




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: October 22, 2021	INSP. TIME: 09:00
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: November 28, 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>Y</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>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</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 following aspects of the mill site were inspected and are discussed below:

Ultimate Canal:

The Ultimate Canal is included in Mill EPF 3.1 - Storm Water Diversion System. The canal diverts un-impacted stormwater from the west and north ends of the tailings storage facility (TSF) around the north end of the property to the Williams Fork River. The canal was inspected from south to north during the inspection. The canal surface was partially ice covered at the time of the inspection, however sections of the canal were ice free and water was flowing freely. The gabion structures, culverts and inlet structures were observed and appeared to be working as designed. The Operator reported water from the canal was discharged to wetland areas in August.

3-Dam Crest Raise:

The 3-Dam crest raise construction was observed during the inspection. The crest raise was estimated at a ninety (90) foot offset from the previous face and six (6) feet in height. The 3-Dam crest raise will be completed to allow leadoff deposition on 3-Dam through the winter. The 1-Dam crest raise is schedule to occur over next summer. The connection to the TDL under the access road and to 1-Dam were complete. The north leadoff pipeline and the return pipelines from the Ute Park pumphouse were install and partially covered with tailings.

Barge Pump Relocation:

The barge pumphouse is included in Mill EPF 1.4 - Tailings Storage Facility. The barge removes process water from the Tailing Storage Facility (TSF) for reuse in the Mill by transporting the water to the East Branch Reservoir (EBR) via the barge return pipeline. Two (2) sets of foundation pylons were installed above the former location of the barge. The barge was moved to the lower set of pylons during the barge relocation. The barge might be moved to the higher set of pylons in the future. Three (3) new anchor blocks were also constructed for the barge relocation.

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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Ec: Jared Ebert, DRMS

PHOTOGRAPHS



View of gabion structures along the ultimate canal



View of a section of the ultimate canal looking south



View of a section of the ultimate canal



View of a section of the ultimate canal



View of a section of the ultimate canal



View of the end of the piped section of the ultimate canal



View of the former foundation location for the barge



View of the two new foundations for the barge



View of the north end of the 3-Dam raise



View of the Ute Park return pipelines and 3-Dam leadoff pipe



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



View of the 3-Dam raise from the south end looking south at the TDL connection