




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 and silver	COUNTY: Teller
INSPECTION TYPE: Surety-Related Inspection (AR6)	WEATHER: Clear	INSP. DATE: March 13, 2023	INSP. TIME: 11:30
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: Tony Matarrese & Brian Doering	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Acreage Release Requested	BOND CALCULATION TYPE: None	BOND AMOUNT: \$207,491,188.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Elliott Russell & Nikie Gagnon	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: April 13, 2023	

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>N</u>	(EX) EXPLOSIVES——— <u>N</u>
(PW) PROCESSING WASTE/TAILING—— <u>N</u>	(SF) PROCESSING FACILITIES——— <u>N</u>	(TS) TOPSOIL————— <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE— <u>N</u>	(FW) FISH & WILDLIFE————— <u>N</u>	(RV) REVEGETATION—— <u>Y</u>
(SM) SIGNS AND MARKERS————— <u>Y</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 a release request inspection of a portion 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, also with the Division, accompanied the inspection. Tony Matarrese and Brian Doering, representing the Operator, also accompanied the inspection.

This partial inspection, required by Rule 4.17.2(2), focused only on an area northwest of the Carlton Tunnel associated with the Operator's Request for Acreage Reduction AR6. Please note, Nikie Gagnon inspected additional areas of the Cresson Project permit during the site inspection and her observations will be documented in an additional inspection report under separate cover.

AR6 was submitted on December 16, 2022, requesting the release of 4.3 acres in the northwest portion of the Operator's Carlton Tunnel permit area. The Carlton Tunnel is located approximately 5.5 miles southwest of Victor, Colorado and is located along Four Mile Creek, just downgradient of the confluence of Four Mile Creek and Cripple Creek. The Carlton Tunnel permit area is 14.8 acres in size and includes the historic Carlton Tunnel portal which drains the mining district, six passive water treatment settling ponds, and a growth medium stockpile for use during final reclamation. Features of the Carlton Tunnel permit area and its associated disturbances covered under the Cresson Project permit are mainly limited to the top of the development rock pile which was placed in a southeast to northwest trend in the late 1930s and early 1940s when the Carlton Tunnel was driven. The eastern portion of the Carlton Tunnel permit area is located on lands owned by the Operator which includes the portal and settling ponds; the western portion of the Carlton Tunnel permit area is located on lands owned by Jim Chapman which includes the growth medium stockpile and the access road from County Road 88. AR6 requests to remove the permit boundary from lands owned by Jim Chapman outside of the access agreement between the Operator and Jim Chapman, 4.3 acres total. Moving forward, the Carlton Tunnel permit area will be 10.5 acres in size, which includes 1.75 acres on Jim Chapman property covered by the access agreement.

The Division called AR6 incomplete on December 29, 2022, requiring the Operator to provide the access agreement and its referenced exhibits. Following the Operator's response to the incompleteness notice, AR6 was called complete on January 25, 2023. The Division noticed the Teller County Board of County Commissioners, Teller County Planning Department, Teller-Park Soil Conservation Service, and Jim Chapman of the Operator's request in accordance with Rule 4.17.2(1). The Cresson Project is a Designated Mining Operation and therefore, as required by Rule 4.17.4(1), the Operator also published a notice in a local newspaper. This notice contained the requirements outlined in Rule 4.17.4(1)(b), including information regarding the public comment period which ended on March 17, 2023. No comments nor objections were received.

During the inspection, the Division observed the 4.3 acre area. The Operator had the new permit boundary on Jim Chapman's property delineated which facilitated an easy evaluation of the 4.3 acre area. This area has not been affected from activities authorized through the Cresson Project permit and nothing observed during the inspection would prevent the Division from approving the AR6 release request. Therefore, the Division will

approve the acreage reduction release request AR6 at this time. A formal approval document will be provided under separate cover.

The Division had multiple telephone conversations with Jim Chapman and his attorney, Jane Fredman during the AR6 process. Through discussions with Jane Fredman, it appears they want to revise the access agreement with the Operator to now include the maps and legal description provided in AR6 as these are more accurate and clear than the language and scanned image within the existing access agreement. If a new or revised agreement is finalized, the Operator will need to provide a copy of the agreement to the Division in accordance with Rule 1.16 and to update Exhibit N. Note, this updated agreement does not need to be submitted as a Technical Revision.

For any additional information or questions, please contact me at 303-866-3567 x8132, or by email at elliott.russell@state.co.us.

PHOTOGRAPHS



Photo 1. Access road from CR88 into the Carlton Tunnel permit area; looking northwest.



Photo 2. Access road from CR88 into the Carlton Tunnel permit area and the growth medium stockpile; looking southeast.



Photo 3. Overview of the 4.3-acre AR6 area; looking south.



Photo 4. Crest of the historic development rock pile, fence will now be the permit boundary; looking northwest.



Photo 5. CR88 and 4.3-acre area; looking northwest.



Photo 6. New permit boundary between Chapman and CC&V properties (Left: 4.3 acre area; Right: Carlton Tunnel permit area) determined from surveyed lath markers and fence lines; looking north.

Inspection Contact Address

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