COLORADO
Division of Reclamation, Mining and Safety
Department of Natural Resources

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: Monitoring	**WEATHER:** Clear, sunny	**INSP. DATE:** March 13, 2023	**INSP. TIME:** 10:30
OPERATOR: Cripple Creek & Victor Gold Mining Co	**OPERATOR REPRESENTATIVE:** Tony Matarrese, Brian Doering	**TYPE OF OPERATION:** 112d-3 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	**BOND CALCULATION TYPE:** None	**BOND AMOUNT:** $207,491,188.00
DATE OF COMPLAINT: NA	**POST INSP. CONTACTS:** None	**JOINT INSP. AGENCY:** None
INSPECTOR(S): Nikie Gagnon Elliott Russell	**INSPECTOR'S SIGNATURE:** Nikie Gagnon	**SIGNATURE DATE:** April 21, 2023

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Gen. Compliance With Mine Plan
PROBLEM/POSSIBLE VIOLATION: Problem: Sludge removed from the passive treatment ponds at the Carlton Tunnel is stored in an excavated pit on the southern end of the permit area. The current mine plan does not contain information regarding the storage and handling of this material. The current mine plan also does not contain information regarding the characterization of this material.

CORRECTIVE ACTIONS: The Operator shall submit a report detailing the Carlton Tunnel pond clean out process within 60 days of this report. This report shall include a characterization of the material in the ponds by providing sample results of a TAL metals analysis, the handling procedures used to prevent impacts to the hydrologic balance, and the design details and location of the excavated pit. The sample should be a minimum of a 5-point composite at multiple locations and depths greater than 12 inches of the excavated material stored in the existing pit.
CORRECTIVE ACTION DUE DATE: 6/20/23

OBSERVATIONS

This was a normal monthly monitoring inspection of the Cresson Project conducted by Nikie Gagnon with the Division of Reclamation, Mining and Safety (Division). Elliott Russell, also with the Division, accompanied the inspection. Tony Matarrese and Brian Doering, representing the Operator (CC&V), accompanied the Division during the inspection. The planned inspection agenda included the following facilities/areas:

View Whex Clay Borrow Pit
Carlton Tunnel
ADR2 Tour and PSSA Remote Monitoring
VLF2 (HVSCS and LVSCS)

Whex Clay Borrow Pit and Ironclad Access Road

Prior to meeting with the representatives from CC&V, the Division stopped at the Grassy Valley overlook and observed the completed Ironclad access road approved in TR128 and the Whex Clay Borrow Pit location, recently approved in TR133. As of this inspection, no material has been excavated from the borrow pit.

Carlton Tunnel

The Division conducted an inspection of the Carlton Tunnel permit area. Water was flowing from the tunnel and the sediment ponds were operational. Wetland vegetation surrounds the ponds and no evidence of erosion or overflow into the surrounding area was observed.

The Division observed a pit containing sediment within the fenced permit boundary south of the tunnel. According to Mr. Doering, the passive treatment ponds are occasionally cleaned out and the sludge material is placed in the excavated pit on the southern end of the permit area. The ponds were last cleaned out in 2018.

In a review of the permit history, the sludge storage area was previously noted in a June 19, 2020 inspection report, which cited a problem with the boundary markers around the Carleton Tunnel. During this inspection the Division measured the sludge storage area to be 0.14 acres in size. In November 2020, the Division approved TR124 for an adjustment to the Carlton Tunnel permit boundary in this area. The submittal for TR124 provides a cost estimate for 20 years of maintenance by excavating 10 percent of the sediment ponds (96 cubic yards) every five years. However, TR124 and the current mine plan do not address any other details of the handling and storage of the material removed from the ponds. The Division has cited a compliance problem requiring the Operator to submit a report detailing the current clean-out process and storage of Carlton Tunnel treatment pond sludge; please see Page 1 of this report for more details.

ADR2 Tour and PSSA Remote Monitoring

The Division, along with CC&V representatives, conducted an interior and exterior inspection of the ADR2. No signs of leaks, spills or secondary containment problems were noted.

