

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:	MINE/PROSPECTING ID#:	MINERAL:	COUNTY:
Cresson Project	M-1980-244	Gold	Teller
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Aerial Inspection	Elliott Russell	March 31, 2021	08:53
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Cripple Creek & Victor Gold Mining Company	None	112d-3 - Designated Mining Operation	
REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:	
Normal I&E Program	None	\$159,491,188.00	
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGE	NCY:
NA	None	DRMS	
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DAT	E:
Clear	It Pmill	April 30, 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 Y	(SF) PROCESSING FACILITIES \underline{Y}	(TS) TOPSOIL <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE Y	(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 Y	(SC) EROSION/SEDIMENTATION Y	(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

PROBLEMS/POSSIBLE VIOLATIONS

None observed during the inspection.

OBSERVATIONS

This was an aerial photo inspection of the Cresson Project directed by Elliott Russell of the Colorado Division of Reclamation, Mining and Safety (Division) based on aerial photographs taken by Brock Bowles of the Division on March 31, 2021. The Operator did not accompany the Division on this aerial inspection. The site is a 112d-3 gold mine located between Cripple Creek and Victor in Teller County. The purpose of these aerial inspections is to provide the Division a broad perspective that cannot be obtained from the ground and to document changes in areas of the mine over time.

This inspection included the following facilities and areas:

- Arequa Gulch Valley Leach Facility;
- Squaw Gulch Valley Leach Facility;
- Recovery Facilities;
- East Cresson Overburden Storage Area;
- Ironclad Access Road; and
- Schist Island, Globe Hill, WHEX, Main Cresson, and South Cresson Pits.

Arequa Gulch Valley Leach Facility (AGVLF, a.k.a. VLF 1)

No ponded process solution was observed in the active leach areas of VLF 1 (see **Photo 1** and **Photo 2**). No observable issues are noted for VLF 1.

Squaw Gulch Valley Leach Facility (SGVLF, a.k.a. VLF 2)

No ponded process solution was observed in the active leach areas of VLF 2 (see **Photo 3**). Active ore stacking was occurring in the northeast portion of VLF 2 (see **Photo 4**). No observable issues are noted for VLF 2.

Recovery Facilities

Aerial images of the two Adsorption, Desorption, and Recovery Facilities (ADR 1 and ADR 2) and the Process Solution Enhancement System Facility (PSES) are used to perform a broad visual inspection for leaks, spills, secondary containment problems, and other potential issues that cannot easily be obtained from the ground. The ADR 1 and the PSES (see **Photo 5**) are both located on the south side of VLF 1 while ADR 2 (see **Photo 6**) is located on the west side of VLF 2. No observable issues are noted for either ADR facility or the PSES.

East Cresson Overburden Storage Area (ECOSA)

Slope grading was occurring at the time of the inspection on the portion of the ECOSA which is a continuation of the concurrent reclamation project on the far eastern portion of the facility (see **Photo 7**).

Ironclad Access Road

The Operator recently disused a forthcoming technical revision regarding the relocation of the Ironclad Access Road from its current location between the WHEX and Globe Hill Pits to around the WHEX Pit and across Grassy Valley (see **Photo 8** and **Photo 9**). Likely to be assigned TR128, this relocation will allow the Operator to mine the ridge left between the WHEX and Globe Hill Pits.

Mining Pits

Aerial images of the Schist Island (see Photo 10 and Photo 11), Globe Hill (see Photo 12), WHEX (see Photo 13), Main Cresson (see Photo 14 and Photo 15), and South Cresson Pits (see Photo 16) are presented for

comparison with previous aerial inspection reports. Based on aerial photos taken at the time of the inspection, active mining was occurring in the Schist Island and South Cresson Pits.

This concludes the Division's Inspection Report; a subset of photographs taken during the time of the inspection are included below. If you need additional information or have any questions, please contact me at Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at **303-866-3567 x8132**, or by email at <u>elliott.russell@state.co.us</u>.

PHOTOGRAPHS



Photo 1. VLF 1; looking east.



Photo 2. VLF 1; looking northeast.



Photo 3. VLF 2; looking east.



Photo 4. VLF 2 active loading; looking east.



Photo 5. ADR 1 and PSES; looking north.



Photo 6. ADR 2; looking east.



Photo 7. ECOSA concurrent reclamation area; looking southwest.



Photo 8. Area of planned relocation of the Ironclad Access Road; looking west.



Photo 9. Area of planned relocation of the Ironclad Access Road; looking west.



Photo 10. Schist Island Pit; looking east.



Photo 11. Schist Island Pit; looking south.



Photo 12. Globe Hill Pit, east highwall; looking southeast.



Photo 13. WHEX Pit, south highwall; looking south.



Photo 14. Main Cresson Pit, east highwall; looking north.



Photo 15. Main Cresson Pit, west highwall; looking north.



Photo 16. South Cresson Pit; looking northwest.

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