




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): Lucas West	INSP. DATE: August 24, 2021	INSP. TIME: 08:47
OPERATOR: Climax Molybdenum Company	OPERATOR REPRESENTATIVE: Alex Ungers	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	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: September 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>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(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---- <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>N</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</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 normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety. Climax is a 112d-3 Molybdenum mining and milling operation located primarily in Summit County. In addition to the Inspector listed on page one of this report Alex Ungers of Climax accompanied the inspection and represented the Operator. The site consist of 14,000 permitted acres with approximately 8,000 acres of affected lands. The site is bisected by Colorado State Highway 91 and public access is controlled by a guard station at the main gates. The Division currently holds \$91,011,850.00 in Financial Warranty for the site. Six Photos accompany this report to illustrate the current site conditions.

This inspection was focused on the following areas:

- Lake Irwin
- Warren's Station
- Robinson Lake, Dam and Seepwater System
- 4 dam, Seepwater System

Lake Irwin

The Lake Irwin wetlands mitigation project was observed to be in excellent condition and can be seen in Photo One. The vegetation in phase one is dense, diverse and thriving. Small amounts of standing water was observed towards the south end of the phase. Conversations with the Operator indicate that vegetation monitoring and weed maintenance are on-going. No problems were noted in this area.

Warren's Station

The pond referred to as Warren's Station collects flow from Tim's Pond as well as 1 dam seepage water to be settled and pumped to the Sludge Densification Plant. The pond can be seen in Photo Two. The flow entering the pond was observed and was flowing unobstructed at the time of the inspection. Recently the inlet from Tim's Pond suffered a pipe failure which was caught and repaired by the Operator. The pond banks and separation dam appeared to be stable at the time of the inspection and in good condition. A high water line was observed indicating the increased available capacity of the pond. The pump station was also observed and visually all equipment associated with the pump system was in good working order. The overall condition of the pond is good and no problems were noted.

Robinson Lake, Dam and Seepwater System

Adjacent to Warren's Station lies the Robinson Lake with associated dam and Seepwater system. The lake itself is in good condition from all observed vantage points. The dam was observed and can be seen in Photo Three. The dam face is rock lined and sparsely vegetated. No evidence of settling, slumping or erosion was noted and the dam appeared to be stable at the time of the inspection. The Seepwater collection pond and pump system were also observed. The pond is well vegetated and stable and can be seen in Photo Four. The pump system appeared to be in good working order and was not actively pumping at the time of the inspection. The pump system and pond are in good condition and no problems were noted.

4 Dam and Seepwater System

The 4 dam is part of the Eagle Park Reservoir system located in the western reaches of the permit area. The dam face is rock lined and was observed to be in good condition. No signs of settling, slumping or instability were noted, and the dam can be seen in Photo Five. Immediately down gradient from the dam is the 4 dam

Seepwater collection pond and pump system. The pond can be seen in Photo Six. The water level in the pond was below the observed maximum capacity and the banks of the pond are in good condition and well vegetated. The small dam associated with the pond was also observed complete with emergency spill way. As part of the system, a containment wall was constructed to collect any seepage that may come from the dam, to be recirculated into the system. This collection area is referred to as the "seep seep". Minimal standing water was observed in the seep seep. The Eagle Park Reservoir discharge was observed and is flowing unimpeded. All storm water control structures in the area were in good condition and functioning as designed.

Throughout the areas that were inspected no problems or possible violations were noted at this time. The overall footprint of the site was in excellent condition and free from excessive trash and debris. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at 1313 Sherman Street, Room 215, Denver CO, 80203, by phone at (303) 866-3567 Extension 8187 or by email at lucas.west@state.co.us.

Inspection Contact Address

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Cc: Travis Marshall, Senior Environmental Protection Specialist

PHOTOGRAPHS

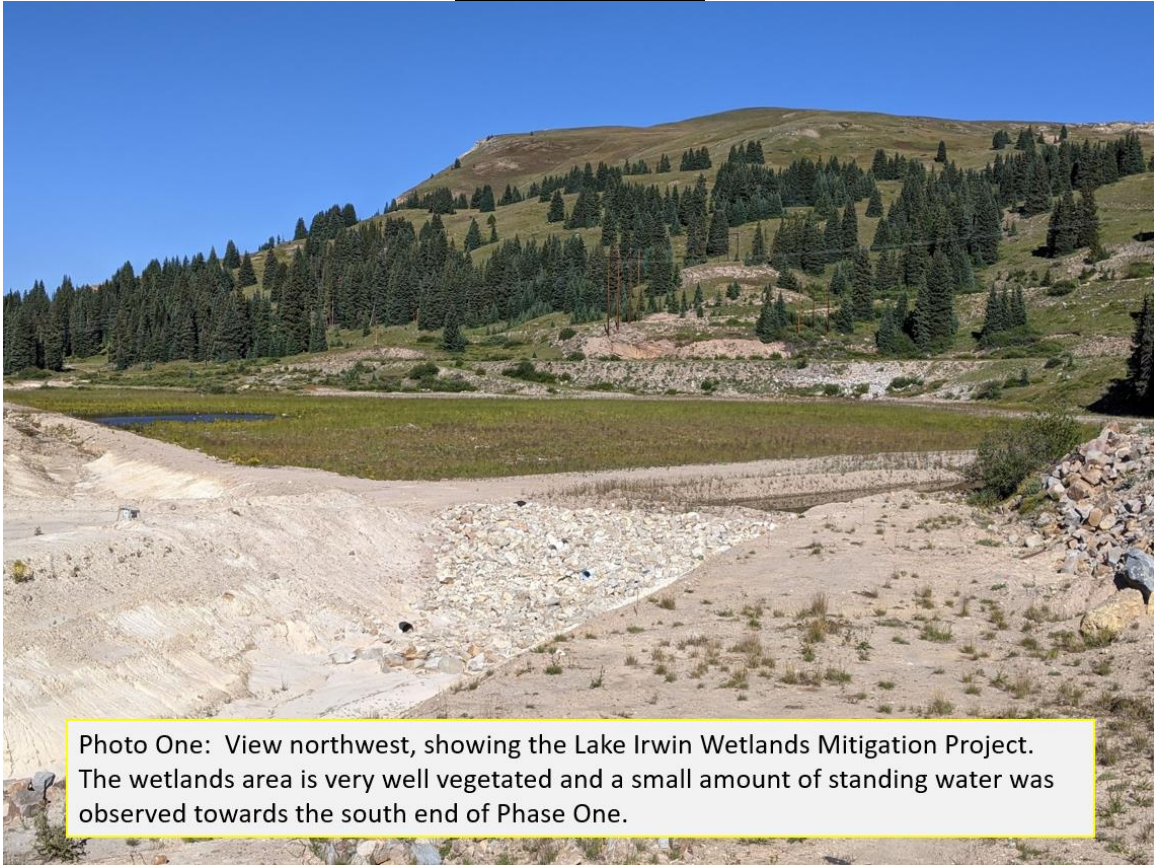




Photo Three: View West, showing the Robinson Lake Dam. The dam face is rock lined and appeared stable at the time of the inspection.



Photo Four: View southeast showing the Seepwater collection pond associated with the Robinson Dam system. The pond is in excellent condition and the banks are well vegetated.

