




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: March 1, 2022	INSP. TIME: 15:00
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: \$209,491,188.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: March 24, 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>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>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>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 photograph inspection of the Cresson Project directed by Elliott Russell with the Colorado Division of Reclamation, Mining and Safety (Division) based on aerial photographs taken by Brock Bowles, also with the Division, on March 1, 2022. 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 the aerial inspection program is to provide the Division a broad perspective that cannot be obtained from the ground, to document changes in areas of the mine over time, and to identify areas of focus for future on-the-ground monitoring inspections.

This inspection included the following facilities and areas:

- Valley Leach Facilities;
- Recovery Facilities;
- East Cresson Overburden Storage Area; and
- Schist Island, Globe Hill, WHEX, 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 (see **Photo 1**). No ponded process solution was observed in the active leach areas of VLF 1 (see **Photo 2** and **Photo 3**). No observable issues are noted for VLF 1. No ponded process solution was observed in the active leach areas of VLF 2. Active ore stacking was occurring in the central portion of VLF 2 and consisted of Run of Mine (RoM) material (see **Photo 4**). Active ore stacking appeared to be in compliance with the stacking guidelines provided in TR103, however, the Division is reviewing the TR103 operational ore slopes and minimum bench widths and will add this as an area of focus in a future regular inspection.

Recovery Facilities

Aerial images of the two Adsorption, Desorption, and Recovery Facilities (ADR 1 and ADR 2), the Process Solution Enhancement System Facility (PSES), and the High Grade Mill (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. The ADR 1 and the PSES are both located on the south side of VLF 1 (see **Photo 5**). The ADR 2 is located on the west side of VLF2 (see **Photo 6**). The HGM is located between VLF 1 and VLF 2 (see **Photo 7**). No observable issues are noted for ADR 1, PSES, ADR 2, or the HGM facilities.

East Cresson Overburden Storage Area (ECOSA)

Active overburden placement was occurring on the western portion of the ECOSA (see **Photo 8**). In 2020 and 2021, the Operator conducted concurrent reclamation on the eastern portion of the ECOSA. The 2020 reclamation area is located at the far eastern edge of the ECOSA and consists of slope grading, topsoil replacement, and initial seeding. The 2021 reclamation area is just adjacent to the 2020 area to the west and currently consists of partially completed slope grading on the upper half of the ECOSA. Clay was being mined from the area just below the 2020 reclamation area at the time of the aerial inspection (see **Photo 9**).

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 South Cresson Pits (see **Photo 15**) 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 Pit. Based on a review of Photo 15, there appears to have been a small area of highwall bench failure within the Schist Island Pit; the Division will add this as an area of focus in a future regular inspection.

Miscellaneous

A small portion of Topsoil Stockpile #32 has sloughed (see **Photo 13** and **Photo 16**). It appears this slope failure has occurred due to the rerouting of an access/haul road constructed near the toe of the topsoil stockpile to support mining in the West Cresson Layback area (as named within AM13 Adequacy Review Response #3). The Division will add this as an area of focus in a future regular inspection.

