



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman St. Room 215
Denver, CO 80203

April 3, 2019

Mr. Raymond Lazuk
Climax Molybdenum Company
Highway 91, Fremont Pass
Climax, CO 80429

Re: Climax Mine, Permit No. M-1977-493, Financial Warranty Increase, Revision No. SI-2

Dear Mr. Lazuk:

On April 3, 2019 the Division of Reclamation, Mining and Safety increased the current Financial Warranty for this permit to \$91,011,850.00, in accordance with Rule 4.2.1 of the Rules and Regulations. The currently held surety is \$78,246,088.00. This is an increase of \$12,765,762.00.

The Division ordered amendment of the current Financial Warranty, or submittal of a new Financial Warranty reflecting the increase is due within 60 days from the date of this letter. If you wish to submit a different type of Financial Warranty, please contact me such that I may send you the applicable form.

If you have any questions, please contact me.

Sincerely,

Jared L. Ebert
Environmental Protection Specialist III

Enclosure: *1.) April 2, 2019 – CIRCES Cost Summary Form, M-1977-493, Climax Mine*

cc: Barbara J. Coria, DRMS
Eric Scott, DRMS

ec: Andrew Hardy, Ajax Mountain Enterprises, LLC. Andrew.Hardy@ajax-ltd.com



COST SUMMARY WORK

Task description: Cost Summary

Site: Climax Mine

Permit Action: March 2019

Permit/Job#: M1977493

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 4/2/2019

County: Summit

Filename: M493-000

11:41:56 AM

User: JLE

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
A01	Storke Complex - Load and haul biosolids to 10 acre area.	TRUCK1	1	13.21	\$13,524
A02	Storke Complex, Spread biosolids	DOZER	1	40.33	\$5,667
A03	Storke Complex, Grading at Storke disturbed areas	GRADER	1	6.11	\$550
B01	Open Pit, Grade west open pit periphery	DOZER	2	115.44	\$51,095
B02	Open Pit, load and haul topsoil	TRUCK1	1	65.14	\$66,685
B03	Open Pit, Spread biosolids	DOZER	2	128.43	\$34,487
B04	Install Signs	NA	1	25.97	\$4,629
C01	Mine Mill Comp. Grade 1' cut/fill across 243 acres	DOZER	4	634.47	\$669,964
C02	Mine Mill Comp. Finish grade Mine/Mill Complex	GRADER	2	78.15	\$14,072
C03	Mine Mill Comp. Load/Haul Topsoil/Biosolids, 1' Cover	TRUCK1	1	970.25	\$844,809
C04	Mine Mill Comp. Spread Topsoil and Biosolids	DOZER	3	424.61	\$218,548
D01	N40_OSF, Regrade top to drain, slopes 2h:1v	DOZER	4	503.04	\$498,383
D02a	North 40 OSF. Load/Haul Biosolids, 6" Cover	TRUCK1	1	158.27	\$162,026
D02b	North 40 OSF. Load/Haul Topsoil, 6" Cover	TRUCK1	1	171.58	\$123,139
D03	North 40 OSF, Spread Biosolids and Topsoil	DOZER	4	83.09	\$52,231
D04	N40 OSF, Construct Post-Mining Channels	NA	1	3,338.00	\$1,110,661
E01	McNulty OSF, Regrade slopes 2:1,	DOZER	4	1,312.52	\$1,365,268
E02a	McNulty OSF. Load/Haul Topsoil, 6" Cover	TRUCK1	1	785.89	\$564,000
E02b	McNulty OSF. Load/Haul Biosolids, 6" Cover	TRUCK1	1	709.62	\$835,093
E03	North 40 OSF, Spread Biosolids and Topsoil	DOZER	4	372.56	\$234,188
E04	McNulty OSF, Construct Post-Mine Channels	NA	1	7,877.29	\$3,204,164
F01	Tenmile TSF, geogrid on wet cover area 113.5 acres	NA	1	0.00	\$2,609,365
F02	Tenmile TSF, Load and Haul Subsoil for Wet Cover Area	TRUCK1	1	1,194.69	\$1,405,924
F02a	Tenmile TSF, Load and Haul Topsoil for Wet Cover Area	TRUCK1	1	238.94	\$281,186
F03	Tenmile TSF, Spread Subsoil	DOZER	4	530.90	\$442,756
F03a	Tenmile TSF, Spread Biosolids and Topsoil	DOZER	4	64.09	\$53,451
F04	Tenmile TSF, Load and Haul Subsoil for Dry Cover Area	TRUCK1	1	673.62	\$792,720
F04a	Tenmile TSF, Load and Haul Topsoil/BioS. for Dry Cover Area	TRUCK1	1	673.62	\$792,720
F05	Tenmile TSF, Spread Subsoil, Dry Cover	DOZER	4	318.54	\$265,654
F05a	Tenmile TSF, Spread Topsoil/Subsoil, Dry Cover	DOZER	4	192.28	\$160,353
G01	Tenmile Tunnel, Bulkhead Closure	MINESEAL	1	0.00	\$694,824

