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:** December 10, 2025	**INSP. TIME:** 08:00
OPERATOR: Cripple Creek & Victor Gold Mining Company	**OPERATOR REPRESENTATIVE:** Jorge Ricaurte, Brian Doering, P. Barrela	**TYPE OF OPERATION:** 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	**BOND CALCULATION TYPE:** None	**BOND AMOUNT:** $333,471,401.00	
DATE OF COMPLAINT: NA	**POST INSP. CONTACTS:** None	**JOINT INSP. AGENCY:** None	
INSPECTOR(S): Patrick Lennberg	**INSPECTOR'S SIGNATURE:** 	**SIGNATURE DATE:** December 19, 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---------- 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---------- N	(RV) REVEGETATION---- Y
(SM) SIGNS AND MARKERS---------- N	(SP) STORM WATER MGT PLAN---- N	(RS) RECL PLAN/COMP-- N
(ES) OVERBURDEN/DEV. WASTE--------- N	(SC) EROSION/SEDIMENTATION--- N	(ST) STIPULATIONS------- Y
(AT) ACID OR TOXIC MATERIALS------- Y	(OD) OFF-SITE DAMAGE----------N	

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 Jorge Ricaurte, Brian Doering, Paulina Barrela, and others during the inspection. This is a 112d-3 Designated Mining Operation (DMO) permitted for 6,017.53 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 1-28 taken during the inspection are included with this report.

This inspection was to include the following:

- Drilling Progress on new Vibrating Wire Piezometers at VLF2,
- VLF2 Phase I Dam,
- Schist Island Backfill, and
- Grassy Valley ECOSA Seeps, pump back system, and clay borrow areas

The weather was clear.

Vibrating Wire Piezometers at VLF2

The Division observed the drilling of a vibrating wire piezometer (VWP) north of ADR2. Drilling is being accomplished using sonic drilling methods and the observed location is expected to reach a depth of 270 feet below ground surface (ft bgs). Prior to drilling at this location, another VWP was installed to a depth of 170 ft bgs. The VWPs are being installed in the PSSA, at ADR2, to help verify the capacity of the PSSA, adjust for drawdown in the correlation of VWP level and remaining pond capacity, and help establish new alert and reporting levels. Additionally, in-situ samples are being collected during drilling to evaluate physical properties of the material to provide site specific physical inputs for development of the water balance model. Also, during drilling the Operator is collecting in-situ water infiltration information, at various depths, to corroborate the data collected from the physical samples collected at that depth.

Prior to drilling beginning the Operator performs a site-specific survey to verify the coordinates and elevation of the drill site. This is done to ensure drilling will be done to avoid encountering any liner. The driller is only allowed to bring enough casing and drill steel to the site to advance the boring to a depth that is 30 feet above the as-built depth of liner at that location. During drilling the Operator is having deviations surveys performed to ensure that total depth of the boring is known relative to the liner. These protocols were developed from lessons learned during injection well drilling. In September an injection well was drilled and during data input later it was determined that the well was advanced near a liner in an area where multiple liners overlapped, the overlapping of liners ensured containment if a liner had been compromised.

VLF2 Phase I Dam

The Division observed the VLF Phase I dam area both from the facility side near the administrative building as well as from the toe of the dam up to CO-67.

The area just west of the administrative facility at the toe of the rocky steep hillside where a power line crosses CO-67 is the lowest point where flow would be expected to discharge in an over-topping event. The Operator has provided to the Division a preliminary model on the flow path from an over-topping event. In this event flow would exit the site at this location flow along the north side of CO-67 for a short distance then crossing the road and running down the hillside. As modeled, the flow across the road is a short distance west of power pole. As flow continues in this area there is a certain portion of the predicted flow that will encounter topographic high, and flow will begin to flow down the western side of dam where it intersects with native material. Flow along the dam at this location could compromise the dam's structural integrity.

The Operator is evaluating possible mitigation measures that can be implemented to ensure that flow cannot reach the dam face to cause erosion and maintain flow in the natural drainage. The Division investigated the possibility of a culvert under the road that would act as preferential flow path under CO-67, however no culvert was found.

The Division did note erosion rills were occurring on the dam face. The rills appear to be occurring at locations where drainage from the road is being discharged to the dam face. At the opposite side of the dam from where the inspector was observing where over-topping flows were modeled to occur, there appears to be a deep rill. Due to snow covering the ground the Division will inspect these areas in 2026 as possible maintenance items for the Operator.

Schist Island Backfill

The Schist Island Backfill area was observed from ground level. However, as the inspector arrived, hauling activities were stopping for the holiday party and no material was being placed. The Operator was placing material in two locations, the high compaction area forming the "rind" face and an area of low compaction towards the center of the fill area. The low compaction area can have material placed in 10-foot lifts and material placed needs to meet the specification of 5 feet or less in two out of 3 dimensions. The high compaction area material specification is 2 feet or less in two out of 3 dimensions. The Operator will be transitioning to just placing high compaction material to avoid confusion with placement crew and to better manage the unpredictable nature of the material being generated for backfill.

Grassy Valley

The Division observed the seep collection basins 1, 2, 3/4, and 5. All basins were collecting seep water except basin 3/4. In talking with the Operator, the basins were being pumped out about twice a month in recent months and has decreased during the winter months. Seepage into basin 5 has picked up in the past month or so. The Division did request the Operator provide the approximate volume of seepage water removed from the basins since lining was completed.

In addition, the Operator had equipment that was beginning to clear, grub, and grade the area where the pump-back system storage vessels are going be located.