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

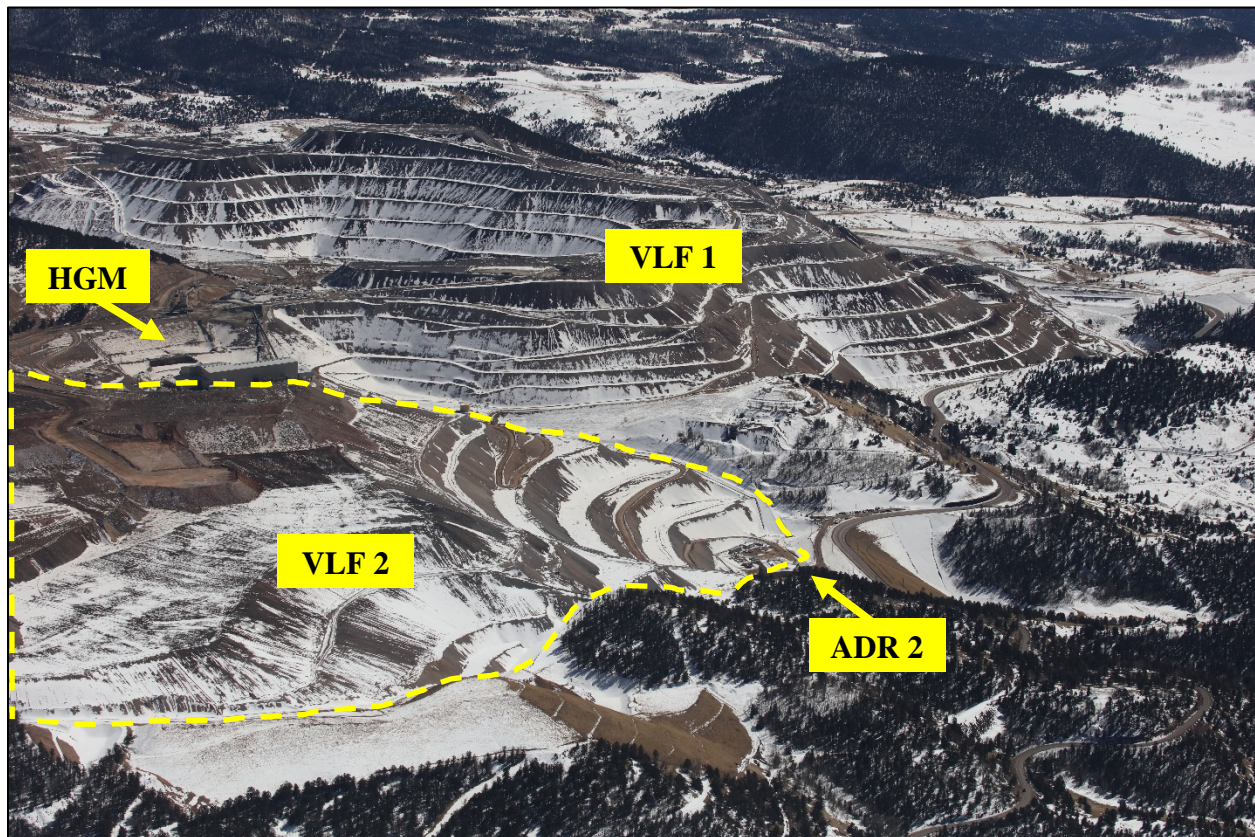


Photo 1. VLF 1 and VLF 2 (outlined) overview; looking southeast.

