



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	INSP. DATE: July 10, 2023	INSP. TIME: 09:00
OPERATOR: Cripple Creek & Victor Gold Mining Co.	OPERATOR REPRESENTATIVE: Tony Matarrese Josh Adams	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	
INSPECTOR(S): Patrick Lennberg	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 23, 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>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>N</u>	(SF) PROCESSING FACILITIES----- <u>N</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>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

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 Tony Matarrese, Josh Adams, 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,
- VLF2 Phase 3 Construction,
- VLF2 LD4,
- ADR2, and
- Poverty Gulch and Maize Gulch POCs.

The weather initially was clear and mild but localized lightning storms quickly built up during the morning. As a result of nearby lightning a level red warning was issued for the site which precluded inspecting some of the areas, like VLF2 LD4, and decreased the amount of time at other locations, at the overview of VLF2 Phase 3 construction.

Grassy Valley

The purpose of the Grassy Valley inspection was to view the drilling operations related to the point-of-compliance (POC) monitoring wells installation, GVMW-26A and B. 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. The Operator stated that they were having difficulty mobilizing the drill rig to the GVMW-26 location. The reason given was since the drill rig is dedicated to the CC&V site it is not currently registered and approved to travel over the road. Because of this the only way to get the drill rig to the drilling location was to transport it via semi track and trailer. The contractor that was supposed to do the transporting was having undefined problems and could not transport the drill rig. The Division had approved an extension for to the due date for installation to the first week in July but staffing issues prevented the well from being installed at that time. The Operator stated that the well would be installed later that week. The Division was informed on Monday July 17 that the wells had been installed. During TR129 the Operator committed to submitting a POC well installation report to the Division no later than 45 days from the date the last well was installed, which would be **August 31, 2023**.

The Division inspected the seep areas located along the eastern toe of the East Cresson Overburden Storage Area (ECOSA). Both seep locations were holding water. The water was reddish-brown in color at both locations and for the north location, Seep 2, it was difficult to determine the depth of water. The southern seep, Seep 1, configuration has a capacity of 2,305 cubic feet or 17,200 gallons. The staff gauge that was present indicated there was approximately $\frac{1}{2}$ to $\frac{3}{4}$ foot of water in the basin. Water was observed flowing into the trench from the south/southeast. After the inspection the Operator informed the Division that the last time the seeps were pumped out was on June 15. Water removed from the seeps is transported and dumped onto a lined facility

(one of the valley leach facilities). The Operator indicated the seeps do react to precipitation events.

VLF2 Phase 3 Construction Progress

The Division observed, from a distance, the VLF2 Phase III Process Solution Storage Area (PSSA). At the time of inspection the contractors were working on installing piping, plumbing and electrical for the pumping of the PSSA. The contractors were also working on placing drain cover fill over areas. In other areas the contractors were deploying and welding 80 mil liner panels and placing soil fill (clay) material in preparation for liner deployment. 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 VLF2 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 VLF2 to the south of the VLF2 Phase 3 area.

The inspection at this location was cut short because of lightning in the area.

Poverty Gulch and Maize Gulch POCs

The Division viewed the recently installed POC wells in Poverty and Maize Gulches. The POC well in Poverty Gulch is PGMW-5. This well is a 4-inch PVC well that was first sampled during the second quarter 2023. In Maize Gulch the POC well is SGMW-8 which is also a 4-inch PVC well. Initially this well was drilled and installed as a dry well but overtime groundwater has been detected in the well. This well is also being routinely monitored.

Remote Viewing of VLF Solution Levels

The High Volume Solution Collection System (HVSCS) and Low Volume Solution Collection System (LVSCS) levels of the four VLF1 phases (Phase I, Phase II/III, Phase IV, and Phase V) and the HVSCS and LVSCS levels of VLF2 were remotely checked near the process administration offices at ADR2. All of the HVSCS and LVSCS levels of both VLF1 and VLF2 were within normal operating levels and no issues were noted (see Attachment).

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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Cripple Creek & Victor Gold Mining Company
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Attachment: ADR Levels

ec: Michael Cunningham, DRMS
Elliott Russell, DRMS
Tim Cazier, DRMS

Nikie Gagnon, DRMS
Patrick Lennberg, DRMS
Katie Blake, CC&V
Johanna Gonzalez, CC&V
Tony Matarrese, CC&V

PHOTOGRAPHS



Photo 1: Northern portion of Seep2, looking north



Photo 2: Northern portion of Seep2 that is then piped to the southern portion for pumping into truck



Photo 3: Southern portion of Seep2 that is then pumped into a truck for transport for disposal, looking east



Photo 4: Main collection point of Seep1 located south of Seep2, looking south



Photo 5: Seep1 located south of Seep2, looking northwest



Photo 6: Looking south at the drainage ditch that is flowing north to Seep1



Photo 7: Looking southeast towards the well pad for GVMW-26 (yellow arrow) and the location of GVMW-22 (orange arrow)



