




**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.

<b>MINE NAME:</b> Cresson Project	<b>MINE/PROSPECTING ID#:</b> M-1980-244	<b>MINERAL:</b> Gold	<b>COUNTY:</b> Teller
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Elliott Russell	<b>INSP. DATE:</b> January 27, 2022	<b>INSP. TIME:</b> 10:00
<b>OPERATOR:</b> Cripple Creek & Victor Gold Mining Company	<b>OPERATOR REPRESENTATIVE:</b> Katie Blake	<b>TYPE OF OPERATION:</b> 112d-3 - Designated Mining Operation	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$209,491,188.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Snowing	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> February 25, 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>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</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>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

## **PROBLEMS/POSSIBLE VIOLATIONS**

None observed during the inspection.

## **OBSERVATIONS**

The Division of Reclamation, Mining and Safety (DRMS or Division) conducted an inspection of the Cresson Project, Permit No. M-1980-244 (Permit), a Regular 112d(3) Designated Mining Operation Reclamation Permit with 6,007 permitted acres and an approved post-mining land use of Rangeland and Wildlife Habitat. The mine, operated by the Cripple Creek & Victor Golding Mining Company (CC&V or Operator), is located southeast of Cripple Creek, Colorado and north of Victor, Colorado. Elliott Russell, with the Division, conducted the inspection. Nikie Gagnon and Connor Drinkard, both with the Division, accompanied the inspection. Katie Blake and several others, representing the Operator, also accompanied the inspection.

The Division arrived to the site ahead of schedule and observed the WHEX Pit and western portion of the East Cresson Overburden Storage Area (ECOSA) from the Grassy Valley Overlook along CR82 (see **Photo 1** and **Photo 2**).

The inspection agenda included the following facilities and areas:

- Schist Island Backfill
- High Grade Mill (HGM)
- Valley Leach Facility 2 (VLF2)
- VLF Solution Levels

### **Schist Island Backfill**

The Operator accompanied the Division to an area above the west highwall of the Schist Island Pit to observe the progress of backfill operation (see **Photo 3**). As approved in Amendment 13, the Schist Island Pit will be backfilled to allow the construction of the Phase 3 of VLF 2, including an additional Pregnant Solution Storage Area (PSSA). The Division met with Tyler Wendlandt with Newfields, the third-party Engineer of Record (EoR) who was observing and certifying placement of material and the lifts of the backfill. The Operator was currently placing material on the 9995 lift level as a part of the high compaction backfill zone. All placed material observed from the overlook appeared to be less than the maximum allowed 24-inch specification. The PSSA was starting to take shape as the 5-foot lifts have been placed around the PSSA footprint. The bottom of the PSSA is at the 9940 lift level. The EoR explained that the lifts are currently being overbuilt slightly into the PSSA area whereas upon completion of backfilling activities, approximately 100,000 tons of material will need to be removed to complete the final grading of the PSSA. This ensures the all of the material adjacent to the future geomembrane has been adequately compacted to the approved specification as compared to a cut/fill approach to achieve the final grading where material on the final slopes would need to be compacted again.

As it was snowing during the inspection, the Division inquired about the details of backfilling activities with regarding to snow accumulation. The EoR explained that to avoid ice lenses within the backfill material, the Operator removes snow that is greater than 2" in accumulation from out in front of the face of the lift. This snow is then placed along the edge of the completed backfill material near the PSSA slopes in order to melt during warmer temperatures.

### **High Grade Mill**

The Operator accompanied the Division to the HGM. The Operator informed the Division that in early January 2022, a fire damaged the conveyer system between the Load Out Bin (LOB) and the crusher so there was no

longer any crushed high grade feed material to run through the HGM. The Operator stated that the mill was intermittently active between the date of the fire and the week of the inspection, however all of the stockpile feed material had been processed and the HGM was now idle until repairs are made to the conveyor system.