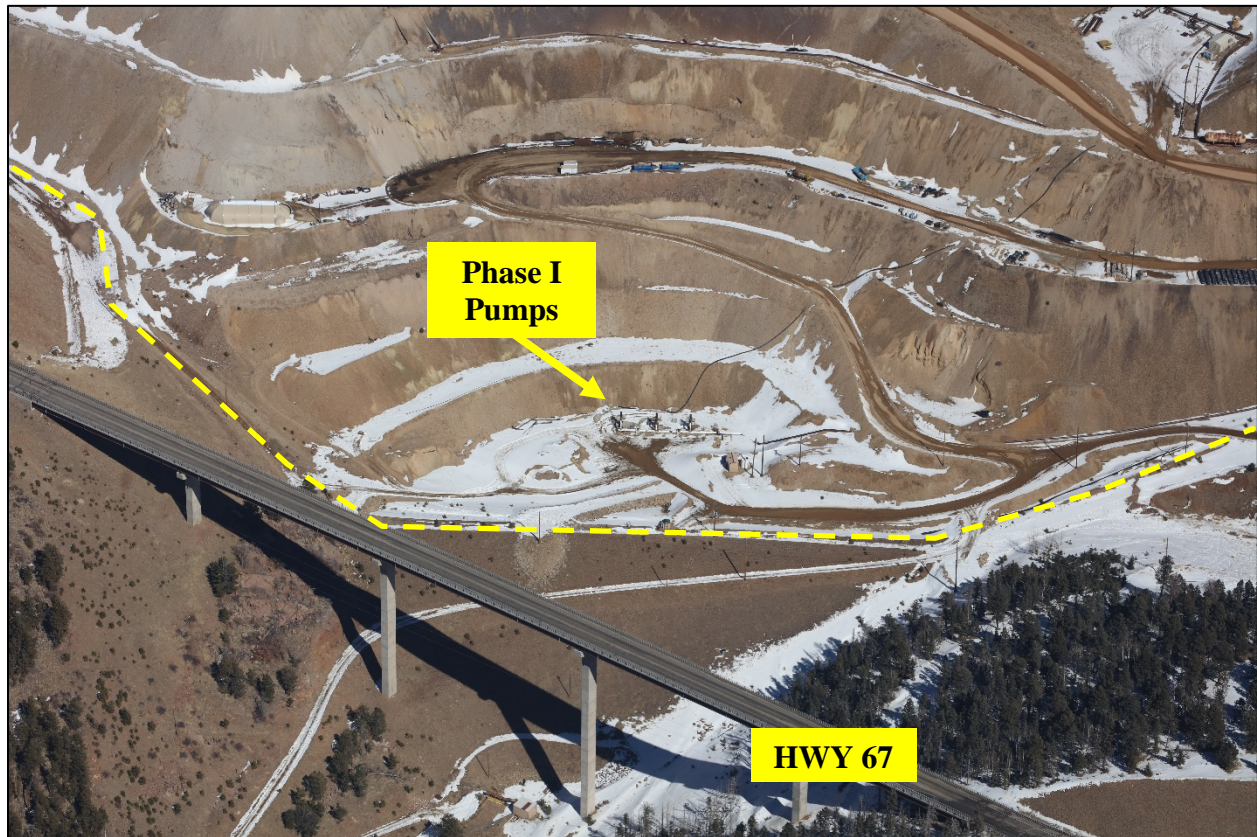


Photo 2. VLF 1, approximate Edge of Liner highlighted; looking northeast.



Photo 3. VLF 2; looking southeast.



Photo 4. VLF 2 active ore stacking; looking southeast.



Photo 5. ADR 1 and PSES; looking northwest.



Photo 6. ADR 2; looking southeast.



Photo 7. HGM; looking southeast.



Photo 8. Active overburden material placement on the ECOSA; looking southwest.



Photo 9. Concurrent reclamation areas of the ECOSA; looking southwest.

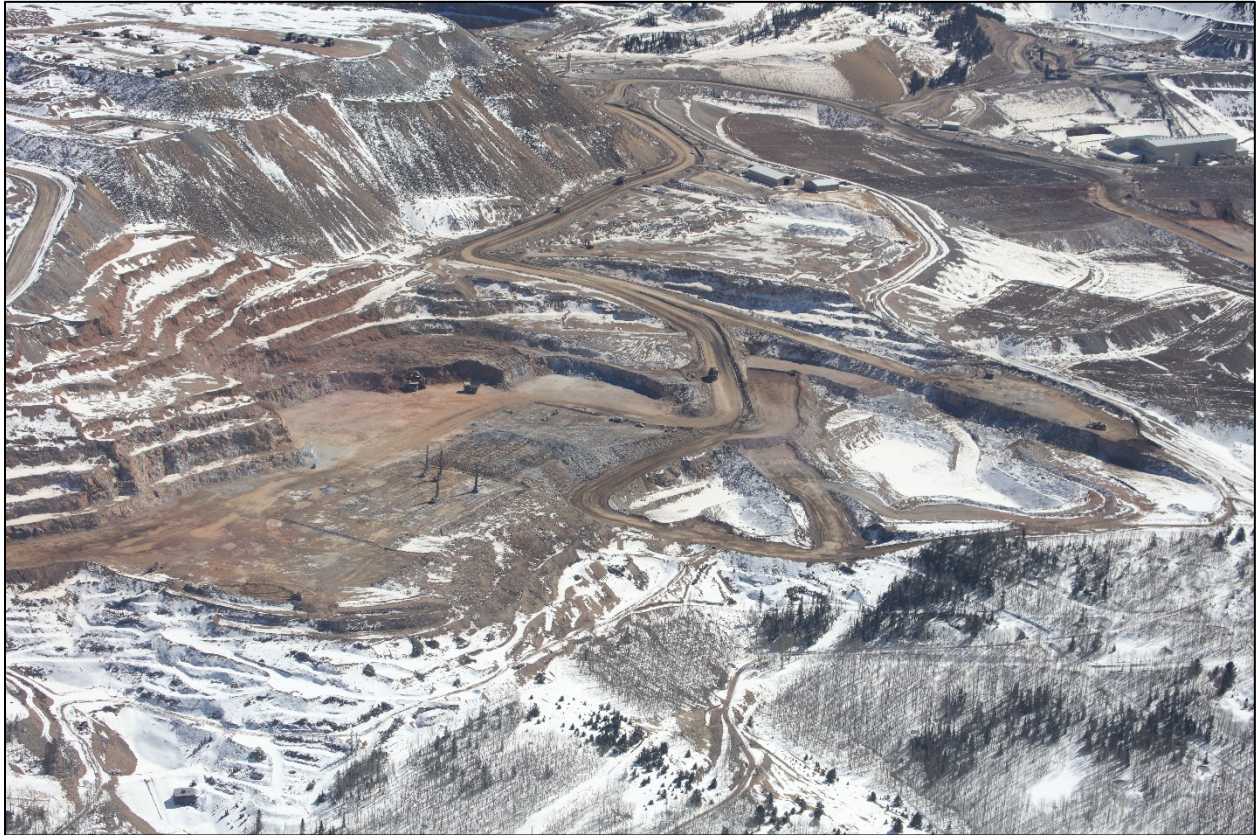


Photo 10. Schist Island Pit; looking southeast.

