




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): Jared L. Ebert	INSP. DATE: February 13, 2019	INSP. TIME: 09:15
OPERATOR: Climax Molybdenum Company	OPERATOR REPRESENTATIVE: Diana Keltz	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	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: February 15, 2019	

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>Y</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</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 monitoring inspection of the Climax Mine, Division of Reclamation, Mining and Safety (DRMS or Division) permit number M-1977-493. The site is operated by Climax Molybdenum Company (Climax). I, Jared Ebert with DRMS conducted the inspection. Ms. Diana Keltz with Climax accompanied me during the inspection.

Hydrologic Balance:

The focus of this inspection was on several water transport/treatment system features.

The East Side Channel was discuss with Ms. Keltz. The channel receives flow from the "Camp" area or mine facilities as wells as flow from the Robinson Tailings Storage Facility (TSF). Water from these areas flow into the East Side Channel and then discharge into the Tenmile TSF. The channel was observed downstream of the Camp area. The entire area is covered with snow, but the inlet and outlet structures of the East Side Channel where the Robinson TSF flow enters the channel appeared functional.

The Sludge Densification Plant (SDP) was observed. The various tanks and equipment within the SDP appeared functional and maintained. The SDP building serves as secondary containment for the various tanks within the structure. Floor drains within the SDP used to collect any spills or leaks appeared clear and functional. The clarifier cell was observed and appeared functional. The sludge cells were snow covered.

The 3-Dam pump station was observed. The lime slurry tank and the pumps within the station appeared to be maintained and functional.

On the northwest side of the Mayflower TSF, the Millwater Barge and Property Discharge Water Treatment Plant (PDWTP) Barge pump systems were observed. Each of these facilities was operational at the time of the inspection and no problems were noted.

The 5-Dam pump station was observed. A small leak at one of the pumps was flowing into the appropriate floor drain. According to Ms. Keltz, the power may have been affected at this facility as a result of some work by Xcell Energy and that the flow from the pump may have been intentional to prevent the pump from freezing. A back-up generator is in place and a heater was running near the pumps. Ms. Keltz indicated she would look into this further to ascertain if the flow from the pump could be shut-off.

Processing Waste:

Tailings was being deposited at the Mayflower TSF using lead-off #1. No problems were observed.

PHOTOGRAPHS



Figure 1. East Side Channel outlet, near where the Robinson TSF flow enters the channel.



Figure 2. Where flow from the Robinson TSF flows into the East Side Channel.



Figure 3. Floor drains within the SDP.



Figure 4. 3-Dam Seepwater Pump Station.



Figure 5. Millwater Barge Pumping System.



Figure 6. PDWTP Barge Pumping station.



Figure 7. Pump within the 5-dam pump station where flow was observed going into the appropriate floor drain.

Inspection Contact Address

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