After a tour of the HGM building and process, the Division inspected the process tanks, secondary containment structures, and cleanout curbing located outside of the HGM (see **Photos 4 - 9**). On the west side of the HGM building, the Operator utilizes the vat leach tanks 1-6 as storage tanks for Neutral pH Process Water as permitted in TR109. South of these tanks are two cyanide storage tanks, however with the approval of TR89 which modified the milling process to focus on floatation concentrates, cyanide is no longer used at the HGM and therefore these tanks are empty. On the east side of the HGM building, the Division inspected the Neutral pH Process Water Tank and the Processed Ore Thickener Tank. Between these two tanks is the High pH Water Tank and Thickener, both have been empty since TR89. No issues were observed during the inspection.

VLF2:

Due to inclement weather and low visibility, the Division was unable to observe and inspect the VLF2 from the planned overlook locations.

VLF Solution Levels:

The High Volume Solution Collection System (HVSCS) and Low Volume Solution Collection System (LVSCS) levels of the four VLF1 phases (Phase I, Phase II/III, Phase IV, and Phase V) and the one PSSA of VLF2 were remotely checked at the process administration offices near ADR2. All of the HVSCS and LVSCS levels of both VLF1 and VLF2 were within normal operating levels and no issues were noted (see Attachment A). As discussed during the TR127 permitting process, the Operator informed the Division that the last two remaining LVSCS of VLF1 can now be remotely monitored. Additionally, the readouts associated with the External Storage Pond (ESP) levels had recently been upgraded as well, however these were still being calibrated at the time of the inspection.

This concludes the Division's Inspection Report; a subset of photographs taken during the inspection are included below. For any additional information or questions, please contact me at 303-866-3567 x8132, or by email at [elliott.russell@state.co.us](mailto:elliott.russell@state.co.us).

