

April 24, 2012

Mr. Timm Comer
Manger Environmental Affairs
Cripple Creek and Victor Gold Mining Company
P.O. Box 191
Victor, Colorado 80860

Re: Phase 5 PSSA Ore Slope change during operation from 2H: 1 to 1.6H: 1, M-1980-244, Cresson Project.

Dear Mr. Comer

On February 4, 2010 CC&V requested a change to the Phase 5 PSSA embankment ore stacking from the amendment # 9 approved of 2:0 Horizontal :1 Vertical to 1:6 Horizontal to :1 vertical for this small area during production.

All the required engineering analysis that shows the stacked ore, under the proposed stacking slope will pass all the required safety factors for both static and pseudostatic conditons were submitted with the request and accepted. The minimum acceptable Factor of Safety (FOS) for the VLF are 1.3 (Static) and 1.0 (Pseudostatic). The engineering analysis submitted by Dr. John Lupo of Amec, the design and QA/QC engineering firm confirms the results.

The Division accepted and approved the change at that time. The request was not submitted as a revision to the permit because of the small nature of the change as it only applies to the small area of the Phase 5 PSSA Embankment. However the February 2010, approval letter could not be located. This letter is to confirm the acceptance of the report and the Division's approval of the change.

If you have questions, please contact me at 303 866 3567 ext 8129.

Sincerely

Berhan Keffelew
Environmental Protection Specialist

CC: Tim Cazier