




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: December 21, 2021	INSP. TIME: 09:30
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: Katie Blake	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: February 16, 2022	

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>N</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</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>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>Y</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

Tim Cazier (DRMS) conducted a regular monitoring inspection of the site on Tuesday, December 21, 2021. Ms. Katie Blake represented CC&V for the duration of the inspection. The planned inspection agenda included the following facilities and areas:

- Drain cover fill (DCF) damaged area near ADR2;
- Schist Island backfill;
- ECOSA seeps;
- VLF 2;
- PSES.

DCF damaged areas: The repairs to the eroded DCF south of VLF 2, near ADR 2 (resulting from the 3rd quarter rains referenced in our September 2021 inspection report) were observed (see **Photo 1**). The DCF had been replaced and appeared satisfactory. The DRMS received the recertification report on December 13, 2021 and was reviewing it at the time of this inspection. A review letter from the DRMS is expected to be issued to CC&V in the very near future.

Schist Island backfill: Ms. Blake and Messrs. Tsibu Avenson, George Fry and Jeff Gaul accompanied the DRMS to an area above the west highwall to observe material placement in the Schist Island Pit high compaction zone. Crews were working on the 9960 bench level at the time of the inspection (see **Photo 2**). Site representatives stated GPS units on the dozer (see **Photo 3**) were used to control the lift height and ground survey was used check for compaction rebound. Placed material appeared to be less than the maximum allowed 24 inches.

ECOSA Seeps: Ms. Blake and Ms. Maria Bujenovic accompanied the DRMS to the ECOSA toe to observe the status of two seeps. The north ECOSA seeps, designated as #2A & #2B, were both observed to be dry, with snow only in the sumps (see **Photos 4** and **5**). The south ECOSA seep, designated ECOSA Seep #1 was observed to no inflow and was frozen (see **Photo 6**). Ms. Bujenovic stated they had not pumped any water from the seeps since the week of November 7th.

The clay borrow area at the south end of the ECOSA was in the process of being backfilled (see **Photo 7**), as recommended by the DRMS in their September 2021 inspection report. The backfill material appeared to be inert, rather than waste rock. No ponded water (frozen or otherwise) was visible and the bottom of the back fill area (see **Photo 8**).

VLF 2: The surface of VLF2 was inspected for ponded process solution. None was observed.

PSES Facility and stormwater pond: Ms. Blake and Mr. Chad Chess accompanied the DRMS to the PSES area. The stormwater pond (a.k.a. bird ball pond) berm was observed to have started sloughing on the inside (see **Photo 9**). [The DRMS recommended monitoring this area and performing repairs as necessary.](#)

The PSES facility was inspected for general housekeeping, petroleum product spills and hazardous or toxic material containment. A pile of PSES filtrate (milk of lime) was observed with jersey barriers on the edge of the pile (see **Photo 10**) on the south side of the PSES building. The concern here is erosion of the material generating sediment mobilized elsewhere. As the pile was said to be temporary and in a flat area, it was deemed to not be a problem. Site representatives stated the magnetite truck offload area (see **Photo 11**) had been decommissioned. It is a low area near the southwest corner of the PSES building. The perimeter of the building was walked with no observed concerns or problems. The sediment trap on the north side of the PSES facility

(see **Photo 12**) appeared in good condition and was not in need of sediment removal at the time of the inspection.

ADR 1 Facility: While in the vicinity of the PSES, this inspector walked the perimeter of the ADR 1 facility with the same purpose as that for the PSES facility. Only two items of potential concern were observed: 1) an old transformer (see **Photo 13**) was observed on the east side of the ADR 1, and 2) a rusty drum (see **Photo 14**) was observed on the north side of the building. The transformer had been replaced recently and had not been drained. Site representatives stated they were working on disposal of the transformer. The rusty drum was determined to be empty and had been placed upside down without a cover. No problems were cited.

Close-out meeting: Ms. Blake and Mr. Justin Raglin were present for the closeout meeting. The following items were discussed:

- Bird ball pond berm – concerns over the sloughing berm of the pond west of the PSES were raised and that it should be monitored and repaired as necessary.
- ECOSA Seep – CC&V stated they have hired a consultant to look into acid rock drainage (ARD) management and mitigation to impacts at MW-25 southeast of the ECOSA.

PHOTOGRAPHS



Photo 1. Repaired DCF on the southeast corner of VLF2 (looking east from near ADR 2).
(compare with Photo 3 from the DRMS September 2021 inspection report)



Photo 2. Schist Island Pit high-compaction/5-foot lift backfill (looking east).

PHOTOGRAPHS (cont.)



Photo 3. Actively placing Schist Island Pit high-compaction/5-foot lift backfill with dozer & haul truck.



Photo 4. ECOSA Seep #2A (looking west from ECOSA toe access road)

PHOTOGRAPHS (cont.)



Photo 5. ECOSA Seep #2B (looking SE from ECOSA toe berm separating Seep 2A from 2B).



Photo 6. ECOSA Seep #1 (no inflow, frozen).

PHOTOGRAPHS (cont.)



Photo 7. Backfilling clay borrow area (SE corner of ECOSA, looking south).



Photo 8. South ECOSA clay borrow pit backfill in progress (looking south, original floor on left).

PHOTOGRAPHS (cont.)



Photo 9. Sloughing inside face of bird ball pond NW of the PSES building (looking NW from berm midpoint).



Photo 10. PSES filtrate stockpile (looking west from south side of PSES building).

PHOTOGRAPHS (cont.)



Photo 11. Decommissioned magnetite truck offload (looking NW from south side of PSES building).



Photo 12. PSES building sediment trap (looking NE from north side of PSES building).

PHOTOGRAPHS (cont.)



Photo 13. Old transformer on east side of ADR 1 (looking west).



Photo 14. Upside down, empty, rusty drum on north side of ADR 1.

Inspection Contact Address

Katie Blake
Cripple Creek & Victor Gold Mining Company
P. O. Box 191
Victor, CO 80860

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