

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: | | MINE/PROSPECTING ID#: | MINERAL: | COUNTY: |
|---------------------------|------------------------|------------------------------|--------------------------------------|--------------|
| Climax Mine | | M-1977-493 | Molybdenum | Lake, Summit |
| INSPECTION TYPE: | | INSPECTOR(S): | INSP. DATE: | INSP. TIME: |
| Monitoring | | Stephanie Mitchell | August 26, 2020 | 11:00 |
| OPERATOR: | | OPERATOR REPRESENTATIVE: | TYPE OF OPERATION: | |
| Climax Molybdenum Company | | Alex Ungers | 112d-3 - Designated Mining Operation | |
| DEL GOVEDO ENGREGATION | | DOME CALL CALL ARTICLE RATIO | DOME ALCOHOLD | |
| REASON FOR INSPECTION: | | BOND CALCULATION TYPE: | BOND AMOUNT: | |
| Normal I&E Program | | | \$91,011,850.00 | |
| DATE OF COMPLAINT: | | POST INSP. CONTACTS: | JOINT INSP. AGENCY: | |
| NA | | None | None | |
| WEATHER: | INSPECTOR'S SIGNATURE: | | SIGNATURE DAT | E: |
| Clear | | | October 7, 2020 | |
| | 8 | In Honell | | |

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>Y</u> |
|---------------------------------------|--|------------------------------|
| (HB) HYDROLOGIC BALANCE <u>Y</u> | (BG) BACKFILL & GRADING <u>Y</u> | (EX) EXPLOSIVES <u>N</u> |
| (PW) PROCESSING WASTE/TAILING N | (SF) PROCESSING FACILITIES \underline{Y} | (TS) TOPSOIL \underline{Y} |
| (MP) GENL MINE PLAN COMPLIANCE- Y | (FW) FISH & WILDLIFE \underline{Y} | (RV) REVEGETATION <u>Y</u> |
| (SM) SIGNS AND MARKERS <u>Y</u> | (SP) STORM WATER MGT PLAN N | (RS) RECL PLAN/COMP <u>Y</u> |
| (ES) OVERBURDEN/DEV. WASTE <u>N</u> | (SC) EROSION/SEDIMENTATION \underline{Y} | (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

PERMIT #: M-1977-493 INSPECTOR'S INITIALS: SJM INSPECTION DATE: August 26, 2020

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 Stephanie Mitchell. Photographs are included with this report in order to illustrate some of the conditions observed. Alex Ungers accompanied me on the inspection.

The inspection was focused on the following areas: 4 Dam Seepwater Pump System, Robinson Lake and Dam, Robinson Lake Seepwater Pump System, Robinson Lake Barge System/Pump Station, Warren's Pump System, McNulty OSF Underdrain Repair

The McNulty OSF Underdrain Repair:

Rip Rap was delivered, but no repairs were completed as of yet. Climax completed survey for underdrain pipe. Staff estimates that the repair will take 3 days to complete.

Warren Pump Station: This facility was locked upon inspection but appears to be functioning properly.

Robinson Lake and Dam: Multiple piezometers were noted near the top of dam.

Robinson Lake Seepwater Pump System: This system appears to be working properly.

4 Dam Seepwater Pump System: This system appears to be working properly.

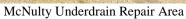
Robinson Lake Barge System/Pump Station: This facility was locked and staff was unable to enter the station. It appears to be functioning properly.

No problems or violations were noted during this inspection.

Responses to this inspection report should be directed to Stephanie Mitchell at the Division of Reclamation, Mining and Safety, 1313 Sherman Street Room 215, Denver, Colorado, 80203, phone number (303) 866-3567, ext. 8180.

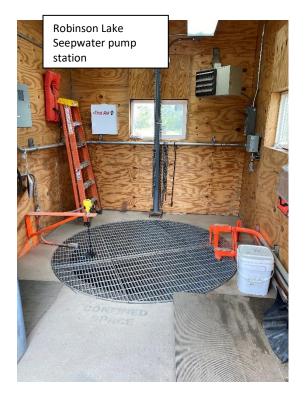
PHOTOGRAPHS

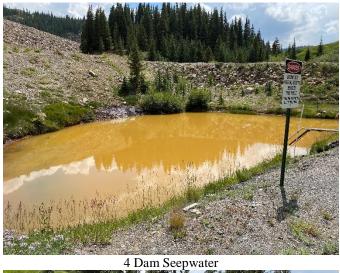










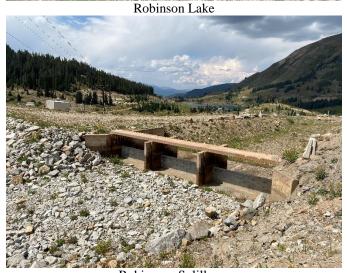














Tim's Pond- Collects 1 dam seep water and reports to Warrens

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Inspection Contact Address

Alex Ungers Climax Molybdenum Company Highway 91, Fremont Pass Climax, CO 80429

Ec: Dustin Czapla, DRMS Lucas West, DRMS