




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 Czaplá	INSP. DATE: July 6, 2021	INSP. TIME: 10:00
OPERATOR: Climax Molybdenum Company	OPERATOR REPRESENTATIVE: Dianna Kelts	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	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: July 13, 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>Y</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>N</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>Y</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>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

This inspection was conducted as part of the Division of Reclamation, Mining and Safety's (Division) normal monitoring program. Dianna Kelts, representing Climax, guided DRMS during the inspection.

The inspection was focused on the following areas:

- Pit
- Ceresco Seepage Collection System
- Storke Wastewater Pump System
- 5 Shaft Pump System
- East Tailings Delivery Line
- Eastside Channel- Robinson section
- McNulty OSF
- PDWTP Influent Pipe Repair

Pit Area

The pit area was observed. Mining was active within the pit. No problems were noted.



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. No flowing water was observed in the ditch. The ditch appeared free of debris or obstructions. No problems were noted in this area.



Ceresco drainage ditch viewed from the Ceresco haul road

5-Shaft Pump System

The 5-Shaft Pump System serves to maintain the water level in the underground workings at a level below which could impact the Arkansas Basin. Storm water becomes impacted as it passes through the open pit area and collects in the underground mine workings. The level of water in 5-Shaft is kept below the apex of the Mosquito Fault in order to prevent mine impacted water from potentially impacting the Arkansas River. Impacted water is pumped from 5-Shaft through the Storke Pipeline to the ETDL and water treatment/process circuit in the Tenmile Creek watershed. No problems were noted in this area.



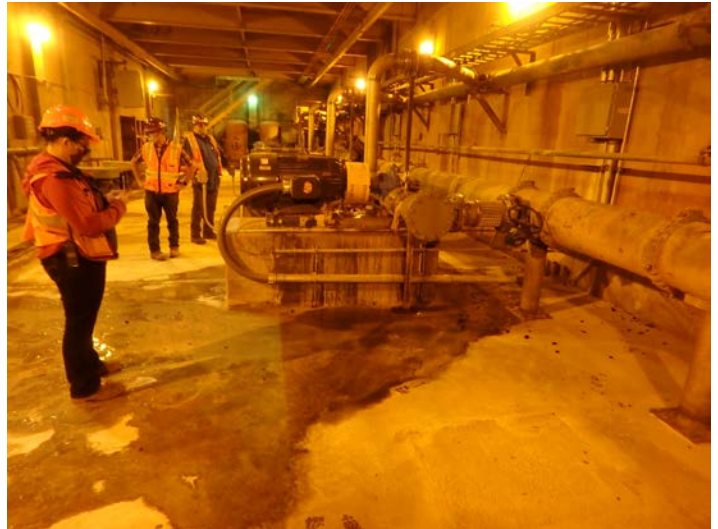
5-Shaft Pump System

Storke Wastewater Pump System

The Storke Wastewater Pump Station is located just below the Storke Yard and acts as a seepage and storm water collection and return system where collected impacted water is pumped to the water treatment/process water circuit in the Tenmile Creek drainage. Two concrete lined ponds serve to collect seepage and storm water/snowmelt run-off from the yard area and it is pumped to the ETDL where it mixes with other mine water prior to treatment. The Storke Wastewater Pump System appeared to be functioning as designed. A minor water leak was observed at one of the pumps within the pump station. Mrs. Kelts made note of the leak and stated it would be repaired right away. No other problems were noted.



Storke Wastewater Pump Station



Storke Wastewater Pump Station-water leak



Storke Wastewater Pump Station

East Tailings Delivery Line (ETDL)

The ETDL conveys impacted water to the Sludge Densification Plant (SDP) and serves as an emergency tailing conveyance line should the main delivery line from the Mill to the first discharge point be taken out of service for short periods. The line is constructed of 36-inch and 42-inch reinforced concrete pipe that isolates the impacted water from the environment until it is delivered to the SDP or deposited in one of the TSFs. No problems were noted with the ETDL.

Eastside Channel – Robinson Section

The Robinson Section of the East Side Channel conveys water from the Robinson Pond water pool and areas tributary to the Robinson Pond through the 2 Dam Spillway to Tenmile TSF. No problems were noted with Eastside Channel-Robinson Section.



Eastside Channel-Robinson Section

McNulty OSF

The McNulty Overburden Facility was observed. Deposition is active on the McNulty OSF. No signs of instability were noted. On June 4, 2020 Climax reported to the Division that the then 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 redirected flow into the McNulty ditch by constructing a small trench. Temporary repairs made by Climax thus far appear to be functioning properly route water to the McNulty ditch. No problems were noted in this area.



McNulty OSF



McNulty OSF



McNulty OSF

PDWTP Influent Pipe Repair

On April 27, 2021 Climax notified the Division of a small leak discovered in one of the PDWTP influent pipes. The incident occurred on April 27, 2021. The leak resulted from a crack in the pipe at a welded joint. The leak location was observed during this inspection. Climax has replaced the pipe and backfilled the repair area. No problems were noted.



Repair area



Repair area

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

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