

**STATE OF
COLORADO****West - DNR, Lucas <lucas.west@state.co.us>**

Inspection Report, March 26, 2025

1 message

West - DNR, Lucas <lucas.west@state.co.us>

Wed, Apr 2, 2025 at 3:45 PM

To: Johnna Gonzalez <Johnna.Gonzalez@ccvmining.com>, "Russell - DNR, Elliott" <elliott.russell@state.co.us>, Hunter Ridley - DNR <hunter.ridley@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 March inspection. A hard copy will not be mailed unless specifically requested. Let me know if you have any questions, thanks!

Lucas

Lucas West

Environmental Protection Specialist

Minerals Program, Grand Junction Field Office



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

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M-1980-244 March 2025 Inspection Report.pdf

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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: Multi Person Inspection	WEATHER: Clear	INSP. DATE: March 26, 2025	INSP. TIME: 09:33
OPERATOR: Cripple Creek & Victor Gold Mining Company	OPERATOR REPRESENTATIVE: Brian Doering, Paulina Barela	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE:	BOND AMOUNT: \$109,667,792.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Lucas West	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: April 2, 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.

(AR) RECORDS----- <u>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</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>Y</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>N</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 inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety (Division). In addition to the Inspector and Operator Representatives listed on Page One of this report, various representatives for the Operator including Daniel Egley, Tyler Wendlandt and Dylan Noble were present at their respective areas of operations within the site. 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. Eight Photos and Four Screen Shots accompany this report to illustrate the current site conditions.

This inspection primarily focused areas that were visited during the Division's previous inspection as well as some new items. The focus of this inspection was on:

- Shist Island Overview and ground level inspection
- Spill Response area at 10,200' level
- High Grade Mill
- ADR1 Processing and Refinery

Shist Island Backfill

During this inspection the Shist Island Backfill was observed from multiple vantage points. Material was actively being deposited in the 9,825' low Compaction Area at the time of the inspection. Photo One shows an overview of the backfill area as seen from the overlook. On the face of the lift, as seen in Photo Two, both the lift height and material size appear to be consistent with the design specifications. The face of the lift was well compacted and no evidence of settling or slumping was observed. The rollover protection berm around the perimeter of the area was in good condition and the outslopes appeared stable at the time. An example of the outslopes can be seen in Photo Three. Most of the material being placed in the backfill area at the time of the inspection was being generated from exposing the liner near the 10,200' level. Additionally, on March 25, 2025 the Schist Island Phase 2 Backfill Weekly Report was submitted to the Division as required. The observed conditions of the backfill area appeared to be consistent with the findings of the report and no issues were identified.

Spill Response Area

On March 19, 2025 an Emergency Notification Follow Up Notice was submitted to the Division. On March 12, 2025 a frozen drip line caused solution to form a large ice formation, subsequently melting and flowed down an over dumped section which allowed the solution to migrate off liner. The follow up notice included the immediate mitigation efforts as well as analytic testing showing that the spill area was excavated, and all contaminated materials were placed in containment. The report also included mitigation measures to be taken to prevent similar incidents from occurring in the future. On site discussions with the Operator Representative indicate that a more extensive plan is being developed for implementation that will also prevent future incidents. The area, shown in Photo Four is currently being excavated, exposing the anchor trench portion of the liner in preparation for an already approved liner expansion.