**PHOTOGRAPHS**

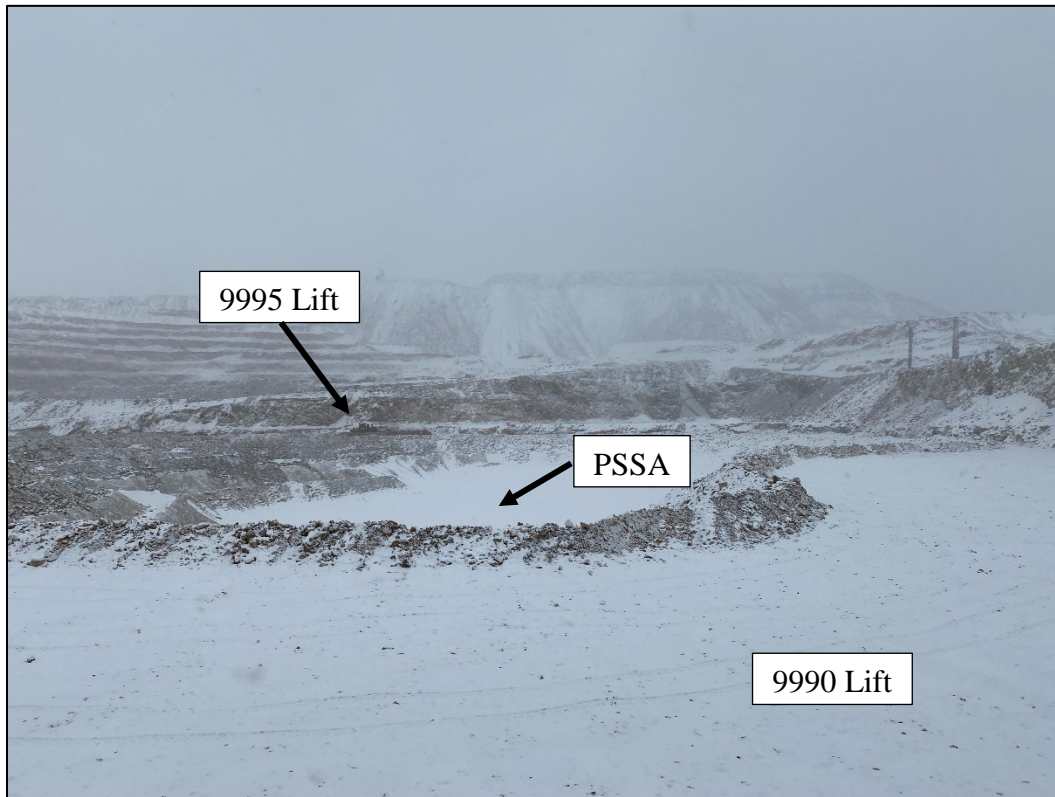


**Photo 1.** WHEX Pit as viewed from the Grassy Valley Overlook along CR82; looking southwest.



**Photo 2.** Western portion of the ECOSA as viewed from the Grassy Valley Overlook along CR82; looking southeast.





**Photo 3.** Schist Island Pit overview, bulldozer working on the 9995 backfill lift; looking east.



**Photo 4.** Natural pH Process Water within the vat leach tanks on the west side of the mill; looking north.





**Photo 5.** Empty Cyanide storage tanks on the west side of the mill; looking south.



**Photo 6.** West side of HGM; looking north.





**Photo 7.** Neutral pH Process Water Tank curbing on the east side of the HGM; looking east.



**Photo 8.** High pH Thickener curbing on the east side of the HGM; looking east.



**Photo 9.** Processed Ore Thickener curbing on the east side of the HGM; looking southeast.

**Inspection Contact Address**

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CC: Justin Raglin with CC&V  
Michael Cunningham with DRMS  
Tim Cazier with DRMS  
Patrick Lennberg with DRMS  
Brock Bowles with DRMS  
Nikie Gagnon with DRMS  
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## CC&amp;V VLF Water Level Inspection Readings