VLF2 Water levels & Leak Detection sumps: The physical readouts for the high volume solution collection system (HVSCS) water levels in the VLF2 process solution storage area (PSSA) were checked. HVSCS water levels in the VLF2 PSSA are required to be less than 80 percent storage capacity which is at a level of 94 feet. Water levels were checked in all four riser pipes (all between 61.2-62.0 feet) as well as the piezometer (outside the influence from the draw down due to pumping in the risers) where the water level was at 70.6 feet. The water levels in the low volume solution collection system (LVSCS) were also checked. LVSCS water

levels are required to be less than 24 inches. The water levels of both pumps were observed to be at 11.8 and 12.7 inches. Both HVSCS and LVSCS water levels were within operating limits. Two of the VLF leak detection sumps near ADR2 (VLF2-LDS-1 and VLF2-LDS-2) were checked and found to be dry (see Photo 8). Additionally, the high volume and low volume solution levels in VLF1 and VLF2 were checked remotely from the office with the help of Mr. Dylan Noble (CC&V). All levels were within normal operating limits and no issues were noted (see Attachment A).

PHOTOGRAPHS

Photo 1. View looking west from the mine overlook off Co Rd 82. New Ironclad access road in the foreground. Arrow points to location of Whex Clay Borrow Pit approved in TR 133. No material has been excavated from the pit.

Photo 2. Carlton Tunnel discharge point.

Photo 3. Sedimentation pond #1.

Photo 4. Sedimentation ponds 2-6. Baffles in pond to lengthen flow path and distribute sediment.

Photo 5. Disposal area containing sludge removed from ponds in 2018.

Photo 6. Equipment storage shed at Carlton Tunnel.

Photo 8. VLF2 high volume solution collection system pumps (HVSCS).

Photo 8. VLF2 storage area leak detection sumps checked for compliance with permit.

Photo 8. View of VLF2 and ADR2.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS---------- Y	**(FN) FINANCIAL WARRANTY-------- N**	**(RD) ROADS---------- N**
(HB) HYDROLOGIC BALANCE---------- N	**(BG) BACKFILL & GRADING---------- N**	**(EX) EXPLOSIVES--------- N**
(PW) PROCESSING WASTE/TAILING---- N	**(SF) PROCESSING FACILITIES------- N**	**(TS) TOPSOIL---------- N**
(MP) GENL MINE PLAN COMPLIANCE- PB	**(FW) FISH & WILDLIFE---------- N**	**(RV) REVEGETATION---- N**
(SM) SIGNS AND MARKERS---------- N	**(SP) STORM WATER MGT PLAN---- N**	**(RS) RECL PLAN/COMP-- N**
(ES) OVERBURDEN/DEV. WASTE--------- N	**(SC) EROSION/SEDIMENTATION--- Y**	**(ST) STIPULATIONS------- N**
(AT) ACID OR TOXIC MATERIALS------- N	**(OD) OFF-SITE DAMAGE----------N**	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation // PV = Possible violation cited

Inspection Contact Address
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Enclosure Attachment A

