

SENT VIA ELECTRONIC COMMUNICATION

March 21, 2024

Mr. Elliott Russell
Environmental Protection Specialist
Colorado Department of Natural Resources
Division of Reclamation, Mining and Safety
Office of Mined Land Reclamation
1313 Sherman Street, Room 215
Denver, Colorado 80203

RE: Emergency Notification Follow-up Notice March 2024; Permit No. M-1980-244

Dear Mr. Russell:

Cripple Creek and Victor Gold Mining Company (CC&V) herein provides the required follow-up notice for the Emergency Notification issued to DRMS on March 15, 2024, as part of Permit No. M-1980-244. This notice is to satisfy the requirements within the Colorado Mined Land Reclamation Board's Hard Rock/Metal Mining Rule 8, section 8.2.3. Requirements within are presented below in **bold** and CC&V's responses included in *italics*.

The following is a timeline and description of the Emergency Event Notification:

- On Wednesday night, March 13, 2024, a significant weather event occurred within the region that included about 3 ft of snowfall with 50 mph winds.
- At approximately 1:00 am MDT on Thursday, March 14, 2024, CC&V started experiencing intermittent power supply from the local distributor, Black Hills Energy (BHE). Intermittent power continued until approximately 7:00 am MDT on March 14, 2024.
- All site generators fired up at the initial loss of power. The intermittent power supply resulted in ADRs switching from line to generator power repeatedly.

- Around 7:00 am MDT on March 14, 2024, power was lost for a sustained period (until 8:00 pm MDT on March 14th).
- At approximately 3:00 pm MDT on March 14th, the emergency generator at the Booster Station failed.
- At approximately 6:00 pm MDT on March 14th, the pond level in the VLF2 Phase 1 PSSA reached the 94 ft reporting limit (80% capacity).
- At approximately 8:00 pm MDT on March 14th, the line power was restored and the pond level was pumped down to approximately 85 ft (below the reporting limit)
- At approximately 12:30 am MDT on Friday, March 15, 2024, an additional power outage occurred and was sustained until approximately 3:30 pm MDT that same day.
- Around 2:00 am MDT on March 15th, the pond level rose above the 94 ft reporting limit. It is estimated that around this time is when the failure of the two generators at ADR2 occurred.
- At approximately 11:00 am MDT on March 15th CC&V issued an emergency notification to DRMS. This was prior to the 94 ft 24-hour sustained reporting limit requirement by the permit.
- During the second outage, two generators at ADR2 failed and the pond level rose 36 ft between 6:00 am and 3:00 pm MDT on March 15th, reaching a height of 105 ft at approximately 1:30 pm MDT.
- At approximately 3:30 pm MDT on March 15th, line power was restored and Operations began pumping down the pond level in VLF2 Phase 1 PSSA.
- At approximately 8:30 am MDT on Saturday, March 16, 2024, the pond level returned below the 94 ft reporting limit.
- At approximately 8:30 am MDT on Monday, March 18th, the pond level returned below the 83.7 ft internal alert limit and continues to decline.

DRMS Hard Rock Rule 8.2.3 requirements are listed below in bold text, followed by details from CC&V in italics:

As soon as practicable after an emergency situation or condition is reported and addressed, but no later than five (5) working days, the Operator shall provide a written report of the event to the Office.

The report shall provide a description of:

(a) actions taken to respond to and correct the emergency situation or condition;

During the first sustained power outage, the emergency back-up generators were functioning and maintained pond levels below the reporting limits. After the emergency notification was issued, the following is an approximate timeline of the response actions:

- 1. A Rapid Response Team was assembled and deployed.*
- 2. The Mine General Manager began communication with cooperate and regional personnel which provided additional support.*
- 3. All Supervisors were called to site for on-the-ground support.*
- 4. Maintenance personnel preformed all repairs possible on the emergency generators at ADR2 and evaluated the operations generators to determine the issues and prevent further damage.*
- 5. The Safety and Sustainability team along with External Relations personnel compiled notification lists and actions lists, as per the Emergency Response plan, to prepare if the situation were to escalate.*
- 6. Third-party and onsite equipment were deployed to support with snow removal at key locations and infrastructure.*
- 7. The parts required to repair damaged generators were assembled.*
- 8. Lodging and food were secured for on-site personnel as well as those on standby for relief.*
- 9. The overflow drainage system at the base of VLF2 was cleaned out to allow for a secondary point of collection and extraction in the event that an overflow occurred.*
- 10. Continued updates from BHE were communicated to the rapid response team on the status of repairs to the electric system.*
- 11. Samples were collected from VLF2 Phase 2 to confirm the cyanide concentrations.*
- 12. The ADR2 basin capacity (above pond level) was calculated by the Engineer of Record (Newfields).*

(b) any known or anticipated adverse impacts to human health, property or the environment;

At this time, there are no known or anticipated adverse impacts to human health or environment that have been identified as a result of this event, as no spill occurred. Several emergency generators were damaged during the emergency event and are currently under repair.

(c) (c) name(s), address(s), telephone numbers and e-mail address of the Operator's contact person for additional information and follow-up by the Office;

Please direct all additional information requests and follow-up to:

Katie Blake

100 N. 3rd Street (PO Box 191), Victor, CO 80860

(719) 237-3442

Katie.Blake@newmont.com

(d) (d) monitoring and analyses that are necessary to evaluate the situation and corrective actions, copies of all pertinent data; and

Please refer to Attachment 1 which includes:

- a graphic display of the VLF2 Phase 1 pond levels 60 days prior to the event; and*
- pond levels during and after the event.*

Additionally, DRMS has asked for an explanation of the rapid rise in pond levels and how it relates to the modeling conducted in TR 127. The well level in VLF2 Phase 1 never reached 100% capacity and the maximum height recorded was approximately 105' so the calculation to predict pond level and volume would be less than the calculated PSSA breach level. The filling of the PSSA's is an exponential curve and not linear due to the shape of the PSSA as well as decreasing head pressure as solution enters the PSSA from the leach pad. Its estimated that in-flow to the PSSA was around 17,500 gallons per minute around the time that shutdown occurred and no out-flow was occurring. Based on the conditions observed and the recorded data during the outage, the actual filling time of the PSSA that occurred is similar to the predicted filling time from the model.

(e) (e) results of the Operator's investigation to assess the conditions or circumstances that created the emergency situation, and what corrective or protective measures will be taken to prevent a similar event from occurring in the future.

The emergency situation was caused primarily by the severe weather event that caused substantial and sustained power outages. Failure of the electric grid in a remote location contributed to the extend amount of time it took to restore line power. Multiple failures of back-up generators occurred, which a preliminary assessment has indicated that this may have been due to moisture ingestion through the louvers (air intake) on the generators that lead to electrical and mechanical part failure. The starting and stopping during the initial portion of the storm event may have also contributed to the catastrophic failure of 3 generators. CC&V is currently conducting a thorough investigation of the event, which is anticipated to be completed within 45 days from the date of the event. The purposes of this investigation will be to determine root causes of failures that lead to the emergency event as well as corrective actions to be taken, and protective measures to be implemented to avoid a similar scenario from unfolding in the future. CC&V will share the findings and actions of this investigation with DRMS once the investigation has been completed.

In the interim, onsite back-up generators are currently being evaluated and repaired. Rental diesel pumps are onsite to help mitigate the loss of flow at the Booster station and can be deployed in other areas if needed. CC&V is anticipating additional rental back-up generators will be onsite by Monday, March 25th to supplement the loss of back-up power, if needed.

Should the Division require further information regarding the above responses, please do not hesitate to contact Josh Adams at 719-323-0438 or Joshua.Adams@Newmont.com or the undersigned at 719-851-4048 or Katie.Blake@Newmont.com.

