




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: Monitoring	INSPECTOR(S): Peter Hays	INSP. DATE: November 20, 2019	INSP. TIME: 09:00
OPERATOR: Climax Molybdenum Company	OPERATOR REPRESENTATIVE: Aaron Hilshorst	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	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: November 21, 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>Y</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>Y</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>Y</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>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>Y</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</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

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, Amy Eschberger and Zach Trujillo. The purpose of the inspection was to familiarize the DRMS staff with the Henderson Mill facilities. Mr. Aaron Hilshorst with Climax Molybdenum - Henderson Operations (Henderson) was present during the inspection and conducted the Mill tour.

The inspection began with a meeting to discuss the on-going and pending permitting items at the site. The following topics were discussed: the amendment application (AM-07), the pending revised Henderson Closure Cost Model, the pending revised Environmental Protection Plan and the as-built drawings for the 3-Dam buttress project (TR-29), 1-Dam Seep Water Collection System Improvements (TR-30), 3-Dam Seepwater Return Line Clean-Out Ports (TR-31).

The following Mill facilities were observed and/or discussed 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, ultimate canal, Ute Park pump house, groundwater extraction and monitoring wells, East Branch pump house, Tailing Delivery Line (TDL) and barge pump house.

The mill was operational and tailings were being deposited on 3-Dam during the inspection. No photographs were taken during the inspection.

If you need additional information or have any questions, please contact me at Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at 303.866.3567 x 8124, or by email at peter.hays@state.co.us.

Inspection Contact Address

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