Photo 8: Mining activities at Globe Hill



Photo 9: Construction activities near the PSSA



Photo 10: Geomembrane panel welding



Photo 11: Newly installed Poverty Gulch POC well PGMW-5



Photo 12: Newly installed Maize Gulch POC well SGMW-8

Attachments

CC&V VLF Water Level Inspection Readings

Previous Results

Date:		1/5/23	2/1/23	3/12/2023	4/20/2023	7/10/2023	Notes
VLF1:	EPS:	TC1	ERR/NG	NG/ERR	TC1	JPL	
Phase I HVSC & Pond Piezometers	TIME:	12:12	12:35	13:15	11:17	10:15	
Max. of Pump #299, #300, #301, #302, or #303	(ft)	48.4	49.9	49.6	50.1	42.1	
Note: 80% cap. @ 63.75 ft Pond Lvl / XDCR #1	(ft)	48.8	50.6	50.1	50.8	49.7	
System Press / XDCR #2	(ft)	n/a	n/a	n/a	n/a	n/a	
Phase I Low Volume Solution Collection	TIME:	12:24	12:35	13:15	11:22	10:15	
Note: Req'd < 2 ft Piezo #1 (HAND)	(ft)	1.98	1.1	0.7	0.46	0.83	
Piezo #2 (AUTO)	(ft)	0.55	0.56	0.66	0.75	0.59	
Phase II & III HVSC & Pond Piezometer	TIME:	12:14	12:35	13:15	11:18	10:15	
Note: 80% @ 49.4 ft Max. of XDCR #4, #5, or #6	(ft)	38.6	38.2	36.9	36.3	32.6	
Piezo (Pipe)	(ft)	42.4	41.6	41.2	39.3	40.6	
Phase II & III Low Volume Solution Collection	TIME:	12:24	12:35	13:15	11:22	10:15	
Note: Req'd < 2 ft Pump / XDCR #1 (AUTO)	(ft)	0.31	0.34	0.59	0.66	0.2	
Pump / XDCR #2 (AUTO)	(ft)	0.44	0.43	0.5	0.51	0.42	
Phase IV High Volume Solution Collection	TIME:	12:15	12:35	13:15	11:20	10:15	
Note: 80% cap. @ 56.5 ft Max. of Pump #307, #308, or #309	(ft)	33.1	25.39	42.67	48.95	27.22	
XDCR pipe (#310 Resv'd)	(ft)	32.7	35.23	42.75	49.86	38.13	
Phase IV Low Volume Solution Collection	TIME:	12:25	12:35	13:15	11:21	10:15	
Note: Req'd < 24" Pump / XDCR #1	(in)	16.18	16.12	16.2	16.2	16.17	
Pump / XDCR #2	(in)	13.36	13.23	13.3	13.44	12.49	
Phase V High Volume Solution Collection	TIME:	12:16	12:35	13:15	11:19	10:15	
Note: 80% cap. @ 36.5 ft Max. of XDCR #311, #312, #313, or #314 (Circle XDCR #)	(ft)	23.1	27.7	24.9	29.9	17.6	
Phase V Low Volume Solution Collection	TIME:	12:26	12:35	13:15	11:20	10:15	
Note: Req'd < 24" XDCR #001	(in)	9	12.6	1.7	12.6	1	
XDCR #002	(in)	n/a	n/a		n/a	n/a	No pump
External Pond Low Volume Solution Collection	TIME:	12:27	12:35	13:15	11:23	10:15	
Note: Req'd < 24" Pump / XDCR #1-EXT (AUTO)	(in)	8.37	7.52	8.8	11.18	10.13	
Pump / XDCR #2-EXT (AUTO)	(in)	17.75	16.36	17.01	17.87	22.59	
Underdrain Discharge Area	TIME:						
South Underdrain (S U/D)	(gpm)	--	--		--	--	
4" Pipe Discharge AG 01 Spring Pipe	(gpm)	--	--		--	--	
NPDES Discharge AG 1.5 -001A	(gpm)	--	--		--	--	
North Underdrain (N U/D)	(gpm)	--	--		--	--	
24-inch Solid Pipe	(gpm)	--	--		--	--	
Arequa Gulch Monitor Well Pumpback System	TIME:	12:29	12:35	13:15			
3B-63	(ft)	8.80*	7.85	2.17	--	2.13	*Arequa pumpback sump level
Data first collected by DRMS 3/8/12 3C-124	(ft)		--		--	--	
3B-63	(gpm)	n/a	--		--	--	
3C-124	(gpm)	n/a	--		--	--	
VLF2 High Vol. SC:	TIME:	12:19	12:35	13:15	11:24	10:15	
LIT #88301 (north end)	(ft)	22.8	67.8	61.3	54.1	32.6	
Note: 80% cap. @ 94 ft LIT #88303	(ft)	22.9	67.4	61.7	54.2	32.8	
LIT #88305	(ft)	22.9	67.7	61.5	53.6	32.7	
LIT #88307 (south end)	(ft)	23.1	67.8	62	52.8	33.2	
Piezometer-LIT #88314	(ft)	41.4	75.2	70.8	69.3	49.7	
VLF2 Low Vol. SC:	TIME:	12:20	12:35	13:15	11:25	10:15	
Note: Req'd < 24" Leachate Pump 1	(in)	12.7	14.6	12.8	13.3	14.6	
Leachate Pump 2	(in)	11.6	13.5	13	12.2	13.7	