




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: Aerial Inspection	INSPECTOR(S): Elliott Russell	INSP. DATE: July 30, 2021	INSP. TIME: 12:30
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: None	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: DRMS	
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 27, 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>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>Y</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>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 July 30, 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:

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

Valley Leach Facilities

Aerial images of the two Valley Leach Facilities (VLF 1 and VLF 2) are used to perform a broad visual inspection for ponded solution, slope stability concerns, ore stacking compliance, and other potential issues that cannot easily be obtained from the ground. 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. No ponded process solution was observed in the active leach areas of VLF 2 and active ore stacking was occurring in the northwest portion of VLF 2 (see **Photo 3**). No observable issues are noted for VLF 2.

After the aerial inspection, but prior to the date of this report, the Operator notified the Division on August 4th, that the site received significant rainfall the previous evening which exceeded stormwater controls on VLF 1 near the High Grade Mill (HGM) water tank (see **Photo 4**). The Division inspected this area during the August 10, 2021 site inspection.

Recovery Facilities

Aerial images of the Adsorption, Desorption, and Recovery Facilities (ADR 1) the Process Solution Enhancement System Facility (PSES), and the HGM 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. Please note, detailed photos of ADR 2 were not taken during the inspection. The ADR 1 and the PSES are both located on the south side of VLF 1 (see **Photo 5**). The HGM is located between VLF 1 and VLF 2 (see **Photo 6**). No observable issues are noted for ADR 1, PSES, or the HGM facilities.

East Cresson Overburden Storage Area (ECOSA)

In 2020, the Operator completed partial reclamation of an area on the far eastern portion of the ECOSA (see **Photo 7**). Erosion rills and gullies observed during the July 28, 2021 site inspection can be seen from the aerial photos of the reclamation area. Slope grading has recently occurred on the area to the west of the 2020 reclamation as a continuation of the concurrent reclamation project and topsoil has been staged at the crest of the slope (see **Photo 8**).

After the aerial inspection, but prior to the date of this report, the Operator informed the Division on August

18th, that an additional seep has expressed at the toe of the ECOSA; the Division has included an aerial photo in this report with the possible area of the new seep and will inspect this area during the next normal monitoring inspection (see **Photo 9**).

Ironclad Access Road

On July 8, 2021, the Operator submitted Technical Revision TR128 proposing the relocation of the Ironclad Access Road from its current alignment located between the WHEX and Globe Hill Pits (see **Photo 10**) to the area around the north and east sides of the WHEX Pit and then across Grassy Valley (see **Photo 11** and **Photo 12**). The Ironclad Access Road relocation will allow the Operator to mine the ridge that has been left between the WHEX and Globe Hill Pits. The current decision date for TR128 has been extended to September 17, 2021.

Mining Pits

Aerial images of the Schist Island (see **Photo 13**), Globe Hill (see **Photo 14**), Main Cresson (see **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, Globe Hill, 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 elliott.russell@state.co.us.

PHOTOGRAPHS



Photo 1. VLF 1; looking east.