High Grade Mill

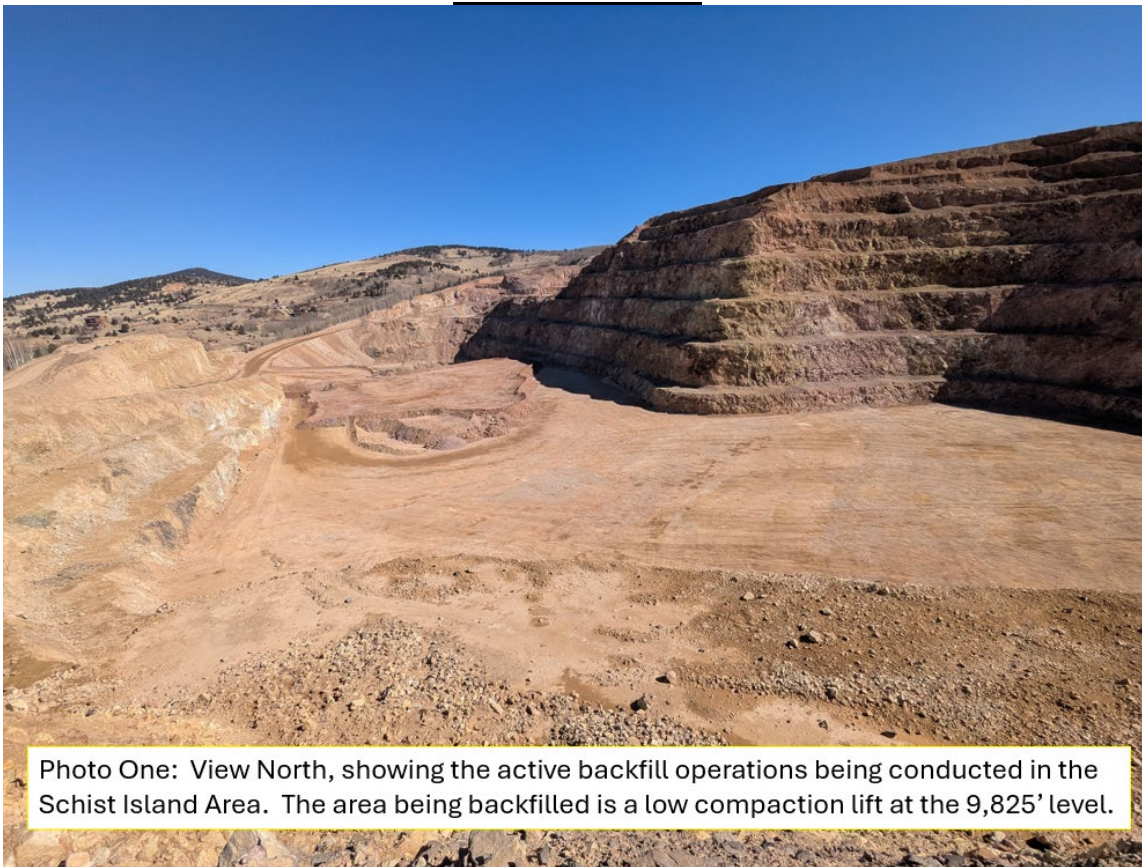
The High Grade Mill was used as an alternative processing method utilizing traditional flotation techniques, and has been inactive since January of 2022. As part of Amendment 14, the proposal to reactivate the mill was included. The mill was largely found to be in good condition. As a traditional flotation mill, the interior equipment includes a grinding circuit, rougher and cleaner flotation cells, thickeners and filter presses for the production of concentrate as well as filtered tailings. All reagents, both hazardous and benign, have been removed from the mill and no process chemicals used in the extractive metallurgical process were observed. Photos Five and Six show examples of the interior including the equipment. All equipment appeared to be in good working condition, the mill was built on a concrete foundation that extends beyond the walls of the structure to provide secondary containment for both the interior and exterior portions. The floor showed no signs of cracking or compromise, and all observed sumps and pumping systems were in good condition. Within the Adequacy Review of Amendment 14, and as noted in the Division's previous Inspection Report, the mill, its secondary containment as well as the LLDPE liner system it sits on would need to be extensively reviewed before recertification and operations could resume. Additionally, the external tanks and secondary containment facilities were observed to be in good condition. The remote monitoring of the liquid levels contained within the LLDPE lined area was noted to be at 34.3 inches. The pumping system designed to periodically remove liquid from the area was not running at the time of the inspection. The well head can be seen in Photo Seven. Since the mill has been shut down, a portion of the area is primarily being used as a maintenance shop. Small amounts of various lubricants and oils associated with the maintenance department were noted, however all were stored with proper secondary containment and no evidence of leaks or spills were observed.

