COLORADO
Division of Reclamation, Mining and Safety
Department of Natural Resources

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:** Lake, Summit
INSPECTION TYPE: Monitoring	**INSPECTOR(S):** Dustin Czapla	**INSP. DATE:** June 10, 2020	**INSP. TIME:** 12:00
OPERATOR: Climax Molybdenum Company	**OPERATOR REPRESENTATIVE:** Diana Kelts	**TYPE OF OPERATION:** 112d-3 - Designated Mining Operation	

REASON FOR INSPECTION: Normal I&E Program	**BOND CALCULATION TYPE:** None	**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:** June 12, 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---------- Y	(FN) FINANCIAL WARRANTY-------- N	(RD) ROADS---------- Y
(HB) HYDROLOGIC BALANCE---------- Y	(BG) BACKFILL & GRADING---------- N	(EX) EXPLOSIVES--------- N
(PW) PROCESSING WASTE/TAILING---- N	(SF) PROCESSING FACILITIES------- N	(TS) TOPSOIL---------- N
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE---------- N	(RV) REVEGETATION---- N
(SM) SIGNS AND MARKERS---------- N	(SP) STORM WATER MGT PLAN---- N	(RS) RECL PLAN/COMP-- N
(ES) OVERBURDEN/DEV. WASTE--------- N	(SC) EROSION/SEDIMENTATION--- N	(ST) STIPULATIONS------- N
(AT) ACID OR TOXIC MATERIALS------- N	(OD) OFF-SITE DAMAGE---------- N	

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) normal monitoring program. Climax representatives, Diana Kelts, Alex Ungers, and Tim Richards, guided DRMS during the inspection.

The inspection was focused on the following areas.

- Ceresco Seepage Collection System
- McNulty OSF
- East Interceptor
- Clinton Reservoir and Canal
- West Interceptor
- Chalk Mountain Interceptor

Ceresco Seepage Collection System

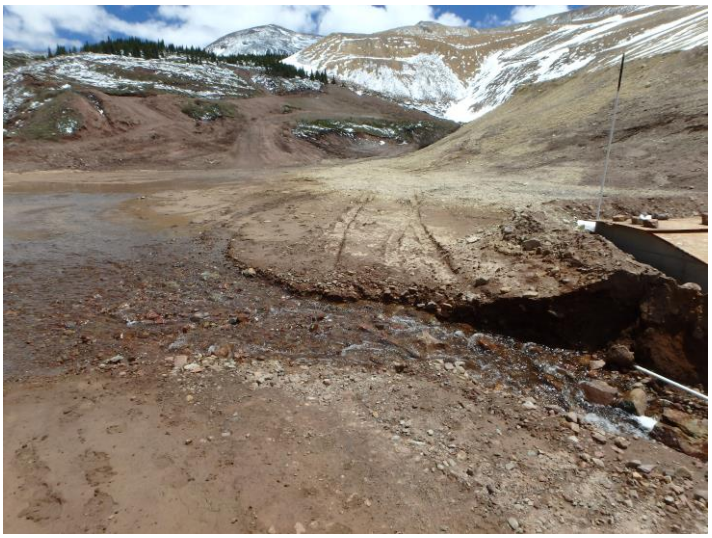
The Ceresco Seepage Collection System consists of a ditch constructed below the Ceresco Ridge haul road. The collection ditch intercepts potentially impacted water and routes it to the Camp drainage, and then to water treatment. The ditch was observed from above, viewed from the Ceresco Ridge haul road. Small snow patches were observed in the ditch, but no notable flowing water. No problems were noted in this area.

Ceresco Seepage Collection Ditch

Ceresco Seepage Collection Ditch

McNulty OSF

Climax reported to the Division on June 4, 2020 that the newly installed McNulty OSF underdrain system had failed to convey water as intended. The underdrain system was designed to collect contact water from the McNulty OSF and convey it through pipe to the McNulty Ditch, and then on to the SDP for first stage water treatment. It was found, by Climax staff, that contact water was bypassing the underdrain pipe and flowing into a secondary collection system, which collects other incidental contact water and flows through culvert under Hwy 91 and into the Tenmile tailings pond. The underdrain failure did not result in any discharge of contact water leaving the site and was contained within the greater Climax water treatment system. Climax has redirected flow into the McNulty ditch by constructing a small trench. The repair appeared effective for the short term. When runoff is complete, Climax will excavate the under drain inlet pipe. Graded riprap will be placed around the inlet pipe in order to allow surface water to enter the pipe directly. Climax is conducting daily inspections of the area until the improvements can be completed. No other problems were noted in the McNulty OSF area.



Surface water bypassing underdrain redirected into McNulty Ditch

McNulty Ditch

McNulty Ditch

East Interceptor

The East Interceptor conveys non-contact water to Clinton Reservoir. The interceptor consists of open channel, culverts and pipeline. Portions of the open channel were observed. No problems were noted with the East Interceptor.

East Interceptor

East Interceptor

East Interceptor

Clinton Reservoir and Canal

The Clinton Reservoir and Canal are considered part of the non-contact water interceptor system. The Clinton Canal consists of open channel and culverts, and conveys non-contact water from the reservoir to Tenmile Creek. The Clinton Reservoir was observed from Hwy. 91. The Clinton Canal and Clinton Dam were observed below the dam. No problems were noted in this area.


Clinton Reservoir


Clinton Canal and Dam

West Interceptor

The West Interceptor captures non-contact water from the north side of the tailings ponds and conveys the freshwater east, around the mine area and into Tenmile Creek, just upstream of the PWDTP. The West Interceptor consists of open channel, pipeline and culverts. The West Interceptor was recently improved through plans approved by TR-28. For the most part, much of the West Interceptor flows along the road on the north side of the tailings area, so much of the interceptor was observed during this inspection. No problems with the West Interceptor were noted.


West Interceptor


West Interceptor


West Interceptor

Chalk Mountain Interceptor

The Chalk Mountain Interceptor captures non-contact water from the Chalk Mountain drainages and conveys the freshwater to Chalk Mountain Reservoir. The Chalk Mountain Interceptor consists of open channel and culverts. The interceptor channel was observed along most of its reach, from the access road. No problems were noted with the Chalk Mountain Interceptor.


Chalk Mountain Interceptor

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

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