




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety 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: Henderson Mine	MINE/PROSPECTING ID#: M-1977-342	MINERAL: Molybdenum	COUNTY: Clear Creek, Grand
INSPECTION TYPE: Pre-Operation Inspection	INSPECTOR(S): Peter S. Hays	INSP. DATE: August 1, 2019	INSP. TIME: 09:00
OPERATOR: Climax Molybdenum Company	OPERATOR REPRESENTATIVE: Aaron Hilshorst	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Pre-Operation Inspection	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$37,993,785.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 8, 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>Y</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>Y</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 / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This was a pre-operational inspection of the Henderson Mine conducted by Peter Hays and Stephanie Mitchell with the Division of Reclamation, Mining and Safety (Division/DRMS) for amendment application no. 7 (AM-07). Aaron Hilshorst and Alex Ungers with Climax Molybdenum - Henderson Operations (Henderson) were present during the inspection.

The 112d designated mining operation permit amendment application (AM-07) was received by the Division on May 9, 2019. The application was deemed complete on June 11, 2019. The current decision due date is September 9, 2019. The Applicant published public notice as required by Rule 1.6.2(d) and 1.6.5(1) for four consecutive weeks. The public comment period for the application ended on July 31, 2019. No objections were received by the Division during the public comment period. The notice sign was observed at the entrance gate during the inspection as required by Rule 1.6.2(b).

The permit amendment application proposes to increase the affected land boundary from 4,117 acres to 4,360.2 acres by including the following areas into the permit boundary; the URAD Wastewater Treatment Plant, footprint of the water conveyance pipeline between the Mine and URAD, the land north of the Mine Site and to the east of the development rock stockpiles, the subsidence area at the top of Red Mountain and the Mine Site survey reconciliation area. The areas included in the amendment application were observed during the inspection and appeared as described in the amendment application.

The Division will send the Applicant an adequacy letter based on the technical review of the amendment application separately.

Inspection Contact Address

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