ADR1 Processing and Refinery

The ADR1 facility was actively processing solution at the time of the inspection. The interior of the facility was observed, and all elements appeared to be functioning as designed, and no evidence of major leaks or spills were found. All sumps and recirculation infrastructure appeared to be functioning as designed. The primary focus of this inspection was on the refinery circuit of the ADR1 facility. After the solution is run through the substrate to strip the gold it is sent to the refinery circuit where it undergoes electrowinning, washing and is fired in the kiln to be poured into bars. The interior of the refinery room is a secure facility where the process is completed, an example of the area can be seen in Photo Eight. All elements and equipment within the refinery circuit was in good condition. During the refining process naturally occurring elemental Mercury is retained in the retort system and securely stored in a vessel. The storage vessel can be seen in Photo Nine, and the generated Mercury is stored on site as Hazardous Waste. The vessel is stored within a secondary bin which serves as secondary containment. No evidence of spills or leaks was noted during the inspection. An additional byproduct that is generated from the gold firing process is slag. During the gold pours impurities are removed from the molten gold and collected, as it cools it solidifies forming slag which is stored on site in 55-gallon drums. When enough slag is generated, a waste disposal company removes the barrels for proper disposal. Photo Ten shows the exterior of the refinery room which includes the slag storage area.

The overall footprint of the site was in good condition at the time of the inspection and no problems were identified. All responses to the report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 303-919-2997 or by email at lucas.west@state.co.us.

