




**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.

<b>MINE NAME:</b> Henderson Mine	<b>MINE/PROSPECTING ID#:</b> M-1977-342	<b>MINERAL:</b> Molybdenum	<b>COUNTY:</b> Clear Creek, Grand
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Peter S. Hays	<b>INSP. DATE:</b> November 7, 2018	<b>INSP. TIME:</b> 09:30
<b>OPERATOR:</b> Climax Molybdenum Company	<b>OPERATOR REPRESENTATIVE:</b> Miguel Hamarat, Aaron Hilshorst	<b>TYPE OF OPERATION:</b> 112d-3 - Designated Mining Operation	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$37,993,785.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> November 9, 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>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</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**

The Henderson Mill facility was inspected by the Division of Reclamation, Mining and Safety (Division/DRMS) as part of the Division's monitoring inspection program. The following Division staff members were present for the inspection; Peter Hays, Russ Means and Patrick Lennberg. The purpose of the inspection was to familiarize the DRMS staff with the Henderson Mill facilities. Mr. Aaron Hilshorst and Mr. Miguel Hamarat with Climax Molybdenum - Henderson Operations (Henderson) were present during the inspection and Mill tour.

The following Mill facilities were observed during the tour; ore storage building, NOKES building, mill building, milling process, west portal, PC2/PC3 transfer station, PC2 and PC3 alignments, tailings storage impoundment, sections of the ultimate canal, topsoil storage areas and barge pump house. The mill was operational during the inspection.

### **TR-30 - Seep Water Collection and Return System Improvements:**

The Seep Water Collection and Return System Improvements below 1-Dam were approved by the Division under TR-30 on October 1, 2018. The cutoff trench construction continued from south to north since the last inspection. The Division estimated the trench was completed to Station 20+00, based on the appearance of the road surface and the location of the backhoe and trench compactor.

### **3-Dam Buttress Project - Stage 1:**

The 3-Dam Buttress Project - Stage 1 was approved by the Division under TR-29 on April 4, 2018. The placement of filter sand on the stepback area continued since the last inspection. It appeared the placement of filter sand and tailing cover material was completed to the planned 2018 extent, however snow cover made visual verification difficult.

### **Fire Water Leak:**

On November 5, 2018, Henderson provided written notification of a fire water line incident. The leak area was observed during the inspection, however snow cover made visual observation of the area difficult.

No photographs were taken during the inspection.

### **Inspection Contact Address**

Aaron Hilshorst  
Climax Molybdenum Company  
19302 County Rd. #3  
Parshall, CO 80468

Ec: Michael Cunningham, DRMS