G02	Tenmile Tunnel; Dredge and Pump Sludge to Tunnel	PUMPING	1	388.25	\$87,098
G03	Tenmile Tunnel, Install Checkdams	MINESEAL	1	0.00	\$40,000
H01a	3 Dam, Load and Haul Topsoil to 3 Dam Rise	TRUCK1	1	19.10	\$19,558
H01b	3 Dam, Load and Haul Biosolids to 3 Dam Rise	TRUCK1	1	18.19	\$21,405
H02	3 Dam, Spread Topsoil and Biosolids over 3 Dam Rise	DOZER	1	53.09	\$9,109
I01	Pond Shop, Grading	DOZER	1	10.80	\$2,390
I02	Pond Shop, Load and Haul topsoil to Pond Shop	TRUCK1	1	1.61	\$1,156
I03	Pond Shop, Spread topsoil	DOZER	1	2.62	\$471
J01a	Mayflower TSF, Load and Haul Subsoil to TSF	TRUCK1	1	479.09	\$563,801
J01b	Mayflower TSF, Load and Haul Topsoil to TSF	TRUCK1	1	479.09	\$563,801
J02a	Mayflower TSF, Spread Subsoil	DOZER	2	456.93	\$190,534
J02b	Mayflower TSF, Spread Topsoil	DOZER	2	275.81	\$115,011
J03	Mayflower TSF, Finish Grade the Top Surface	GRADER	2	71.40	\$12,856
K01	East Side Channel Construction	NA	1	12,878.45	\$2,974,669
K02	East Side Channel, Install East Side Pipeline	DEMOLISH	1	489.41	\$1,842,048
L01	Mayflower Acid, Grade Site	DOZER	2	100.81	\$44,227
L02a	Mayflower Acid, Load and Haul Subsoil to site	TRUCK1	1	1.48	\$1,292
L02b	Mayflower Acid, Load and Haul Topsoil	TRUCK1	1	1.48	\$1,292
L03a	Mayflower Acid, Spread Subsoil	DOZER	1	5.06	\$869
L03b	Mayflower Acid, Spread Topsoil	DOZER	1	3.06	\$524
M01	Robinson TSF, Load and Haul Topsoil	TRUCK1	1	296.32	\$212,656
M02	Robinson TSF, Spread Topsoil/Biosolids	DOZER	2	291.27	\$78,213
N01	1 Dam, Load and Haul Topsoil/Biosolids	TRUCK1	1	85.68	\$74,602
N02	1 Dam, Spread Topsoil/Biosolids	DOZER	2	101.76	\$27,325
O01	Roads; rip switchback access roads from McNulty OSF to LBM	RIPPER	2	44.94	\$28,829
O02	Roads; rip other site roads	RIPPER	2	12.17	\$5,483
O03	Roads, Load and Haul Topsoil/Biosolids	TRUCK1	1	266.72	\$232,234
O04	Roads, Spread Topsoil/Biosolids	DOZER	3	211.18	\$85,061
P01	Robinson Lake, sediment removal	NA	1	0.00	\$2,333,570
Q01a	5 Dam, Load and Haul Subsoil to site	TRUCK1	1	53.41	\$62,859
Q01b	5 Dam, Load and haul topsoil to site	TRUCK1	1	53.41	\$62,859
Q02a	5 Dam, Spread Subsoil	DOZER	2	55.57	\$23,173
Q02b	5 Dam, Spread Topsoil	DOZER	2	33.54	\$13,988
R01	Revegetation, Seeding Standard Mixture	REVEGE	1	1,466.00	\$2,137,286
R02	Revegetation, Seeding Standard Mixture - Steep Slope	REVEGE	1	263.00	\$778,690
R03	Revegetation, Seeding Alpine	REVEGE	1	227.00	\$271,233
R04	Revegetation, Seeding Alpine - Steep Slope	REVEGE	1	475.00	\$1,156,493
R05	Revegetation, Seeding - Wetland	REVEGE	1	25.00	\$22,637
S01	Seal Underground Mine Opening	MINESEAL	1	30.00	\$1,805
T01	Mobilization - Year 1	MOBILIZE	1	37.41	\$336,565
T02	Mobilization - Year 2	MOBILIZE	1	37.41	\$336,565
T03	Mobilization - Year 3	MOBILIZE	1	37.41	\$336,565
V01	Hydrologic Protection	NA	1	0.00	\$33,129,000
W01	Maintenance and Environmental Control	SITEMAINT ENANCE	1	0.00	\$521,177
X01	Demolition 1 - Former Mine	DEMOLISH	1	0.00	\$3,563,306
X02	Demolition 2 - Various demolition (continued from Demo 1)	DEMOLISH	1	0.00	\$23,486
X03	Demolition 3- New Structures	DEMOLISH	1	0.00	\$3,801,386
Y01	Disposal of Reagents	DEMOLISH	1	0.00	\$162,201

<u>SUBTOTALS:</u>	41540.58	\$73,883,494
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INDIRECT COSTS**OVERHEAD AND PROFIT:**

Liability insurance:	2.02	Total =	\$1,492,447
Performance bond:	1.05	Total =	\$775,777
Job superintendent:	20,770.29	Total =	\$1,517,270
Profit:	10.00	Total =	\$7,388,349
		TOTAL O & P =	\$11,173,842
		CONTRACT AMOUNT (direct + O & P) =	\$85,057,336

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	\$500	Total =	\$500
Engineering work and/or contract/bid preparation:	2.00	Total =	\$1,701,147
Reclamation management and/or administration:	5.00		\$4,252,867

CONTINGENCY:	0.00	Total =	\$0
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TOTAL INDIRECT COST = \$17,128,356

TOTAL BOND AMOUNT (direct + indirect) = \$91,011,850