## Previous Results

Date:		3/29/21	4/29/21	5/27/21	9/28/21	1/27/22	Notes
<b>AREQUA VLF:</b>	<b>EPS:</b>	BFB	TC1	ERR	TC1	ERR	
<b>Phase I HVSC &amp; Pond Piezometers</b>	<b>TIME:</b>	10:39	12:56	11:04	13:01	13:09	
<a href="#">Note: 80% cap. @ 63.75 ft</a>	Max. of Pump #299, #300, #301, #302, or #303 (Circle Pump #)	(ft)	47.9@299	53.2	52.4	54.1	49.3
	<b>Pond Lvl / XDCR #1</b>	(ft)	44.3	52.4	53.5	50.4	47.9
	System Press / XDCR #2	(ft)	43.9	44.3	45.0	n/a	n/a
<b>Phase I Low Volume Solution Collection</b>	<b>TIME:</b>	10:32	10:25	11:18	13:33	13:09	
<a href="#">Note: Req'd &lt; 2 ft</a>	Piezo #1 (HAND)	(ft)	0.68	0.60	0.46	0.53	0.47
	Piezo #2 (AUTO)	(ft)	0.68	0.82	0.48	0.51	0.66
<b>Phase II &amp; III HVSC &amp; Pond Piezometer</b>	<b>TIME:</b>	10:19	9:47	11:33	13:03	13:10	
<a href="#">Note: 80% @ 49.4 ft</a>	Max. of XDCR #4, #5, or #6 (Circle XDCR #)	(ft)	21.3@4	21.7	32.0	30.6	22.0
	<b>Piezo (Pipe)</b>	(ft)	32.5	31.2	35.0	39.8	31.6
<b>Phase II &amp; III Low Volume Solution Collection</b>	<b>TIME:</b>	10:21	9:50	11:46	13:31	13:10	
<a href="#">Note: Req'd &lt; 2 ft</a>	Pump / XDCR #1 (AUTO)	(ft)	0.32	0.72	0.53	0.56	3.68"
	Pump / XDCR #2 (AUTO)	(ft)	0.35	0.54	0.48	0.47	3.68"
<b>Phase IV High Volume Solution Collection</b>	<b>TIME:</b>	11:53	11:50	12:39	13:07	13:11	
<a href="#">Note: 80% cap. @ 56.5 ft</a>	Max. of Pump #307, #308, or #309 (Circle Pump #)	(ft)	12.1@309	12.4	18.5	23.9	35.8
	<b>XDCR pipe (#310 Resv'd)</b>	(ft)	37.7	37.7	37.9	38.5	38.2
<b>Phase IV Low Volume Solution Collection</b>	<b>TIME:</b>	11:55	11:52	12:39	13:02	13:11	
<a href="#">Note: Req'd &lt; 24"</a>	Pump / XDCR #1	(in)	14.9	14.9	13.1	14.2	10.9
	Pump / XDCR #2	(in)	12.1	12.0	10.7	11.1	11.8
<b>Phase V High Volume Solution Collection</b>	<b>TIME:</b>	9:56	9:35	10:41	13:06	13:11	
<a href="#">Note: 80% cap. @ 36.5 ft</a>	Max. of XDCR #311, #312, #313, or #314 (Circle XDCR #)	(ft)	18.7@314	19.3	24.0	28.7	27.0
<b>Phase V Low Volume Solution Collection</b>	<b>TIME:</b>	9:58	9:37	10:37	13:05	13:12	
<a href="#">Note: Req'd &lt; 24"</a>	XDCR #001	(in)	6	6	8	14.5	11.7
	XDCR #002	(in)	11	15.9	16.1	n/a	n/a
<b>External Pond Low Volume Solution Collection</b>	<b>TIME:</b>	10:30	10:19	11:10	13:36		
<a href="#">Note: Req'd &lt; 24"</a>	Pump / XDCR #1-EXT (AUTO)	(in)	6.7	4.2	12.3	9.5	--
	Pump / XDCR #2-EXT (AUTO)	(in)	12	12.9	17.5	16.3	--
<b>Underdrain Discharge Area</b>	<b>TIME:</b>	10:00					
<a href="#">Note: 1 l/sec = 15.85 gpm</a>	South Underdrain (S U/D)	(gpm)		Dry	--	--	
	4" Pipe Discharge AG 01 Spring Pipe	(gpm)		Dry	--	--	
	NPDES Discharge AG 1.5 -001A	(gpm)		Dry	--	--	
	North Underdrain (N U/D)	(gpm)		Dry	--	--	
	24-inch Solid Pipe	(gpm)		Dry	--	--	
<b>Arequa Gulch Monitor Well Pumpback System</b>	<b>TIME:</b>						
<a href="#">Data first collected by DRMS 3/8/12</a>	63B	(ft)	--	--	--	--	
	123C	(ft)	--	--	--	--	
	B63	(gpm)	0	--	--	--	
	123C	(gpm)	0	--	--	--	
<b>SQUAW GULCH VLF High Vol. SC:</b>	<b>TIME:</b>	10:38	12:18	13:08	13:13		
<a href="#">Note: 80% cap. @ 94 ft</a>	LIT #88301 (north end)	(ft)	30.4	47.2	54.7	62.1	58.9
	LIT #88303	(ft)	30.2	44.7	53.0	60.8	55.0
	LIT #88305	(ft)	29.9	46.9	54.2	62.1	59.7
	LIT #88307 (south end)	(ft)	30.5	46.9	54.0	62.2	60.7
	<b>Piezometer-LIT #88314</b>	(ft)		60.8	67.2	73.9	68.8
<b>SQUAW GULCH VLF Low Vol. SC:</b>	<b>TIME:</b>	11:06	10:38	12:18	13:09	13:13	
<a href="#">Note: Req'd &lt; 24"</a>	Leachate Pump 1	(in)	11.0	12.6	10.9	9.9	12.2
	Leachate Pump 2	(in)	9.5	11.1	9.3	8.1	10.3