The Operator has begun to prep the area where the clay borrow areas are going to be located. A haul road that is going to be used during the clay excavation has been roughly cut in. The haul road will allow traffic related to borrow material excavation and processing does not interfere with the seep management and pump-back system construction traffic. The Division asked what contingency plan was in place if groundwater

is encountered during excavation of the clay material. The plan is to contain any groundwater, sample it and then manage it in the same manner as the collected seep water.

During the Grassy Valley stop the Division had a conversation with the Operator about reducing the frequency of monitoring at some of the sample locations in the monthly monitoring. There are locations that are routinely dry or have results that have not changed much since monthly monitoring began. After the inspection the Division had a follow-up meeting discussing this topic and it was agreed that a reduction in frequency would be submitted along with the TR for GVMW-25R and two monitoring well additional locations between GVMW-25 and GVMW-26A/B.

High Grade Mill Demolition

During the inspection the Operator informed the Division that demolition at the High Grade Mill had begun and at the time of inspection one vessel had been removed from the site.

Please contact Patrick Lennberg by 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 SE along the crest of ADR2 dam and CO-67, standing west of the administrative building

Photo 2: Looking W at the area where flow would exit the site in an over-topping situation

Photo 3: Looking at CO-67 just beyond the fenceline, looking west

Photo 4: Looking towards the ADR2 administrative building from the fenceline, VWP drilling circled in yellow

Photo 5: Looking up the westside the dam from the toe, the two power poles are the same poles in photo 2

Photo 6: Looking up along the area where dam placed material meets native material

Photo 7: Another photo where dam placed material (right side of photo) meets native material (left side of photo)

Photo 8: Deep erosion feature on the other side of the dam, zoomed in

Photo 9: Thin veneer of soil over bedrock adjacent to dam material

Photo 10: Road drain to dam face

Photo 11: Looking down dam face from road drain

Photo 12: The area to the left of the pole is the approximate location where flow would begin to make its way to the dam face

Photo 13: Looking east to where flow would begin to make its way to the dam face, power pole is just outside of photo to the left

Photo 14: Looking east along roadway in the approximate location where flow would cross the road

Photo 15: Overview of the dam face from near the toe

Photo 16: Sonic drilling rig at the VWP location

Photo 17: Typical drill rig samples

Photo 18: Drill rig set-up

Photo 19: Schist Island backfill, high compaction "rind" foreground and low compaction material near haul trucks

Photo 20: Schist Island backfill, high compaction "rind" looking west

Photo 21: Grassy Valley pump-back construction near GVMW-28

Photo 22: Seep 1 collection pond

Photo 23: Inflow to the Seep 1 collection pond

Photo 24: Inflow to the Seep 1 collection pond

Photo 25: Seep 3/4 collection pond

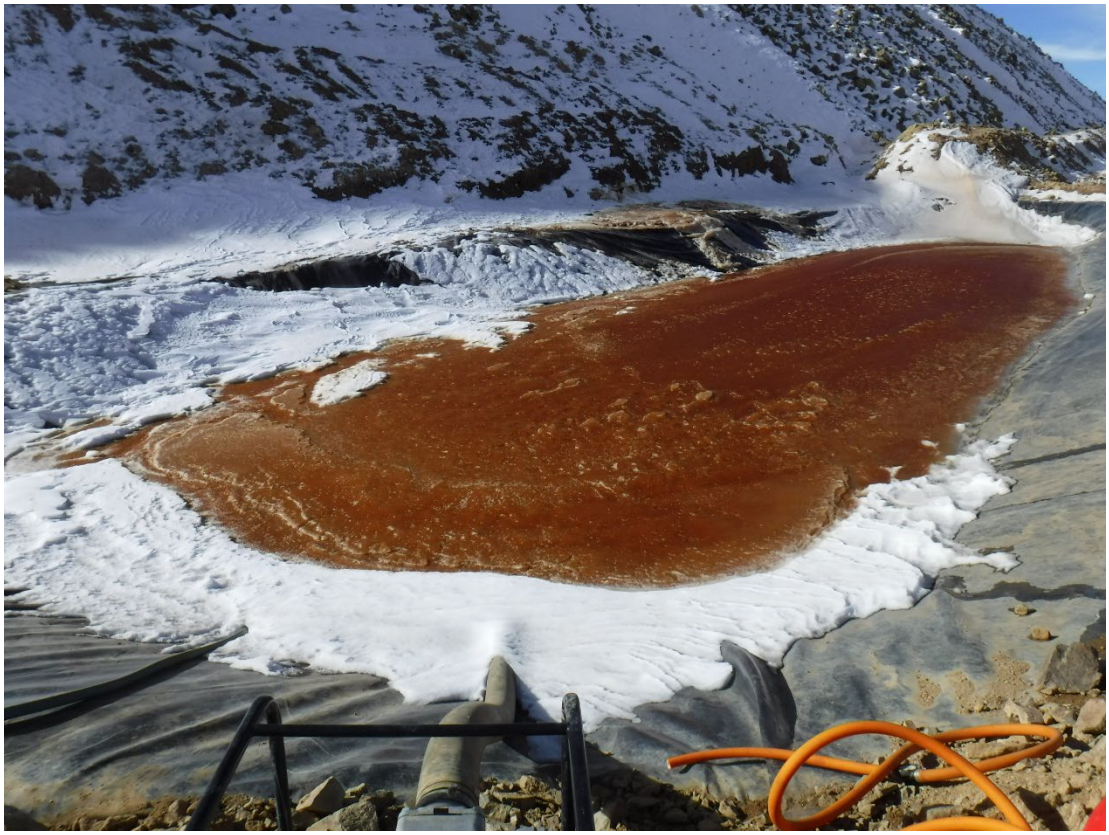

Photo 26: Seep 2 collection pond

Photo 27: Seep 5 collection pond

Photo 28: Seep 5 collection pond