PHOTOGRAPHS





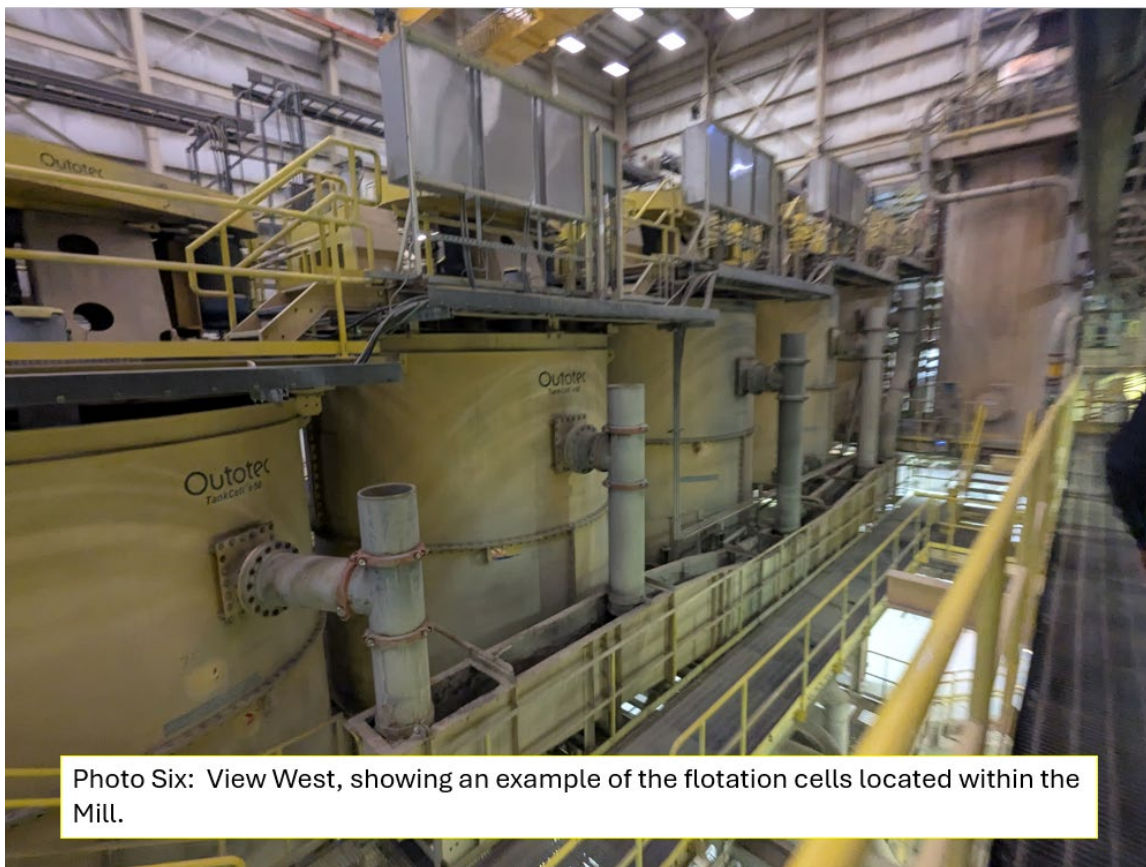
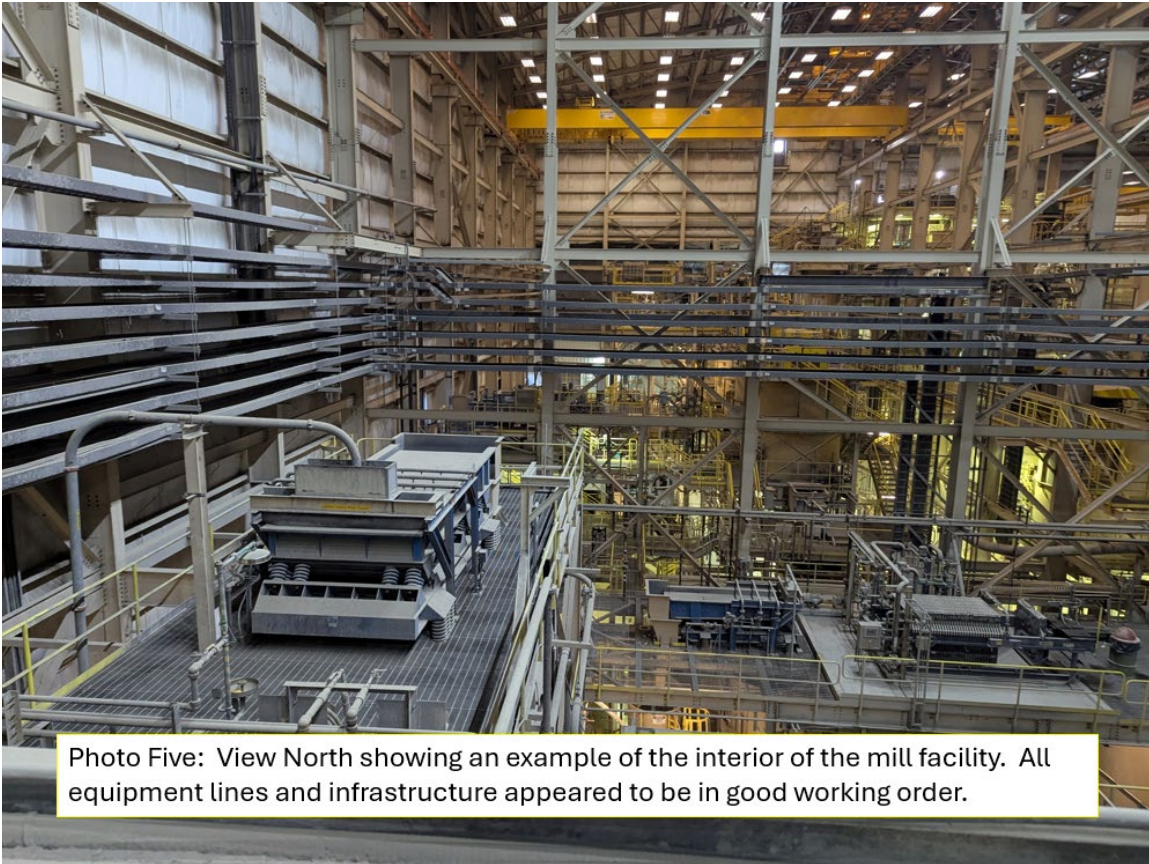