CC: Michael Cunningham, DRMS
Elliott Russell, DRMS
Katie Blake, CC&V

CC&V VLF Water Level Inspection Readings

Previous Results

Date:			7/26/22	11/28/22	1/5/23	2/1/23	3/12/2023	Notes
VLF1:		**EPS:**	AME	AME	TC1	ERR/NG	NG/ERR	
Phase I HVSC & Pond Piezometers		TIME:	12:18	11:46	12:12	12:35	13:15	
Note: 80% cap. @ 63.75 ft	Max. of Pump #299, #300, #301, 302, or #303	(ft)	52.3	49.6	48.4	49.9	49.6	
	Pond Lvl / XDCR #1	(ft)	52.1	49	48.8	50.6	50.1	
	System Press / XDCR #2	(ft)	n/a	n/a	n/a	n/a	n/a	
Phase I Low Volume Solution Collection		TIME:	12:18	11:46	12:24	12:35	13:15	
Note: Req'd < 2 ft	Piezo #1 (HAND)	(ft)	None	1.98	1.98	1.1	0.7	
	Piezo #2 (AUTO)	(ft)	None	0.55	0.55	0.56	0.66	
Phase II & III HVSC & Pond Piezometer		TIME:	12:18	11:46	12:14	12:35	13:15	
Note: 80% @ 49.4 ft	Max. of XDCR #4, #5, or #6	(ft)	25.9	35.0	38.6	38.2	36.9	
	Piezo (Pipe)	(ft)	32.9	39.4	42.4	41.6	41.2	
Phase II & III Low Volume Solution Collection		TIME:	12:18	11:46	12:24	12:35	13:15	
Note: Req'd < 2 ft	Pump / XDCR #1 (AUTO)	(ft)	None	0.36	0.31	0.34	0.59	
	Pump / XDCR #2 (AUTO)	(ft)	None	0.44	0.44	0.43	0.5	
Phase IV High Volume Solution Collection		TIME:	12:18	11:46	12:15	12:35	13:15	
Note: 80% cap. @ 56.5 ft	Max. of Pump #307, #308, or #309	(ft)	36.8	19.87	33.1	25.39	42.67	
	XDCR pipe (#310 Resv'd)	(ft)	38	35.25	32.7	35.23	42.75	
Phase IV Low Volume Solution Collection		TIME:	12:18	11:46	12:25	12:35	13:15	
Note: Req'd < 24"	Pump / XDCR #1	(in)	15.3	16.12	16.18	16.12	16.2	
	Pump / XDCR #2	(in)	10.9	13.45	13.36	13.23	13.3	
Phase V High Volume Solution Collection		TIME:	12:18	11:46	12:16	12:35	13:15	
Note: 80% cap. @ 36.5 ft	Max. of XDCR #311, #312, #313, or #314 (Circle XDCR #)	(ft)	27.1	23.9	23.1	27.7	24.9	
Phase V Low Volume Solution Collection		TIME:		11:46	12:26	12:35	13:15	
Note: Req'd < 24"	XDCR #001	(in)	12.9	5.86	9	12.6	1.7	
	XDCR #002	(in)	n/a	n/a	n/a	n/a		No pump
External Pond Low Volume Solution Collection		TIME:	12:18	11:46	12:27	12:35	13:15	
Note: Req'd < 24"	Pump / XDCR #1-EXT (AUTO)	(in)	None	8.37	8.37	7.52	8.8	
	Pump / XDCR #2-EXT (AUTO)	(in)	None	17.75	17.75	16.36	17.01	
Underdrain Discharge Area		TIME:	10:30					
Note: 1 ℓ/sec = 15.85 gpm	South Underdrain (S U/D)	(gpm)	No flow	--	--	--		
	4" Pipe Discharge AG 01 Spring Pipe	(gpm)	--	--	--	--		
	NPDES Discharge AG 1.5 -001A	(gpm)	--	--	--	--		
	North Underdrain (N U/D)	(gpm)	No flow	--	--	--		
	24-inch Solid Pipe	(gpm)	--	--	--	--		
Arequa Gulch Monitor Well Pumpback System		TIME:	10:40	11:46	12:29	12:35	13:15	
Data first collected by DRMS 3/8/12	3B-63	(ft)	23.7	6.14	8.80*	7.85	2.17	*Arequa pumpback sump level
	3C-124	(ft)	34.3	--		--		
	3B-63	(gpm)	--	--	n/a	--		
	3C-124	(gpm)	--	--	n/a	--		
VLF2 High Vol. SC:		TIME:	12:18	11:46	12:19	12:35	13:15	
Note: 80% cap. @ 94 ft	LIT #88301 (north end)	(ft)	56.8	28.1	22.8	67.8	61.3	61.2 Physical Readout:
	LIT #88303	(ft)	56.0	28.3	22.9	67.4	61.7	61.7 Physical Readout:
	LIT #88305	(ft)	56.7	28.2	22.9	67.7	61.5	61.5 Physical Readout:
	LIT #88307 (south end)	(ft)	57.1	28.4	23.1	67.8	62	62.0 Physical Readout:
	Piezometer-LIT #88314	(ft)	67	46.1	41.4	75.2	70.8	70.6 Physical Readout:
VLF2 Low Vol. SC:		TIME:	12:18	11:46	12:20	12:35	13:15	
Note: Req'd < 24"	Leachate Pump 1	(in)	9.5	14.1	12.7	14.6	12.8	12.7 Physical Readout:
	Leachate Pump 2	(in)	7.7	13	11.6	13.5	13	11.8 Physical Readout: