STATE OF COLORADO

Ridley - DNR, Hunter <hunter.ridley@state.co.us>

Inspection Report, February 20, 2025 Cresson Project M-1980-244

1 message

Ridley - DNR, Hunter <hunter.ridley@state.co.us> Tue, Mar 4, 2025 at 1:09 PM
To: "johnna.gonzalez@newmont.com" <Johnna.Gonzalez@newmont.com>, "Russell - DNR, Elliott" <elliott.russell@state.co.us>, Lucas West - DNR <lucas.west@state.co.us>, Patrick Lennberg - DNR <patrick.lennberg@state.co.us>, Ben Hammar - DNR <ben.hammar@state.co.us>, Zach Trujillo - DNR <zach.trujillo@state.co.us>

Good Afternoon Johnna,

Please find the attached inspection report from the Division's February inspection. A hard copy will not be mailed unless specifically requested. Let me know if you have any questions, thanks.

Kind regards,
Hunter Ridley (she/her/hers)
Environmental Protection Specialist I

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

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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	**INSP. DATE:** February 20, 2025	**INSP. TIME:** 09:30
OPERATOR: Cripple Creek & Victor Gold Mining Compar	**OPERATOR REPRESENTATIVE:** Brian Doering	**TYPE OF OPERATION:** 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	**BOND CALCULATION TYPE:** None	**BOND AMOUNT:** $82,608,812.00	
DATE OF COMPLAINT: NA	**POST INSP. CONTACTS:** None	**JOINT INSP. AGENCY:** None	
INSPECTOR(S): Hunter Ridley	**INSPECTOR'S SIGNATURE:** Hunter Ridley	**SIGNATURE DATE:** March 4, 2025	

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.

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: Support Facilities On-site
PROBLEM/POSSIBLE VIOLATION: Problem: The VLF2 Phase 3 PSSA piezometer outside the drawdown cone area indicated the water level outside the pump drawdown area was 0.20 ft feet lower than in the pump drawdown area, a trend opposite of what would be expected.
CORRECTIVE ACTIONS: CC&V must resolve to the Division's satisfaction the apparent discrepancy in the VLF2 Phase 3 PSSA piezometer depth.
CORRECTIVE ACTION DUE DATE: 4/04/25

OBSERVATIONS

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety (Division). Hunter Ridley with the Division conducted the inspection and site representatives Brian Doering and Paulina Barela accompanied the Division on the inspection. The Cresson Project (CC&V) is a 112d-3 Operation consisting of 6,007 Acres in support of the extraction and beneficiation of Gold, located in Teller County. The site is located between the towns of Cripple Creek and Victor, CO at an average elevation of 9,900 Feet. The Division currently holds a $292,100,000.00 Financial Warranty for the site. A Reclamation Cost Estimate Update was not performed as a result of this inspection. Twelve Photos and four Screen Shots accompany this report to illustrate the current site conditions.

This inspection primarily focused on:

- Temporary non-durable stockpile area
- Schist Island overview and ground level inspection
- High Grade Mill and leach pad expansion area
- VLF2 washout area
- ADR1 facility (Remote Monitoring & Processing and Refinery)

Temporary Non-durable stockpile area
Following a previous discussion, on February 6, 2024 the Division received an emailed request from the site to set up a 'temporary non-durable' stockpile area just north of the main administrative building and offices. At this inspection, the Division confirmed the purpose of this stockpile area was to serve as a temporary placement area for finer ore material until enough coarser 'durable' material was available for blending and eventual transport to the VLF. The lifespan of the stockpile would be until approximately mid 2026 and would be constructed of approximately 300,000 tons of material from the Globe Hill Pit. The stockpile pad will include a berm to serve as stormwater control, so as to comply with CC&V's Stormwater Management Plan. This berm was fully in place at the time of inspection and the area was flat and graded out (Photos 1 and 2). Stockpiling was set to begin in the next few days. Other times that mined material has been stockpiled on site and not brought directly to VLF has been in the instance that crushing of material was necessary before VLF placement.

Schist Island
The Schist Island was viewed from above at a southern overlook (Photos 6 and 7) and from the active backfill area (Photos 3 and 5). NewFields representatives were present at the time of inspection and reconfirmed that each 5 or 10 ft life has been signed off by a member of their team before the next lift was constructed. The low compaction backfill is currently situated to the south and high compaction to the north, both compaction areas are being added to simultaneously. As a result, the high and low compaction areas were more or less at the same elevation at the time of inspection, making distinction less obvious. From above, however, this was more clearly visible. Haul trucks were noted to be actively dumping in the low compaction area, adding to the current 10ft lift. Adits were being filled as the team progressed and the Division confirmed that the inclement weather SOP continues to be followed, requiring snow to be scraped off of the site before placement of fill and or compaction can progress. Material sizes were checked for specifications and found to be within the required limit. No large clumps of rock were observed (Photo 4). Schist Island Phase 2B, to the north, will continue to be mined down. A ramp that connected Globe Hill and Schist Island has been completed, improving the efficiency and transport time for load and dump operations.

High Grade Mill
The High Grade Mill area was observed as part of this inspection. Amendment 14, which is currently under review by the Division, proposes demolition of the high grade mill and a leach pad expansion in this area. The

Division confirmed that the proposed pad expansion would cover the entirety of the high grade mill footprint and extend west into the valley. The pad would also extend to the east. The High grade Mill was originally built on liner, but this liner construction was not certified in the same way that the current permit requires. Therefore, the proposed expansion pad will be constructed on all new structural fill and certified liner, just as the other areas of the VLF have been constructed. Construction of the new pad would require relocation of a freshwater tank, used for ADR2, and two topsoil piles. The pump back system and surface sumps in this area (Photo 10) would be eliminated with this expansion plan. The surface sumps in this area currently pump stormwater and underdrain water to VLF1. Nearly all leach solution utilized in this new pad area would report to VLF2, with a minor amount reporting to VLF1. A contingency plan is briefly noted in Amendment 14, which states that the High Grade Mill may potentially re-open for processing. The mill has not been up and running since January of 2022. All work done to the mill since then has been in general maintenance of the facilities. The Division toured the mill facility during the inspection. Site personnel stated that while the mill could feasibly be put back into production, this would be a fairly large undertaking. Reuse of the mill would present options for processing which may rely on designated chemical treatment, but could also be re-opened and process material without these chemicals, relying on flocculant and filter press methods for extraction instead. The Division noted that if designated chemicals were to be used again in the mill, secondary containment for tanks external to the mill should be confirmed before production begins. Currently, secondary containment for many of these tanks is predominantly made up of a concrete pad with an ~1.5 foot tall lip (Photo 11).

VLF2 Washout Area

The Division received a courtesy notification from the site on February 13, 2025 regarding a washout event that occurred on February 11th at VLF2 Phase 2A at the 10,300 elevation. The email was sent as a courtesy notice and not as an official notification which would be required pursuant to Rule 8.1. However, site representatives stated that the geotechnical team had not yet completed their investigation of the event and thus, site personnel were awaiting these results before attempting to backfill and repair the feature. The material was said to have traveled to the catch bench below but had not traveled anywhere off liner. Site reps also stated that no ponded solution was visible atop the area that washed out. No active leaching is occurring in the area while the event is under investigation. The Division confirmed the presence and location of the washout during this inspection. The washout is located on the north-facing slope of VLF2, directly south of Schist Island (Photo 8). The feature appeared to be small to medium in size when compared to previous washout events on site. The feature does not appear to have progressed in size or severity since the initial notification photograph was sent to the Division (Photo 12). The Division has requested to remain updated on the outcome of geotechnical investigation, regardless of whether or not a Rule 8.1(a) notification is required.

ADR1 Processing Facilities and Remote Monitoring

The ADR was inspected, and the remote monitoring system that monitors solution levels in VLF1 and 2 were observed. The Operator provided screen shots of the monitoring system taken at the time of the inspection (See below). All pump levels and flow rates appeared to be within operational norms for the site, and no problems were identified. The screen shots are included with this report. Included in the screen shots is information on the 'Report Level' which correlates with the Division's required 80% containment notification trigger. All high volume pumps, low volume pumps, and ponds presented on the screenshots were below required reporting levels. **However, the Division is noting a problem citation based on the observation that the pond level reading for the VLF2 Phase III piezometer (LIT-80125) was lower than the recorded levels in the individual High Volume Solution Collection System (HVSCS) pumps.** It is the Division's understanding that the compliance pond piezometer LIT-80125 is located outside the cone of influence of draw down from the high volume pumps. If the piezometer is outside the influence of the drawdown cone for the four HVSCS pumps, then it should have a greater depth, yet the piezometer depth reading is approximately 0.20 ft feet below that of the pump transducers. The piezometer outside the drawdown cone area is a critical check for the VLF2 PSSA to ensure the pool is below the 80 percent volume as is the limit in the currently approved permit. Please

confirm for the Division that the system's calibration is up to date and report why the piezometer reading is lower than the level recorded at the operational HVSCS pump.

TR-90, which was approved by the Division in 2017, permitted and bonded for the installation of a Mercury Retort in ADR1 which collects mercury emissions from refinery process following electrowinning. The total capacity of the flask was reported as being able to contain 1,000 pounds of elemental mercury. As of January 1, 2025, the flask was storing 296.6 pounds of elemental mercury. There is no active readout on the storage capacity of the flask. Rather, total input and stored amount is recorded as it is added to the retort. The amount of elemental mercury collected varies year over year depending on the makeup of the ore processed in a given year.

The overall footprint of the site was in good condition at the time of the inspection. Photographs taken during the inspection have been included below. Responses to this inspection report should be directed to: Hunter Ridley at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 720-868-7757 or via email at hunter.ridley@state.co.us

PHOTOGRAPHS

Photo 1: View northeast of the temporary non-durable stockpile area.

Photo 2:View southeast of the temporary non-durable stockpile area.

Photo 3: View of the northern end of the Schist Island backfill, looking at the high-grade compaction area.

Photo 4: High grade compaction material, size referenced with a 4.5 x 6 inch notebook.

Photo 5: View south into the Schist Island backfill low compaction area.

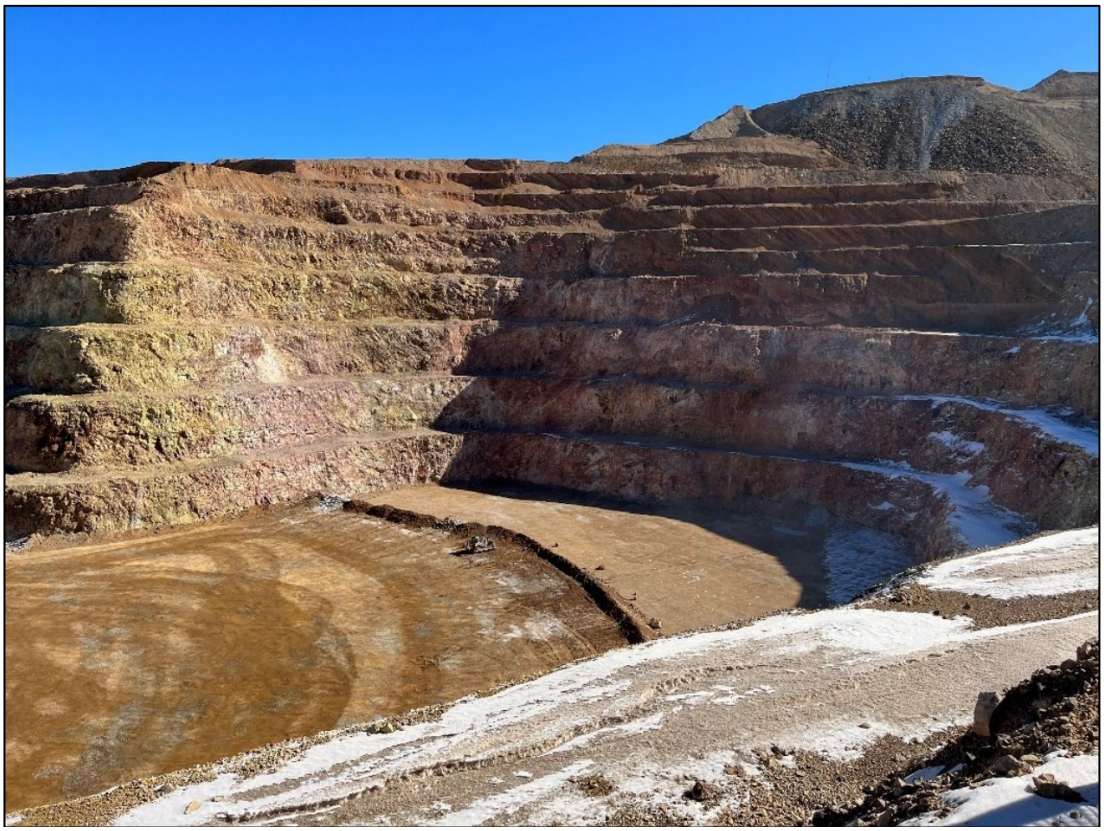


Photo 6: View northeast from the southern Schist Island overlook, a 10 ft low compaction lift is currently active.

Photo 7: View north from the southern Schist Island overlook, active hauling to the low compaction zone and delineation from the high compaction zone is visible.

Photo 8: View south of the VLF2 washout area.

Photo 9: View southwest of the high grade mill, a leach pad expansion is proposed for this area under Amendment 14.

Photo 10: Sump/pond at High Grade Mill, second sump to the east

Photo 11: Example of concrete secondary containment for a tank on the eastern side of the high-grade mill.

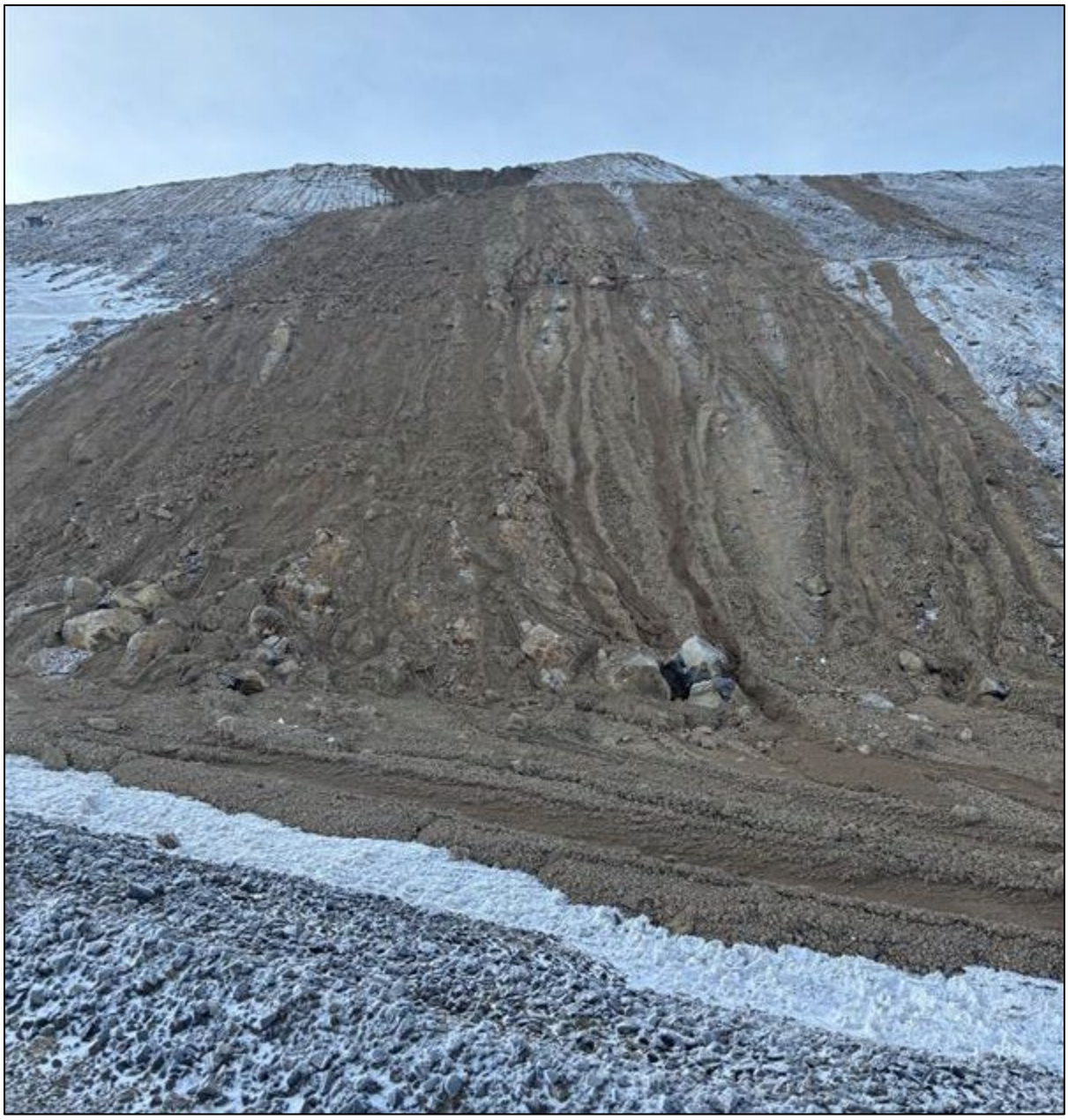
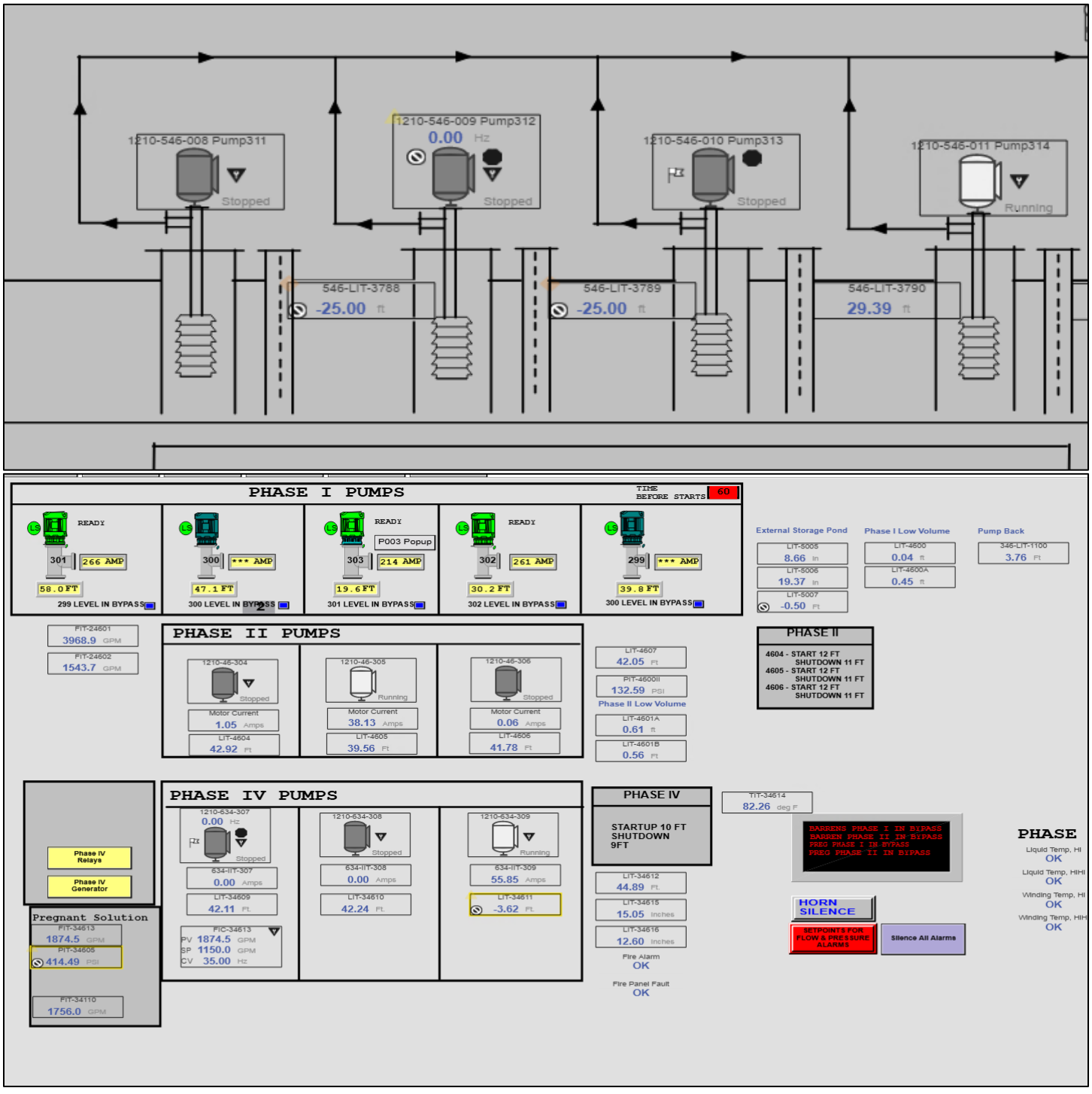
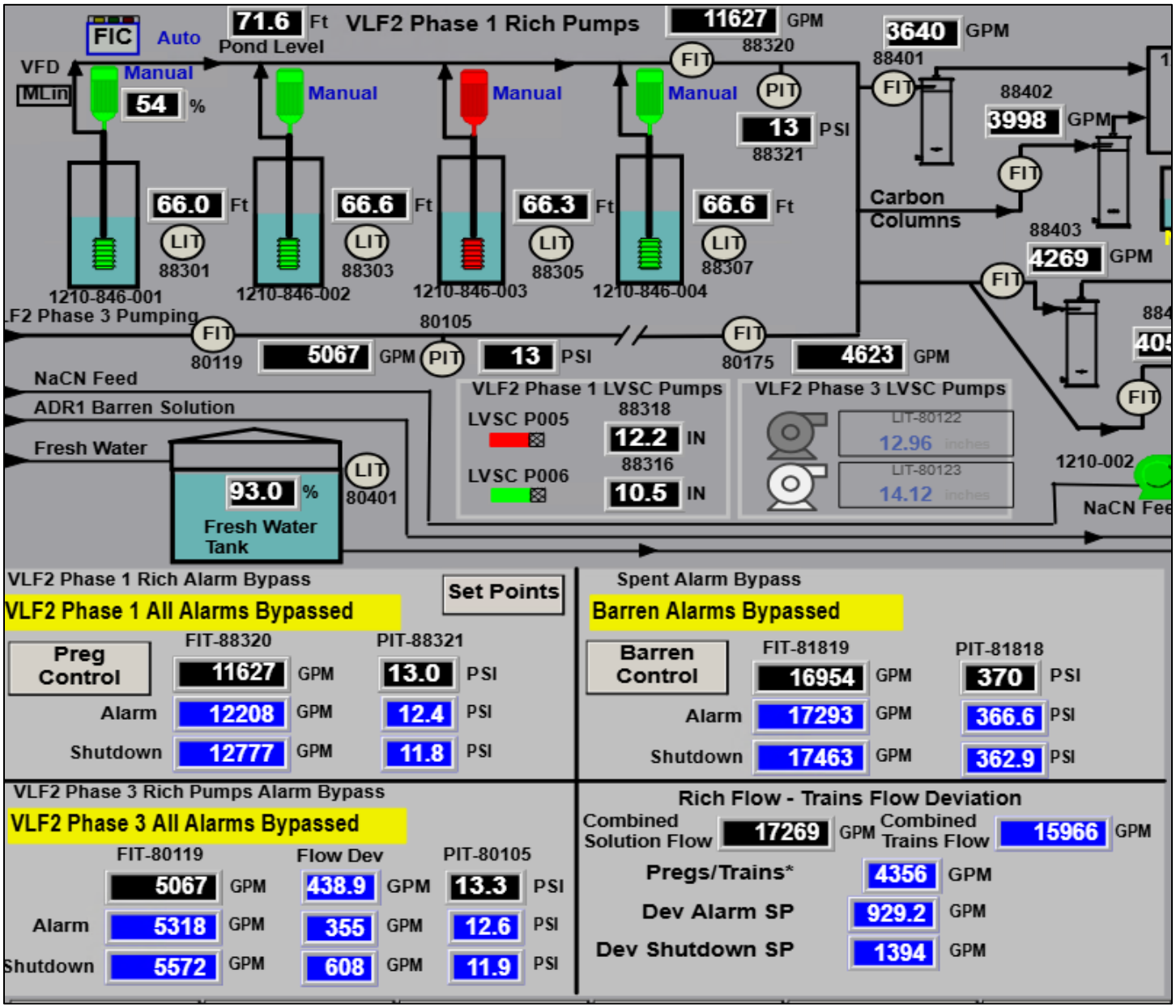
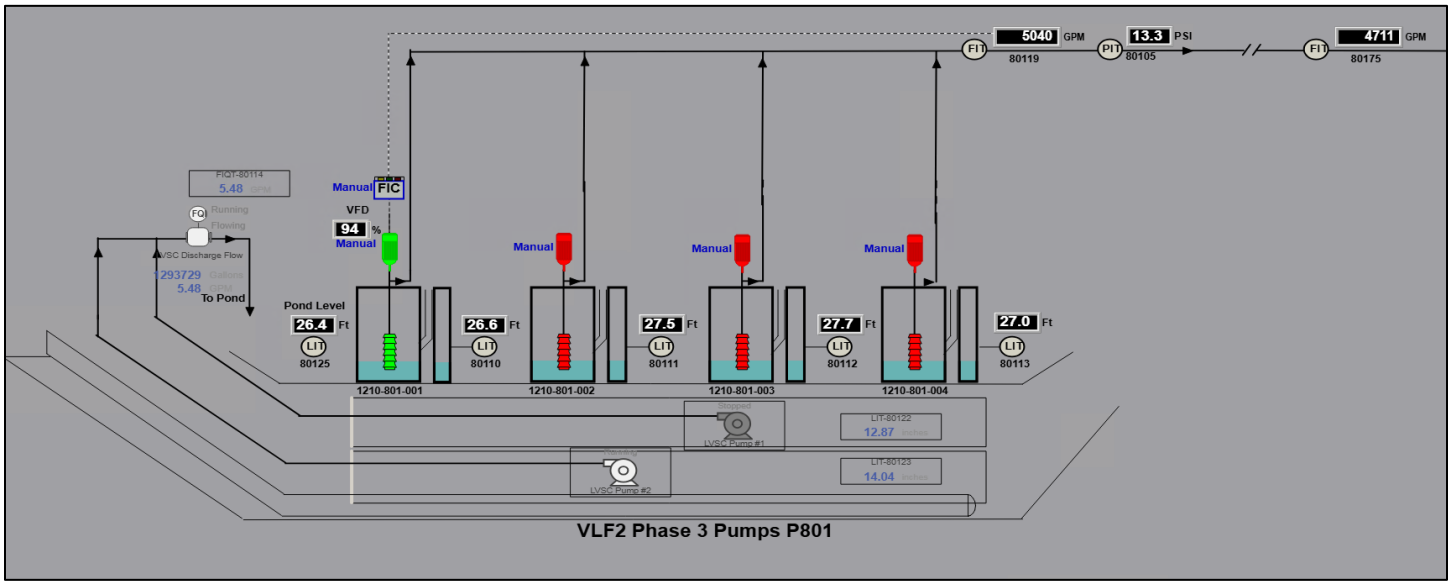


Photo 12: Photograph sent to the Division on February 13, 2025 regarding the 2/11/25 washout event on VLF2.


1210-546-008 Pump311
Stopped
1210-546-009 Pump312
0.00 Hz
Stopped
1210-546-010 Pump313
Stopped
1210-546-011 Pump314
Running
546-LIT-3788
-25.00 ft
546-LIT-3789
-25.00 ft
546-LIT-3790
29.39 ft
PHASE I PUMPS
TIME BEFORE STARTS 60
READY
301
266 AMP
58.0 FT
299 LEVEL IN BYPASS
300
*** AMP
47.1 FT
300 LEVEL IN BYPASS
READY
P003 Popup
303
214 AMP
19.6 FT
301 LEVEL IN BYPASS
READY
302
261 AMP
30.2 FT
302 LEVEL IN BYPASS
299
*** AMP
39.8 FT
300 LEVEL IN BYPASS
External Storage Pond
LIT-5005
8.66 in
LIT-5006
19.37 in
LIT-5007
-0.50 ft
Phase I Low Volume
LIT-4600
0.04 ft
LIT-4600A
0.45 ft
Pump Back
346-LIT-1100
3.76 Ft
FIT-24601
3968.9 GPM
FIT-24602
1543.7 GPM
PHASE II PUMPS
1210-46-304
Stopped
Motor Current
1.05 Amps
LIT-4604
42.92 Ft
1210-46-305
Running
Motor Current
38.13 Amps
LIT-4605
39.56 Ft
1210-46-306
Stopped
Motor Current
0.06 Amps
LIT-4606
41.78 Ft
LIT-4607
42.05 Ft
PIT-4600II
132.59 PSI
Phase II Low Volume
LIT-4601A
0.61 ft
LIT-4601B
0.56 Ft
PHASE II
4604 - START 12 FT
SHUTDOWN 11 FT
4605 - START 12 FT
SHUTDOWN 11 FT
4606 - START 12 FT
SHUTDOWN 11 FT
Phase IV Relays
Phase IV Generator
Pregnant Solution
FIT-34613
1874.5 GPM
PIT-34605
414.49 PSI
FIT-34110
1756.0 GPM
PHASE IV PUMPS
1210-634-307
0.00 Hz
Stopped
634-IIT-307
0.00 Amps
LIT-34609
42.11 Ft
PIC-34613
PV 1874.5 GPM
SP 1150.0 GPM
CV 35.00 Hz
1210-634-308
Stopped
634-IIT-308
0.00 Amps
LIT-34610
42.24 Ft
1210-634-309
Running
634-IIT-309
55.85 Amps
LIT-34611
-3.62 Ft
PHASE IV
STARTUP 10 FT
SHUTDOWN
9FT
LIT-34612
44.89 Ft
LIT-34615
15.05 Inches
LIT-34616
12.60 Inches
Fire Alarm
OK
Fire Panel Fault
OK
TIT-34614
82.26 deg F
BARRENS PHASE I IN BYPASS
BARREN PHASE II IN BYPASS
PREG PHASE I IN BYPASS
PREG PHASE II IN BYPASS
HORN SILENCE
SETPOINTS FOR FLOW & PRESSURE ALARMS
Silence All Alarms
PHASE
Liquid Temp, HI
OK
Liquid Temp, HIHI
OK
Winding Temp, HI
OK
Winding Temp, HIHI
OK


FIC
Auto
71.6 Ft
Pond Level
VLF2 Phase 1 Rich Pumps
11627 GPM
88320
FIT
PIT
13 PSI
88321
3640 GPM
88401
FIT
88402
3998 GPM
FIT
88403
4269 GPM
FIT
Carbon Columns
VFD
Manual
MLin
54 %
Manual
Manual
Manual
66.0 Ft
LIT
88301
66.6 Ft
LIT
88303
66.3 Ft
LIT
88305
66.6 Ft
LIT
88307
1210-846-001
1210-846-002
1210-846-003
1210-846-004
F2 Phase 3 Pumping
80105
FIT
80119
5067 GPM
PIT
13 PSI
FIT
80175
4623 GPM
NaCN Feed
ADR1 Barren Solution
Fresh Water
93.0 %
Fresh Water Tank
LIT
80401
VLF2 Phase 1 LVSC Pumps
LVSC P005
LVSC P006
88318
12.2 IN
88316
10.5 IN
VLF2 Phase 3 LVSC Pumps
LIT-80122
12.96 inches
LIT-80123
14.12 inches
1210-002
NaCN Fee
VLF2 Phase 1 Rich Alarm Bypass
VLF2 Phase 1 All Alarms Bypassed
Set Points
Preg Control
FIT-88320
PIT-88321
11627 GPM
13.0 PSI
Alarm
12208 GPM
12.4 PSI
Shutdown
12777 GPM
11.8 PSI
Spent Alarm Bypass
Barren Alarms Bypassed
Barren Control
FIT-81819
PIT-81818
16954 GPM
370 PSI
Alarm
17293 GPM
366.6 PSI
Shutdown
17463 GPM
362.9 PSI
VLF2 Phase 3 Rich Pumps Alarm Bypass
VLF2 Phase 3 All Alarms Bypassed
FIT-80119
Flow Dev
PIT-80105
5067 GPM
438.9 GPM
13.3 PSI
Alarm
5318 GPM
355 GPM
12.6 PSI
Shutdown
5572 GPM
608 GPM
11.9 PSI
Rich Flow - Trains Flow Deviation
Combined Solution Flow
17269 GPM
Combined Trains Flow
15966 GPM
Pregs/Trains*
4356 GPM
Dev Alarm SP
929.2 GPM
Dev Shutdown SP
1394 GPM



VLF2 Phase 3 Pumps P801

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

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

Inspection Contact Address
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