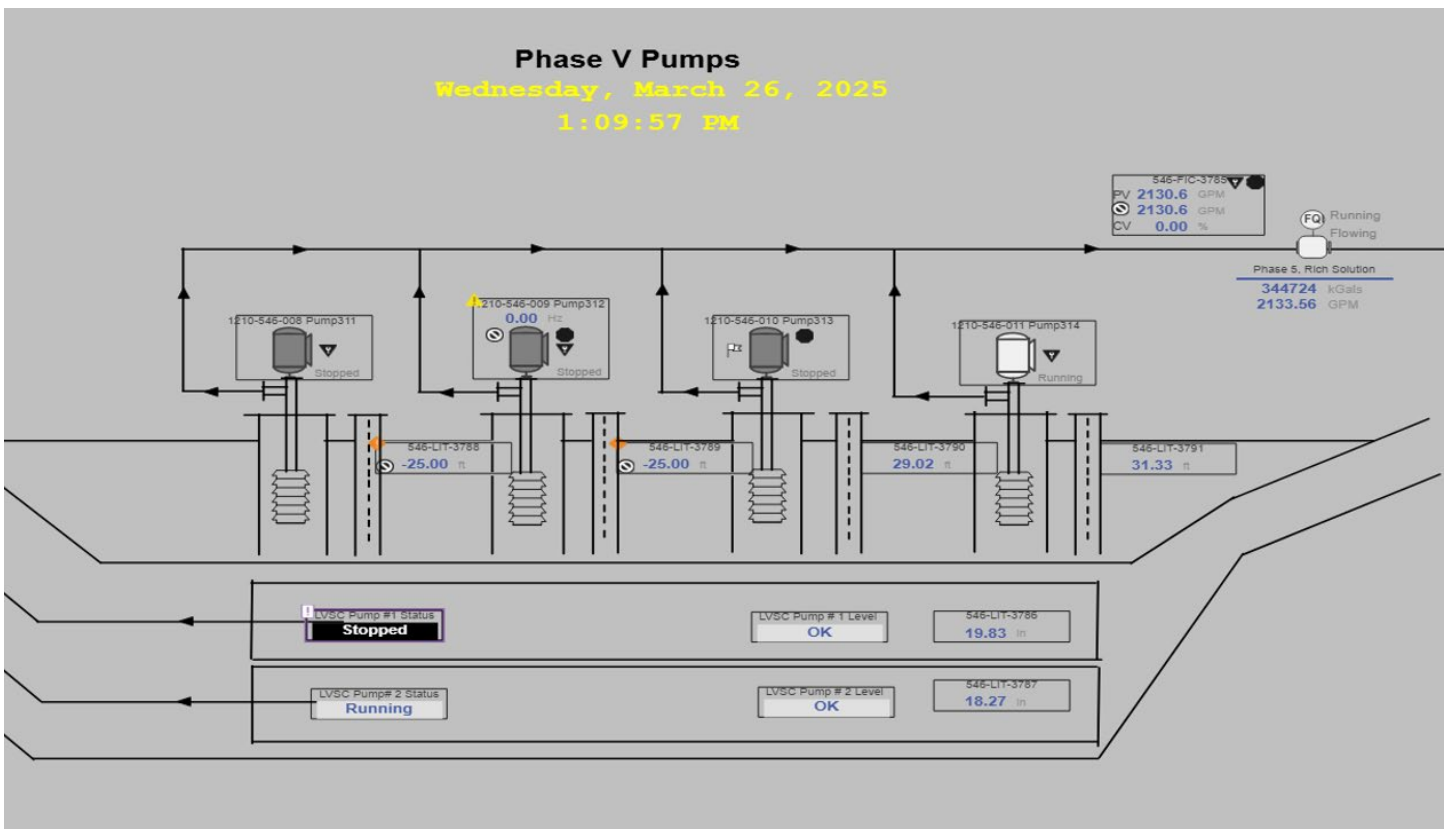
