintenance Shed).



Photo 6. Main Cresson and South Cresson Bench comparison (looking ENE from VLF1 10,400 level)

PHOTOGRAPHS (cont.)

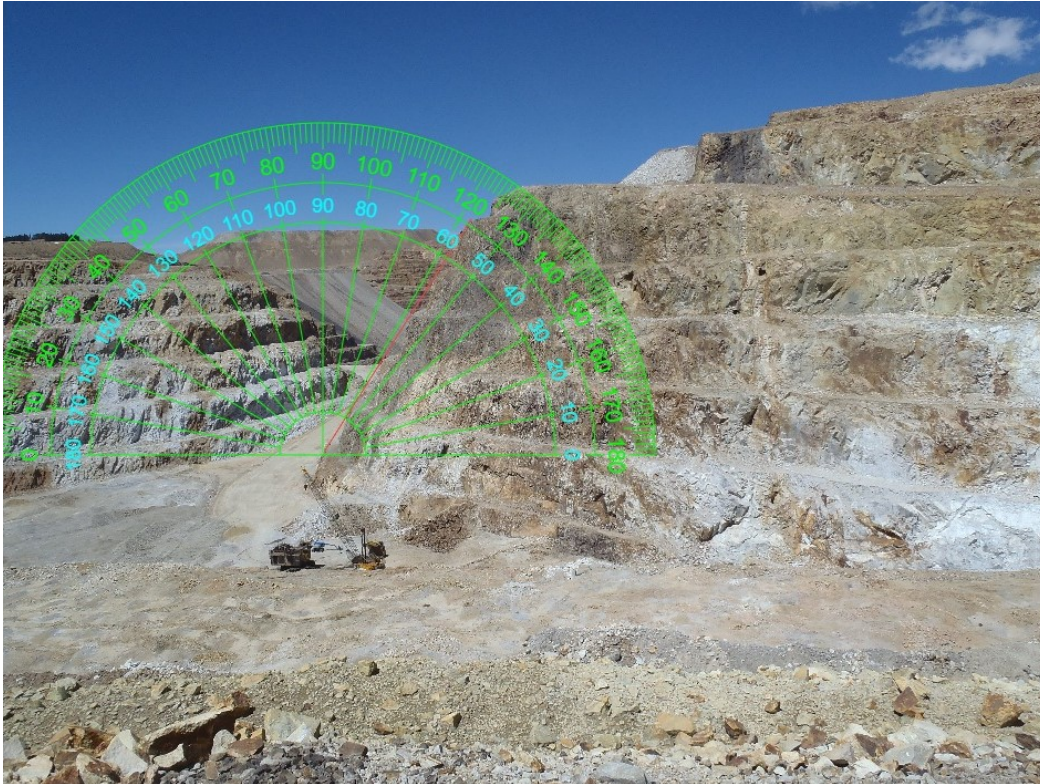


Photo 7. South Cresson, east highwall angle at $\sim 58^\circ$ (looking north).



Photo 8. South Cresson, west highwall (looking NW).

PHOTOGRAPHS (cont.)



Photo 9. New wildlife fencing along Phase V pump access road (looking SSE).

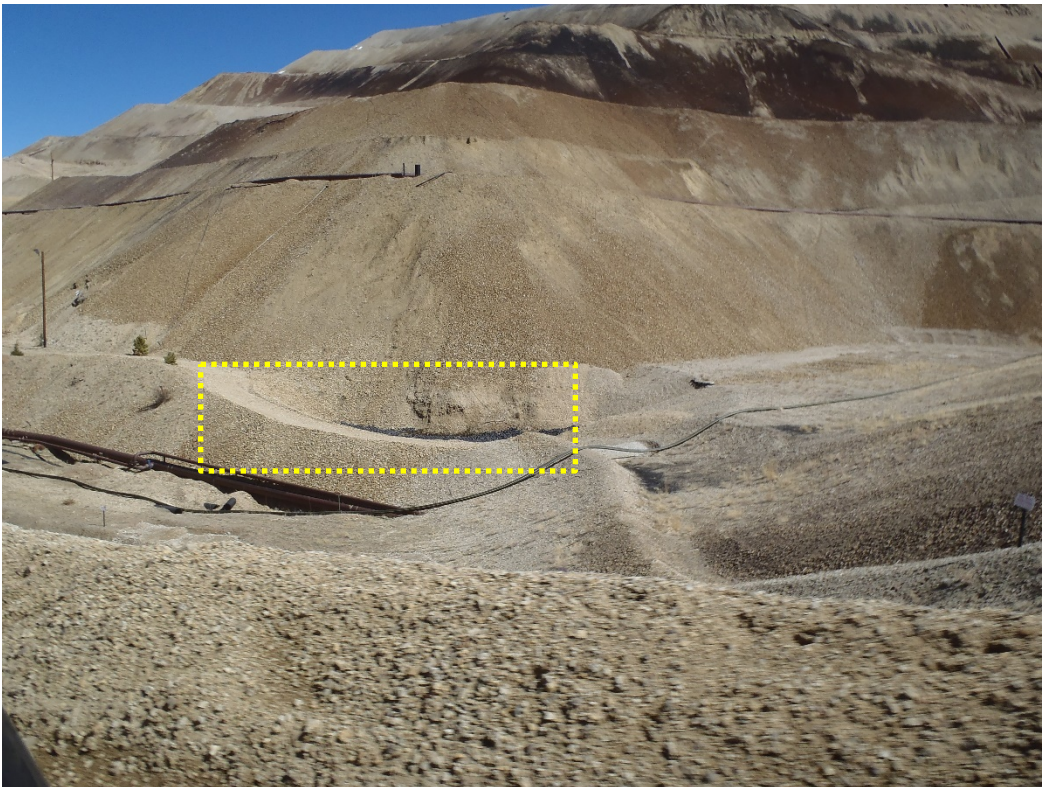


Photo 10. Widened embankment on SW side of PSES holding pond (note low point directs overflow off liner).

