




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: May 20, 2021	INSP. TIME: 10:00
OPERATOR: Climax Molybdenum Company	OPERATOR REPRESENTATIVE: Geoff Niggeler	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$134,155,028.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 7, 2021	

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>N</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>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</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 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. Geoff Niggeler with Climax Molybdenum - Henderson Operations (Henderson) was present during the inspection.

The current Environmental Protection Plan (EPP) for the Mill was approved by the Division under technical revision no. 18 (TR-18) on November 2, 2012. Henderson submitted a revised EPP on March 5, 2021 as technical revision no. 34 (TR-34). The revised EPP is currently under review by the Division. The purpose of the inspection was to inspect the Environmental Protection Facilities (EPF) in Section 7.2.1- Process Water and Tailings Circuit of the EPP. The focus of the 2021 inspections of the Henderson Mine and Mill facilities will be to verify the accuracy of the revised EPP.

As stated in the revised EPP, the Henderson Mill employs a zero-discharge process water circuit. There is no active discharge of process waters, although a CDPS permit for the Henderson Mill allows for the discharge of process water if needed. The design of the Mill water treatment plant (WTP) is in progress and construction is anticipated between 2022 and 2024 depending on climatic conditions and site water balance. The following water management system EPFs were observed and discussed during the inspection;

- Mill EPF 1.1 - East Branch Reservoir System
- Mill EPF 1.2 - Mill Process Water Storage Tanks
- Mill EPF 1.3 - Tailings Delivery System
- Mill EPF 1.4 - Tailing Storage Facility
- Mill EPF 1.5 - Seep Water Collection and Return System
- Mill EPF 1.6 - Groundwater Extraction System
- Mill EPF 1.7 - Ute Park Pump Station
- Mill EPF 1.8 - Mill Water Treatment Plant (the planned location of the WTP only)

The water management system EPFs were accurately described in the revised EPP. No corrections to the section of the EPP were noted during the inspection.

Photographs taken during the inspection are attached. If you need additional information or have any questions, please contact me at the 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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PHOTOGRAPHS



View of the Mill Process Water Storage Tanks



View of East Branch dam and reservoir from the east side looking west



View of the East Branch Pump Station



View of a section of the upper TDL



View of a section of the lower TDL



View of the TSF from the south end of 3-Dam looking north



View of the TSF from the north end of 1-Dam looking south



View of the Seep Water Collection below 1-Dam and Ute Park pump station



View of MLEX-1 extraction well



View of Ute Park Pump Station



View of the Barge Pump House



View of the proposed location of the Mill WTP