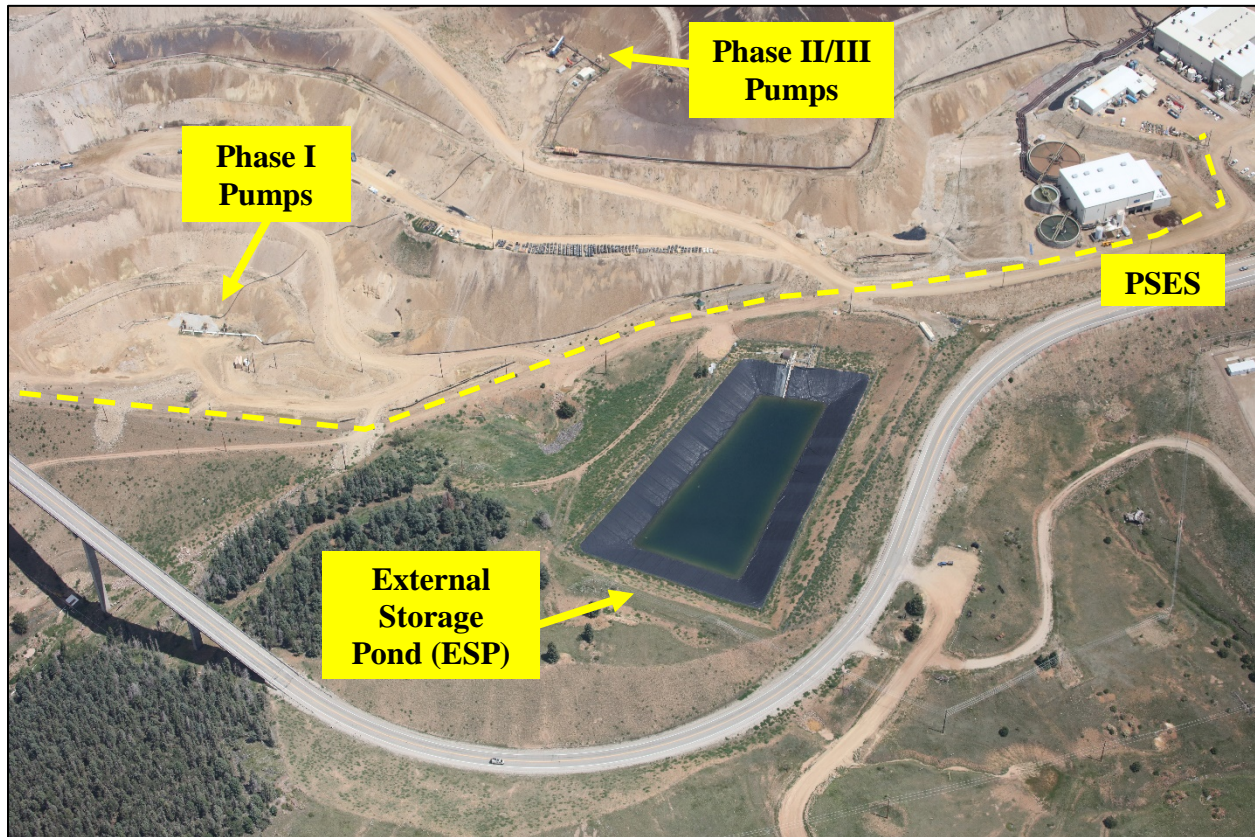


Photo 2. VLF 1, approximate Edge of Liner highlighted; looking east.



Photo 3. VLF 2; looking southeast.



Photo 4. 8/3/21 Storm Event area discharge area circled; looking east.