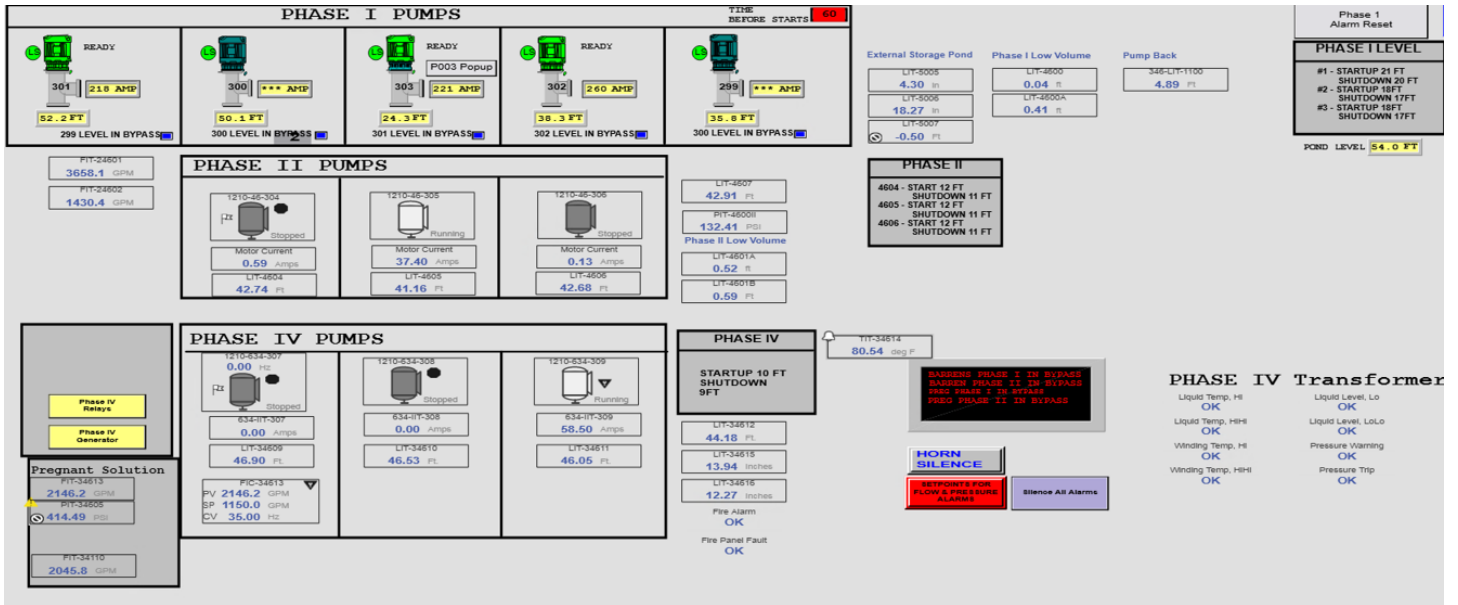


