



Climax Mine
HWY 91 - Fremont Pass
Climax, CO 80429
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August 11, 2021

Mr. Lucas West
Division of Reclamation, Mining and Safety
Department of Natural Resources
1313 Sherman St. Room 215
Denver, Colorado 80203

Re: M-1977-493, Climax Mine, Permit No. M-1977-493, Revision Required

Dear Mr. West:

This is an interim reply to your letter dated June 22, 2021. It appears to be a follow up on some of the issues we discussed with you when you were at the mill on June 1, 2021.

Climax is studying the detailed implications of your letter as well as the detailed history of the above referenced permit in order to be in a position to discuss the issues identified and requests made.

But, we did want to provide our preliminary view that the entire mill building is not appropriately considered an Environmental Protection Facility (EPF). Rather, only the identified reagent storage and containment areas are EPF's. Drawings of such areas are included in the EPP. Historic Technical Revisions have identified these areas in the many submissions to the Division.

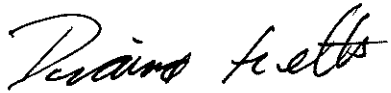
Rule 1 of the Hard Rock/Metal Mining rules defines an EPF as a structure identified in the Environmental Protection Plan (EPP) "as designated, constructed and operated for control or containment of designated chemicals, [etc.]." Only segments of the Climax mill building qualify under this definition, as the majority of the mill is constructed and operated to process and extract minerals.

Following our review of the history of the permit, we ask for an opportunity to discuss the issues with the Division, including the appropriateness of the suggestion that a Technical Revision is needed. We understand that even though the letter uses the word "determination," it is not a final decision of the Division. That is welcome information, as we look forward to responding to issues raised in the letter and discussing our questions and concerns with the Division.

Climax has enjoyed a long collaborative working relationship with the Division and is confident that we will be able to work through the questions and issues you raise.

If you have any questions or concerns, please contact me at 719-486-7525.

Sincerely,

A handwritten signature in black ink, appearing to read "Diana Kelts". The script is fluid and cursive, with the first name "Diana" and last name "Kelts" clearly distinguishable.

Diana Kelts
Environmental Manager

cc: Dustin Czapla