

September 24, 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:

Climax would like to thank you for the opportunity to meet with you on September 7, 2021 to discuss your letter dated June 22, 2021 regarding designated chemical storage and Environmental Protection Facilities (EPF) associated with the mill. We would like to confirm our understanding of the next steps.

Climax appreciated the constructive discussion in which it was confirmed that the Division's focus for purposes of review and permit revision is providing adequate containment of designated chemicals, and not a change in the milling processes. Climax understands that the Division requests a consolidation of information existing in separate earlier submittals and approvals with additional information.

Climax stores designated chemicals in the mill, the storage and containment of which is regulated by DRMS. The apron of the mill building serves as a secondary containment for the designated chemicals used in the building and is an EPF under the existing EPP. As a result, Climax will provide the following information on this EPF:

- Climax proposed to provide a general description of the mill process. Some of this information is already included in AM-06, but to meet the Division's interest in having information in one place, Climax will provide a submission that summarizes this information that may include more detail from AM-06 in an attachment.
- As to environmental protection facilities, Climax agreed to provide:
 - A summary of construction on the building apron, including a drawing. This drawing does not have to be stamped by a professional engineer.
 - Information on any coatings that may have been applied to concrete at the time of construction, which also serve as containment.
 - A summary of calculations to demonstrate that the various EPFs can contain materials spilled in the event of a failure of equipment in the building, including the designated chemical storage area.

The Division indicated that they are also interested in receiving information on the geochemistry of tailings material generated from the mill. Climax and the Division agreed during the meeting that TCLP is not the appropriate methodology to characterize tailings material. Climax will submit information on tailings geochemistry provided in earlier submittals.

We understand that the additional information discussed above will be submitted as a TR and the Division's review will not require a formal regulatory process with public notice and comment.

Please let me know if you have any questions or concerns, please contact me at 719-486-7525. We will coordinate with you on timing for our response.

Sincerely,

A handwritten signature in black ink, appearing to read "Diana Kelts". The signature is fluid and cursive, with the first name "Diana" written in a larger, more prominent script than the last name "Kelts".

Diana Kelts
Environmental Manager

cc: Dustin Czapla