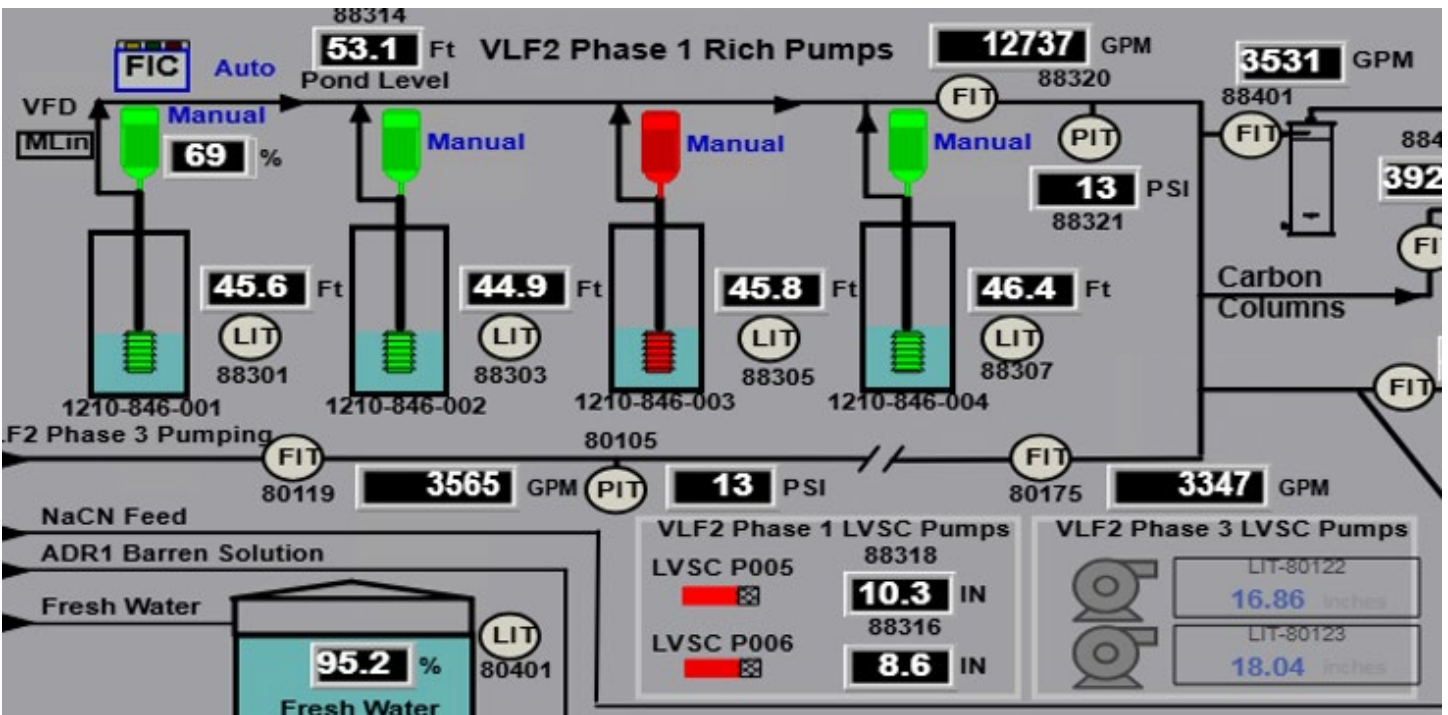
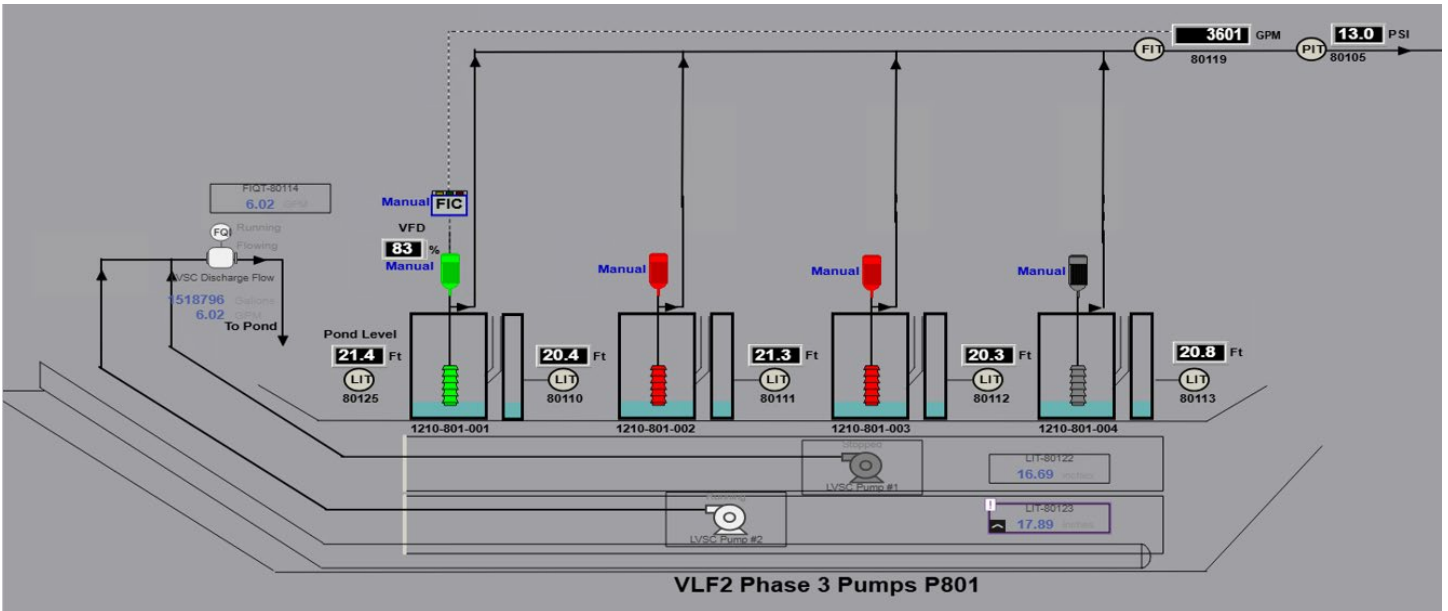
Photo Seven: View South, showing the well head for the pump system utilized to pump captured impacted water that accumulates on the LLDPE liner beneath the mill.



Photo Eight: View North showing an example of the interior of the refinery room located at the ADR1 Facility.







Inspection Contact Address

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