

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:		MINE/PROSPECTING ID#:	MINERAL:	COUNTY:
Henderson Mine		M-1977-342	Molybdenum	Clear Creek, Grand
INSPECTION TYPE:		INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Monitoring		Peter Hays	August 4, 2020	10:00
OPERATOR:		OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Climax Molybdenum Company		Aaron Hilshorst	112d-3 - Designated Mining Operation	
DE LOON FOR INGREGATION		DON'D CALL CALL ARTON MAINT	DOME ALCOHOLE	
REASON FOR INSPECTION:		BOND CALCULATION TYPE:	BOND AMOUNT:	
Normal I&E Program			\$37,993,785.00	
DATE OF COMPLAINT:		POST INSP. CONTACTS:	JOINT INSP. AGENCY:	
NA		None	None	
WEATHER:	INSPECTOR'S SIGNATURE:		SIGNATURE DATE:	
Clear	$O_1 I$		August 10, 2020	
	f.A.m.			

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 N	(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 N	(SF) PROCESSING FACILITIES \underline{Y}	(TS) TOPSOIL <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE \underline{N}	(RV) REVEGETATION N
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN N	(RS) RECL PLAN/COMP N
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(SC) EROSION/SEDIMENTATION N	(ST) STIPULATIONS <u>N</u>
(AT) ACID OR TOXIC MATERIALS N	(OD) OFF-SITE DAMAGE <u>N</u>	

PERMIT #: M-1977-342 INSPECTOR'S INITIALS: PSH INSPECTION DATE: August 4, 2020

OBSERVATIONS

The Henderson Mine was inspected by Peter Hays with the Division of Reclamation, Mining and Safety (Division/DRMS) as part of the Division's monitoring inspection program. Mr. Aaron Hilshorst with Climax Molybdenum - Henderson Operations (Henderson) was present during the inspection.

The following mine facilities were inspected by the Division from the surface of the site:

- Machine Shop and Warehouse
- Compressor Building
- Hoist House #2
- #2 Shaft
- #1 Shaft
- #3 Shaft
- #5 Shaft
- Underground Warehouse Adit
- Potable Water Intake
- Potable Water Storage
- Potable Water Treatment Building

The #2 Shaft is the main shaft for access to the underground mine workings. The service and man cages are located in the shaft and are controlled by the hoist house operator. The shaft also serves as the main air inlet for the mine. The #1 and #3 Shafts were previously used as air outlet shafts, but are now passive air inlets. The #5 Shaft is the current air outlet shaft of the underground mine operations. All of the shaft related structures and the other observed mine facilities were as depicted on the approved maps for the site.

Noxious weed treatment was observed at the site during the inspection.

Photographs taken during the inspection are attached. 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

Aaron Hilshorst Climax Molybdenum Company P.O. Box 68 Empire, CO 80438

Ec: Jared Ebert, DRMS

PHOTOGRAPHS



View of the Collar Station cage inside #2 Shaft



View of the surface structure for #1 Shaft



View of the surface structure for #5 Shaft



View of the Potable Water Intake