Sincerely,

DocuSigned by:

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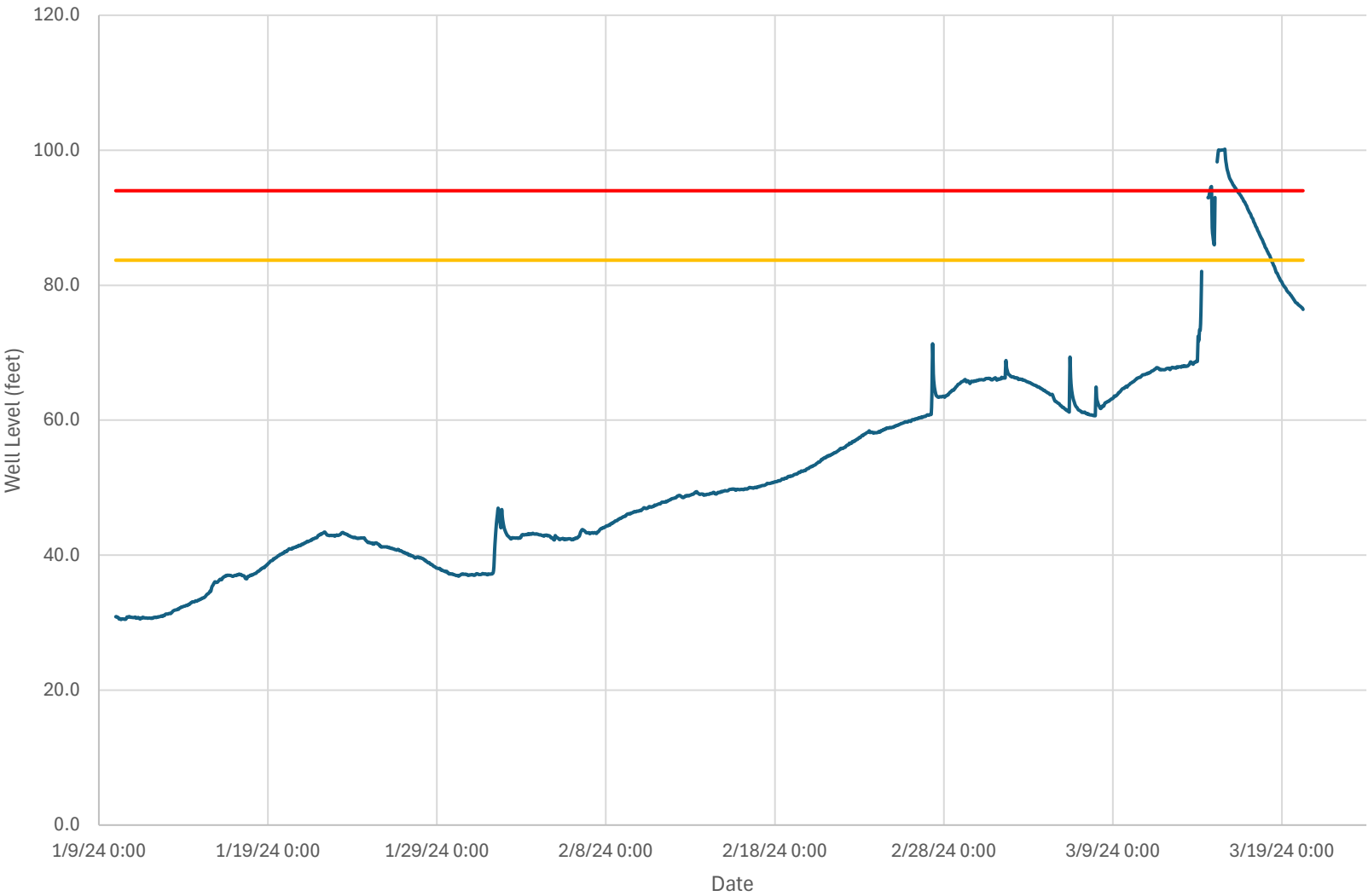
Katie Blake
Sustainability & External Relations Manager
Cripple Creek & Victor Mine

EC: M. Cunningham – DRMS
E. Russell - DRMS
K. Blake - CC&V
J. Gonzalez – CC&V
J. Adams – CC&V

P. Hughes – CC&V
T. Howard – CC&V

Attachment 1

70-day trend, hourly resolution, VLF2 Phase 1 Well Level



— VLF2 Pahse 1 Well Level — Alert Limit — Reporting Limit (80%)

5-day trend, VLF2 Phase 1 Well Level

