




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: Windy	INSP. DATE: March 27, 2023	INSP. TIME: 08:00
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: Brian Doering	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE:	BOND AMOUNT: \$207,491,188.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Patrick Lennberg	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: April 25, 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>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>Y</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</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>N</u>	(ST) STIPULATIONS----- <u>Y</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

OBSERVATIONS

This was a routine monitoring inspection of the Cresson Project (Permit No. M-1980-244) conducted by Patrick Lennberg of the Division of Reclamation, Mining and Safety (Division/DRMS). The Division was accompanied by Brian Doering and others during the inspection. This is a 112d-3 Designated Mining Operation (DMO) permitted for 6,007 acres to mine and process gold ore. The site is located between the towns of Cripple Creek and Victor in Teller County. The approved post-mining land use is a combination of rangeland and wildlife habitat. Photos 1-12 taken during the inspection are included with this report.

This inspection was to include the following:

- Grassy Valley,
- LVF2 Phase 3 Construction,
- Explosives Storage Area, and
- Ironclad Warehouse Area

The weather was very windy, clear and cold.

Grassy Valley

The purpose of the Grassy Valley inspection was to view the potential drilling operations related to the point-of-compliance (POC) monitoring wells installation, GVMW-26. Installation of GVMW-26 was approved through Technical Revision 129. Contained in TR-129 was commitment to sample the well(s) no later than the end of second quarter 2023. Currently, the Operator is evaluating options to access this location in order to try and meet their obligation under TR-129.

LVF2 Phase 3 Construction Progress

The Division observed, from a distance, the placement of drain rock material that is being placed around the riser pipes. The area observed is the LVF2 Phase III Process Solution Storage Area (PSSA) and is main collection area for leached solution that is then pumped to the ADR. The area is constructed of a multilayered system consisting of; first layer is one foot minimum layer of soil fill (clay), second is a sheet of 100 mil double sided LLDPE, third is a 3 foot thick (minimum) layer of drain cover fill (DCF) material that drains to the low volume solution collection system, forth is another layer of 100 mil LLDPE, and the final layer is 2 feet (minimum) layer of DCF to protect from ore material placement. The Division is currently reviewing TR-136 which is the Valley Leach Facility 2 Phase 3 Stage A.1 Record of Construction Report. Construction within LVF2 Phase 3 Stage A.1 was completed on December 12, 2022.

Also haul trucks were observed to be dumping ore on the 10,200 foot level of LVF2 to the south of the LVF2 Phase 3 area.

Explosives Storage Area

The Division walked the perimeter of the explosives storage area, no problems were observed.

Ironclad Warehouse Area

The Division toured the Ironclad Warehouse and Heavy Machinery Maintenance Facility. In the Maintenance Facility the Division observed numerous oil, waste oil, hydraulic fluid, and rock drill fluid in above ground storage tanks (ASTs). The tanks are single-walled ASTs that range in volume from 6,000 to 12,000 gallons. Along the north east end of the building on the outside in the satellite hazardous waste accumulation area. This area is composed of two Conex boxes. Inside the boxes are areas to store hazardous materials for disposal, there were secondary containment vessels on the inside of the boxes where the materials are stored. At the time of inspection the boxes had recently been emptied.

The Division also walked through the Warehouse area that serves as both a warehouse location for mine supplies as well as a welding shop area and light equipment repair area. Similar to the maintenance facility described above AST volumes range from 660 to 11,750 gallons.

Both areas were using used oil burners for heating the buildings.

Please contact Patrick Lennberg (303)866-3567 ext. 8114 or email at patrick.lennberg@state.co.us if you have any questions regarding this report.

Inspection Contact Address

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PHOTOGRAPHS



Photo 1: Looking at the southeast down Grassy Valley from the dump truck bed overlook



Photo 2: Perimeter fence around the explosives storage area



Photo 3: Schist Island mining phase III



Photo 4: DCF placement around riser piping at VLF2 Phase 3 PSSA area



Photo 5: DCF placement around riser piping at VLF2 Phase 3 PSSA area, close-up



Photo 6: Perimeter fence around the explosives storage area



Photo 7: Satellite hazardous waste Conex box area



Photo 8: Satellite hazardous waste Conex box area



Photo 9: ASTs in Maintenance Facility area

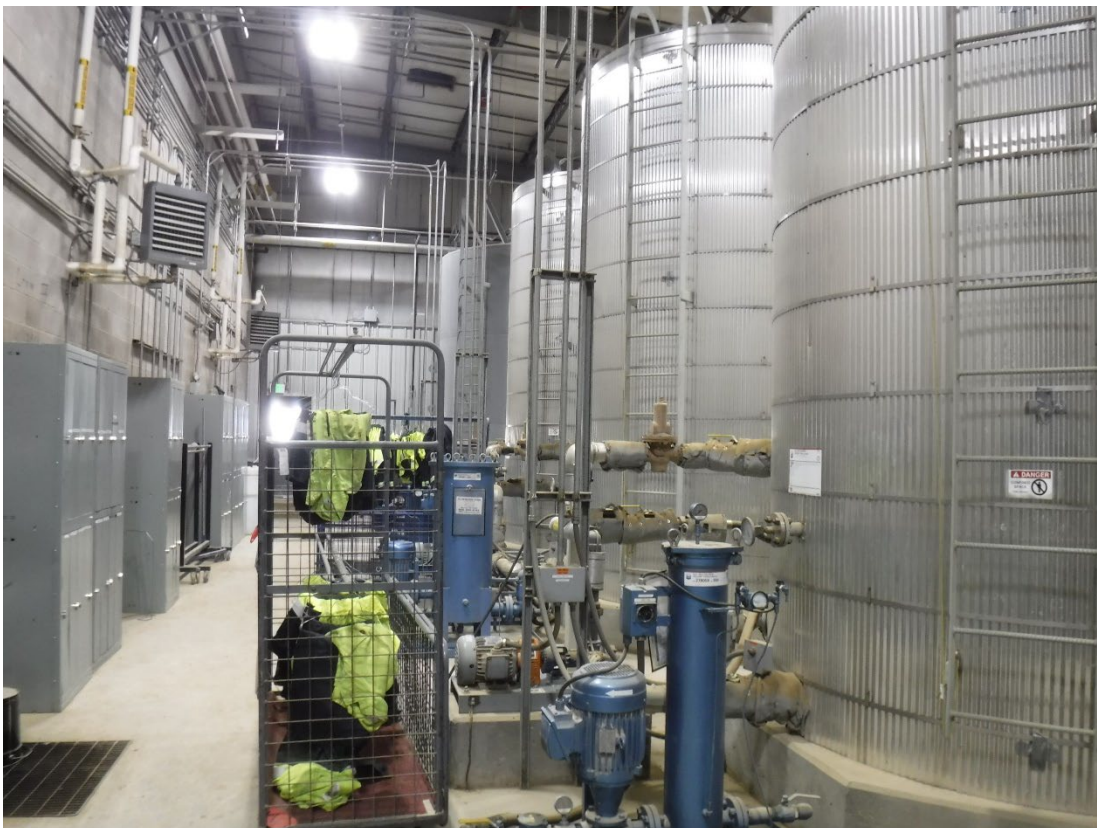


Photo 10: ASTs in Maintenance Facility area



Photo 11: Haul truck undergoing maintenance



Photo 12: ASTs in the warehouse area