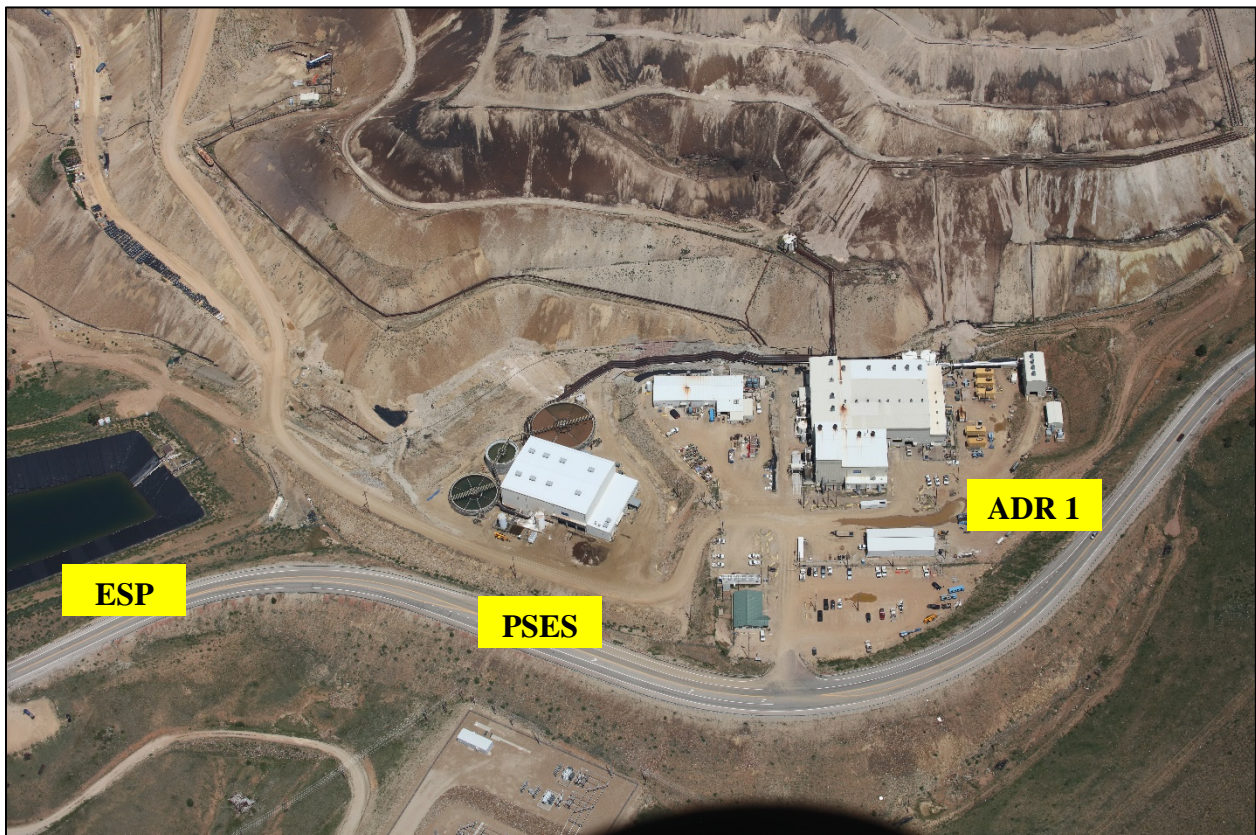


Photo 5. ADR 1 and PSES; looking north.



Photo 6. HGM; looking east.



Photo 7. 2020 concurrent reclamation area on the ECOSA; looking southwest.



Photo 8. 2021 concurrent reclamation area on the ECOSA, staged topsoil circled; looking southwest.

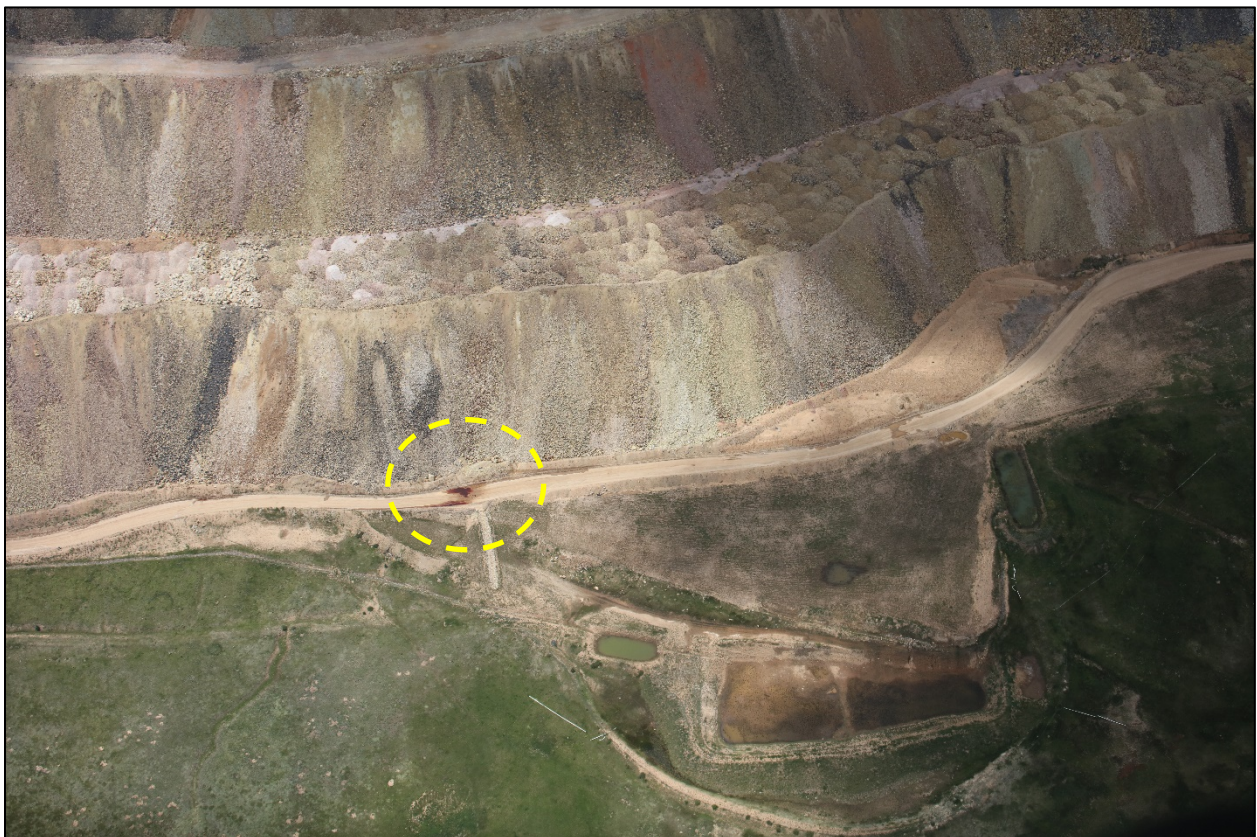


Photo 9. Possible new seep location at toe of ECOSA circled; looking southwest.



Photo 10. Existing Ironclad Access Road; looking south.

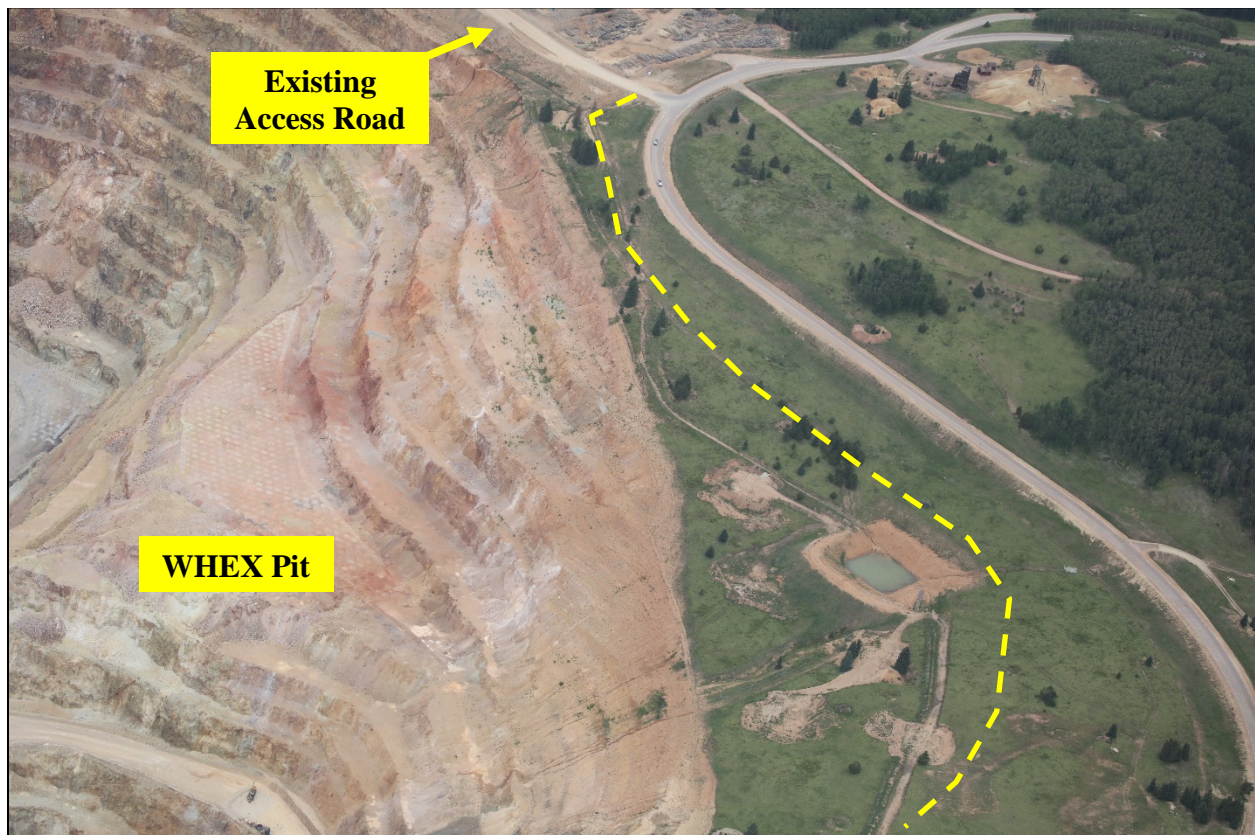


Photo 11. Area of proposed Ironclad Access Road relocation; looking west.

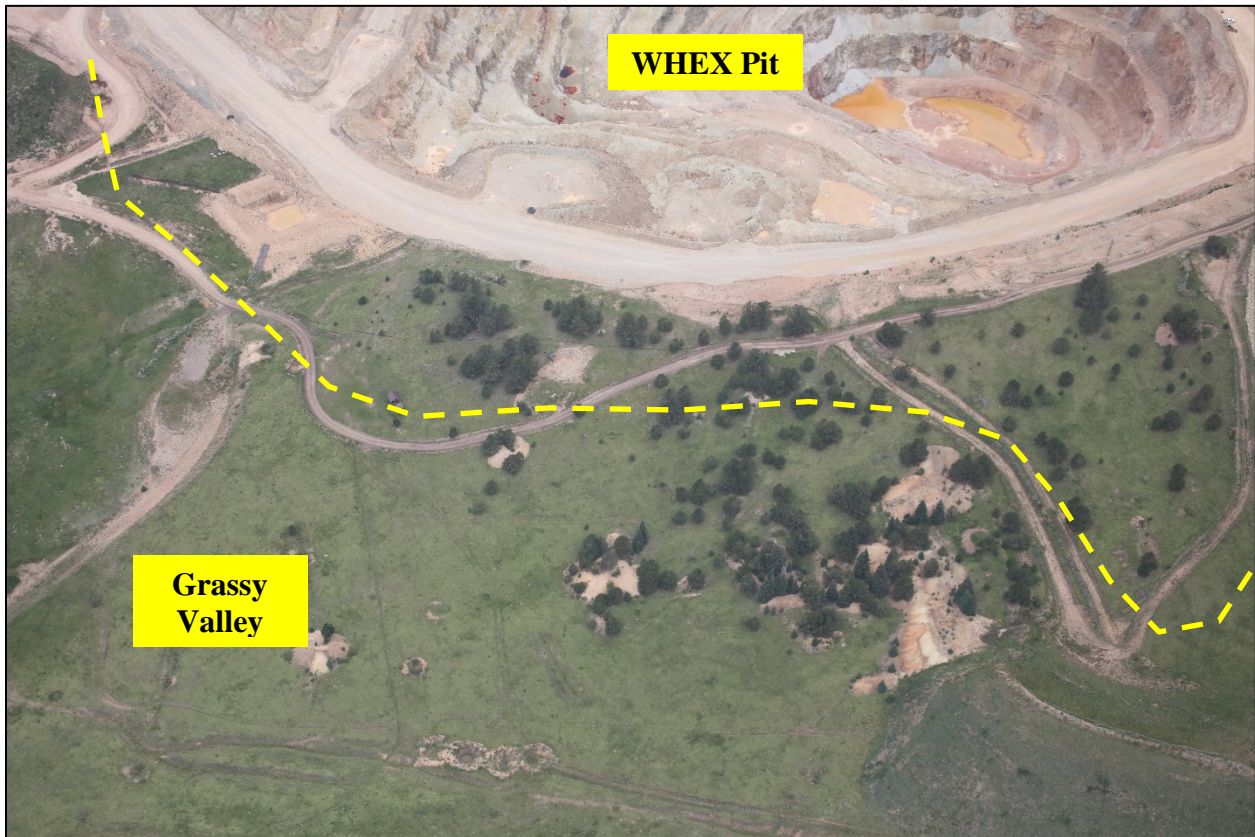


Photo 12. Area of proposed Ironclad Access Road relocation; looking southwest.



Photo 13. Schist Island Pit; looking southeast.



Photo 14. Globe Hill Pit; looking east.



Photo 15. Main Cresson Pit; looking north.



Photo 16. South Cresson Pit; looking northwest.

Inspection Contact Address

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