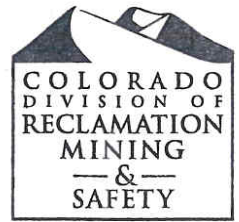


# STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY  
Department of Natural Resources

1313 Sherman St., Room 215  
Denver, Colorado 80203  
Phone: (303) 866-3567  
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John W. Hickenlooper  
Governor

Mike King  
Executive Director

Loretta Piñeda  
Director

April 24, 2012

Mr. Timm Comer  
Manager 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 conditions 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

A handwritten signature in black ink, appearing to read "Berhan Keffelew".

Berhan Keffelew  
Environmental Protection Specialist

CC: Tim Cazier