




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: Climax Mine	MINE/PROSPECTING ID#: M-1977-493	MINERAL: Molybdenum	COUNTY: Summit
INSPECTION TYPE: Monitoring	INSPECTOR(S): Dustin M. Czaplá	INSP. DATE: October 3, 2018	INSP. TIME: 11:00
OPERATOR: Climax Molybdenum Company	OPERATOR REPRESENTATIVE: James Haag, Diana Kelts, Logan Tydryszewski	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: IT.Bondcalculationtype.CD.Desc	BOND AMOUNT: \$78,246,088.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 7, 2018	

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>Y</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</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>N</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 and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

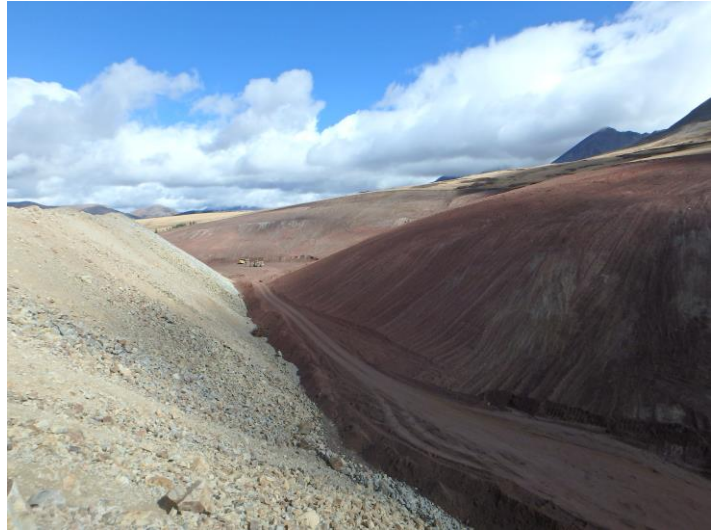
This was a routine monitoring inspection for the Climax Mine, a 112d-3 hardrock mine operated by the Climax Molybdenum Company. The inspection was conducted by DRMS representative Dustin Czapla. Climax representatives, James Haag, Diana Kelts and Logan Tydryszewski, guided DRMS during the inspection.

The focus of this inspection was to observe the McNulty and North 40 Overburden Storage Facilities (OSF's) in order to ensure compliance with the approved mining plan. The current expansion plan for the McNulty and North 40 OSF was approved through TR-25 in July 2017. TR-25 superseded the TR-22 plan. An addendum to TR-22, submitted to the Division in June 2014, detailed an interim configuration for the McNulty OSF, to be utilized until the McNulty expansion area could be cleared and prepared for deposition. Clearing of trees has taken place in the expansion area. Contact and non-contact water collection systems are to be installed as part of the OSF expansion area preparation. These are not yet constructed. The June 2014 addendum altered the then approved operational bench widths in several areas, but the overall slopes were to remain between approximately 2.1H:1V and 2.4H:1V. TR-25 calls for 2.4H:1V final composite slopes for the OSF. According to the Operator, the OSF slope configuration still complies with the interim slope configuration that was proposed, and that a stability evaluation was to be completed in the near future by Golder Associates. The Division has requested to receive a copy of the Golder report once completed. Signs of slope instability were not noted during this inspection.

No problems or violations were noted during this inspection.

Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3rd Street, Room 301, Grand Junction, Colorado 81501, phone number (970) 243-6299.

PHOTOGRAPHS



Inspection Contact Address

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