




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: Aerial Inspection	INSPECTOR(S): Dustin Czapla	INSP. DATE: March 16, 2020	INSP. TIME: 12:00
OPERATOR: Climax Molybdenum Company	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE:	BOND AMOUNT: \$91,011,850.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: April 10, 2020	

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>Y</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>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 inspection was conducted as part of the Division of Reclamation, Mining and Safety's (Division) routine normal monitoring program. This was an aerial inspection, during which photographs were captured by Division inspector Brock Bowles. Photographs are included with this report in order to illustrate some of the conditions observed.

The inspection was focused on the following areas:

- Tailings Storage Facilities
- Overburden Storage Facilities

The Mayflower TSF and 5 Dam, Tenmile TSF and 3 Dam, Robinson TSF and 1 and 2 Dams were observed. The site was under significant snow cover during this inspection. No staining or discoloration were noted at any of the TSF dams. No abnormal conditions were noted. TSF's appear to be functioning within the established design criteria.



Mayflower TSF, 5 Dam



Mayflower TSF, 5 Dam



Tenmile TSF, 3 Dam



Tenmile TSF, 3 Dam



SDP, Robinson Pond, 2 Dam

The McNulty and North 40 OSF's were observed. Deposition was occurring on the McNulty OSF during this inspection. The current OSF operating plan was drafted by Golder Associates in December 2016. The plan was submitted to the Division as part of TR-25. Golder states that snow accumulations of up to 2-3 feet on OSF faces do not significantly impact operation of large OSFs, however larger accumulations greater than 3 feet can become trapped as a continuous layer and form a weak layer or saturate finer grained layers as melting occurs. Therefore Golder recommended that waste rock only be deposited on slopes with less than 3 feet of snow accumulation. This inspection confirmed that Climax is limiting waste rock deposition to slopes with little to no snow accumulation, and therefore appears to be in compliance with Golder recommendations for winter time OSF operations.



McNulty OSF



McNulty OSF

No problems or violations were noted during this inspection.

Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, 1313 Sherman Street Room 215, Denver, Colorado, 80203, phone number (303) 866-3567, ext. 8188.

Inspection Contact Address

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