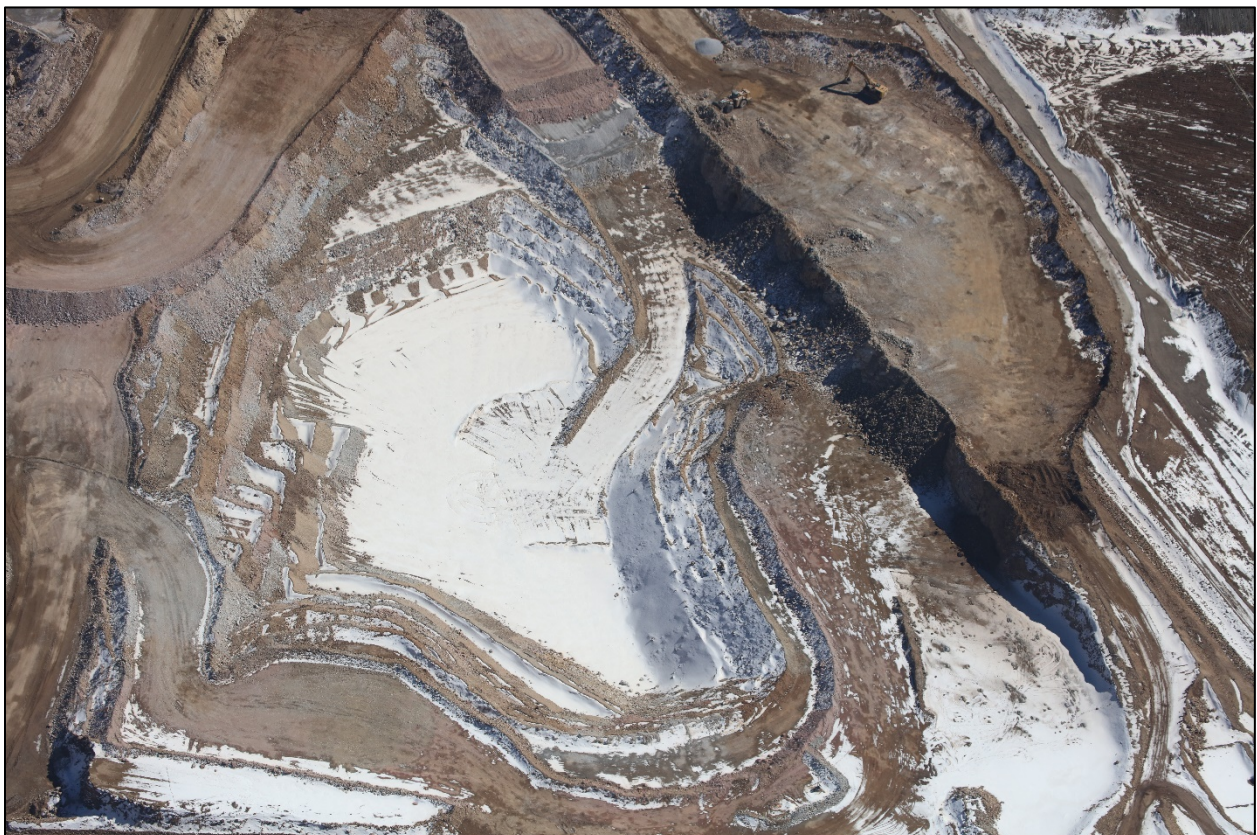


Photo 11. Backfilled area of Schist Island Pit for VLF 2 - Phase 3; looking east.



Photo 12. Globe Hill Pit; looking southeast.



Photo 13. Main Cresson Pit, Topsoil Stockpile #32 circled; looking northwest.



Photo 14. South Cresson Pit, highwall bench failure circled; looking northwest.



Photo 15. WHEX Pit; looking southwest.



Photo 16. Topsoil Stockpile slope failure (circled); looking north.

Inspection Contact Address

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