PHOTOGRAPHS (cont.)



Photo 11. Steel plate on Arequa Gulch pumpback shed.



Photo 12. CRMW-3B monitoring well cap (showing cut for hose access).

PHOTOGRAPHS (cont.)



Photo 13. CRMW-3A monitoring well cap (showing duct-taped seal around hole for hoses).

Inspection Contact Address

Melissa Harmon
Cripple Creek & Victor Gold Mining Company
P. O. Box 191
Victor, CO 80860

Enclosure: Attachment A

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

CC&V VLF Water Level Inspection Readings

Previous Results

Date:

AREQUA VLF:

Phase I HVSC & Pond Piezometers

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

Phase I Low Volume Solution Collection

Note: Req'd
< 2 ft

Piezo #1 (HAND)

Piezo #2 (AUTO)

Phase II & III HVSC & Pond Piezometer

Note: 80% @
49.4 ft

Max. of XDCR #4, #5, or #6 (Circle XDCR #)

Piezo (Pipe)

Phase II & III Low Volume Solution Collection

Note: Req'd
< 2 ft

Pump / XDCR #1 (AUTO)

Pump / XDCR #2 (AUTO)

Phase IV High Volume Solution Collection

Note: 80% cap.
@ 56.5 ft

Max. of Pump #307, #308, or #309 (Circle Pump #)

XDCR pipe (#310 Resv'd)

Phase IV Low Volume Solution Collection

Note: Req'd
< 24"

Pump / XDCR #1

Pump / XDCR #2

Phase V High Volume Solution Collection

Note: 80% cap.
@ 36.5 ft

Max. of XDCR #311, #312, #313, or #314 (Circle XDCR #)

Phase V Low Volume Solution Collection

Note: Req'd
< 24"

XDCR #001

XDCR #002

External Pond Low Volume Solution Collection

Note: Req'd
< 24"

Pump / XDCR #1-EXT (AUTO)

Pump / XDCR #2-EXT (AUTO)

Underdrain Discharge Area

Note: 1 l/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

Arequa Gulch Monitor Well Pumpback System

Data first
collected by
DRMS 3/8/12

63B

123C

B63

123C

SQUAW GULCH VLF High Vol. SC:

Note: 80% cap.
@ 94 ft

LIT #88301 (north end)

LIT #88303

LIT #88305

LIT #88307 (south end)

Piezometer-LIT #88314

SQUAW GULCH VLF Low Vol. SC:

Note: Req'd
< 24"

Leachate Pump 1

Leachate Pump 2

	2/27/20	7/29/20	9/15/20	10/29/20	3/29/21	4/29/21	Notes
EPs:	ERR	TC1	TC1	JPL	BFB		
TIME:	10:33	10:01		12:38		12:56	
(ft)	49.5	45.6	--	46.5@301		53.2	
(ft)	49.0	45.2	--	42.8		52.4	
(ft)	41.0	43.3	--	2.5		44.3	system head
TIME:	10:45	10:19				10:25	
(ft)	0.44	0.42	--	--		0.60	
(ft)	0.71	0.85	--	--		0.82	
TIME:	10:50	10:26		11:38		9:47	
(ft)	38.5	31.4	--	24.4 @6		21.7	pump out of hole
(ft)	39.8	41.4	--	31.2		31.2	
TIME:	10:52	10:30		11:40		9:50	
(ft)	0.56	0.74	--	0.45		0.72	
(ft)	0.24	0.29	--	0.68		0.54	
TIME:	11:45	13:07				11:50	
(ft)	44.2	19.1	--			12.4	
(ft)	43.4	37.7	--			37.7	
TIME:	11:47	13:09				11:52	
(in)	15.2	15.0	--			14.9	
(in)	11.6	12.1	--			12.0	
TIME:	10:19	9:45		11:05		9:35	
(ft)	30.2	15.1	--	14.8@311		19.3	
TIME:	10:21	9:46				9:37	
(in)	8	6	--	7		6	Log up to date
(in)	14.8	11.7	--	10.8		15.9	
TIME:	10:40	10:16		11:21		10:19	
(in)	14	10.1	--	4		4.2	
(in)	16.8	17.5	--	14.7		12.9	
TIME:						10:00	
(gpm)	--	Dry	--	Dry		0.25	
(gpm)	--	Dry	--	Dry			
(gpm)	--	Dry	--	Dry			
(gpm)	--	Dry	--	Dry			
(gpm)	--	Dry	--	Dry			
TIME:		10:40				10:00	
(ft)	--	15.3	--			--	
		20.1	--			--	
(gpm)	--	~0.5	--			--	
(gpm)	--	--	--			--	
TIME:	11:04	10:59	13:02			10:00 10:38	
(ft)	60.16	--	18.3	19.5		47.2	
(ft)	59.24	--	18.1	19.3		44.7	
(ft)	66.9	--	18.9	19.6		46.9	
(ft)	61.4	--	19.2	20.4		46.9	
(ft)	70.4	--	36.3	--		60.8	
TIME:	11:10	10:55	13:02			10:38	
(in)	13.6	--	10.8	12.7		12.0	
(in)	11.2	--	9.3	11.2		11.1	