




**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> Climax Mine	<b>MINE/PROSPECTING ID#:</b> M-1977-493	<b>MINERAL:</b> Molybdenum	<b>COUNTY:</b> Summit
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Lucas West	<b>INSP. DATE:</b> October 23, 2019	<b>INSP. TIME:</b> 10:00
<b>OPERATOR:</b> Climax Molybdenum Company	<b>OPERATOR REPRESENTATIVE:</b> Dianna Kelts	<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> \$91,011,850.00	
<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> October 29, 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>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</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>Y</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>Y</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 inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety. Climax is a 112d-3 Molybdenum mining and milling operation located primarily in Summit County. The site consist of 14,000 permitted acres with approximately 8,000 acres of affected lands. The site is bisected by Colorado State Highway 91 and public access is controlled by a guard station at the main gates. The Division currently holds \$91,011,850.00 in Financial Warranty for the site. Along with Division Staff and Operator representative listed on page one of this report, Megan Graham and Kris Thompson of Climax Molybdenum were present during the inspection. Four Photos accompany this report to illustrate the current site conditions.

The site was active during the inspection. Various mining, development, maintenance and other activities were being conducted the day of the inspection. The main purpose of this inspection was to observe the work related to the West Interceptor Ditch, observe the area where the materials storage area will be constructed as approve through TR-30, and monitor the progress of the McNulty Gulch Overburden Storage Facility. Unfortunately due to recent snowfall events the McNulty Gulch area was inaccessible. Work in that area has been completed for the season and will resume in the spring.

**West Interceptor:** In accordance with TR-28 the West Interceptor, a listed Environmental Protection Facility, is being upgraded. The work is being done in sections to achieve replacing the entire ditch line. The upgrade replaces the old 50 inch line with 60 inch HDPE ditch with a series of inlet structures. At the start of this phase of the project is the inlet to the line from Searle Gulch. The inlet structure allows for water to be turned into the West Interceptor to bypass the site or allow it to flow down the gulch and enter the process water system for use. The inlet structure has received substantial upgrades and can be seen in Photo One. The current section contains 6 inlet structures with grated steel closures and concrete reinforcement. An example of one of the inlet structures can be seen in Photo Two. Where this phase of the project terminates and transitions from the new 60" line back to the original 50" line an overflow structure has been installed. This structure will allow any excess flow to return to Searle Gulch without overwhelming the system. The outlet of the overflow structure has been armored with rip rap and the outer areas will be seeded. It can be seen in Photo Three. All work being conducted in this area is in compliance with the designs and plans contained in TR-28.

**Muck Storage Area:** The muck storage area associated with the Mayflower Bypass Tunnel has been constructed and is currently being used. The material is being generated from driving the approved Mayflower Bypass Tunnel and being deposited within the footprint of the Mayflower Tailings Storage Facility. A small pad has been created to allow for equipment to deposit the material on the out slope of the pad. The pad and it's out slope was stable at the time of the inspection and no signs of settling, slumping or significant erosion was observed. The pad and dump can be seen in Photo Four.

Throughout the areas that were inspected no state listed noxious weeds or signs of significant erosion were noted. There are no problems or possible violations at this time. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 1313 Sherman Street, Room 215, Denver CO, 80203, by phone at 970-243-6368 or by email at [lucas.west@state.co.us](mailto:lucas.west@state.co.us).

## PHOTOGRAPHS







Photo Three: View northwest, showing the outlet of the overflow structure where the upgrade phase meets the existing West Interceptor. This structure is to prevent the old 50" line from being overwhelmed.

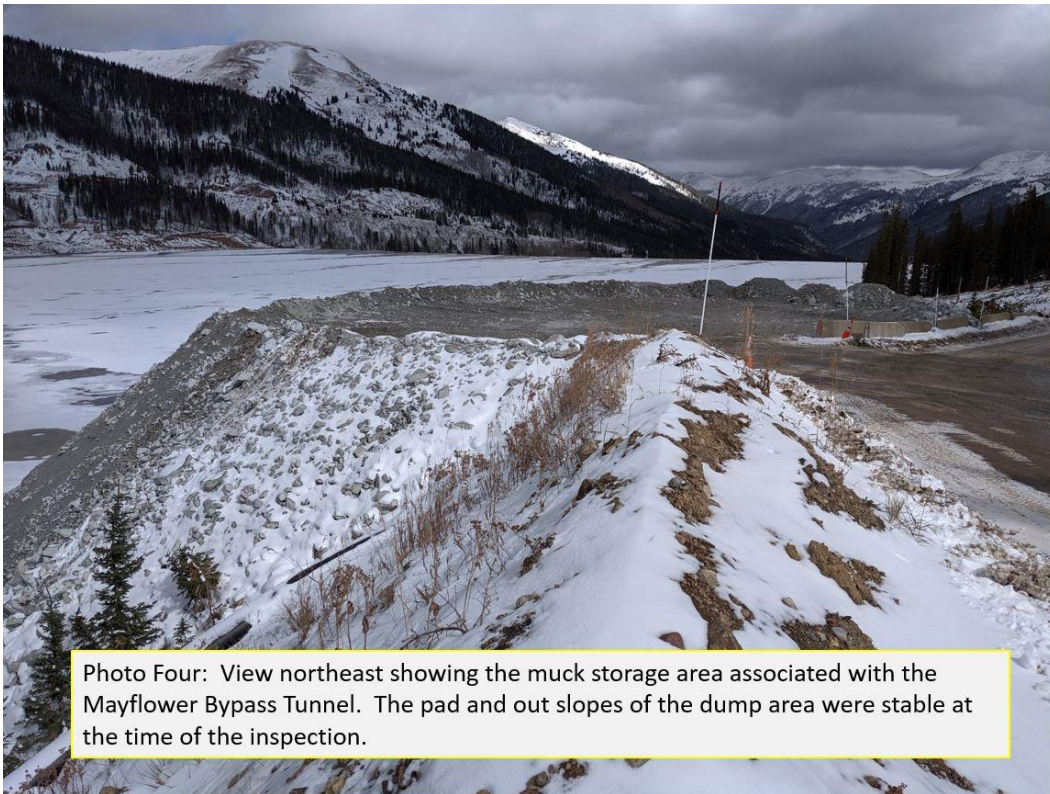


Photo Four: View northeast showing the muck storage area associated with the Mayflower Bypass Tunnel. The pad and out slopes of the dump area were stable at the time of the inspection.

**Inspection Contact Address**

Dianna Kelts  
Climax Molybdenum Company  
Highway 91, Fremont Pass  
Climax, CO 80429

Enclosure

CC: Travis Marshall, Senior Environmental Protection Specialist