COLORADO
Division of Reclamation, Mining and Safety
Department of Natural Resources

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:** November 18, 2021	**INSP. TIME:** 09:30
OPERATOR: Climax Molybdenum Company	**OPERATOR REPRESENTATIVE:** MIguel Hamarat	**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---------- Y	(FN) FINANCIAL WARRANTY-------- N	(RD) ROADS---------- N
(HB) HYDROLOGIC BALANCE---------- Y	(BG) BACKFILL & GRADING---------- N	(EX) EXPLOSIVES--------- N
(PW) PROCESSING WASTE/TAILING---- Y	(SF) PROCESSING FACILITIES------- N	(TS) TOPSOIL---------- Y
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE---------- N	(RV) REVEGETATION---- N
(SM) SIGNS AND MARKERS---------- Y	(SP) STORM WATER MGT PLAN---- N	(RS) RECL PLAN/COMP-- N
(ES) OVERBURDEN/DEV. WASTE--------- N	(SC) EROSION/SEDIMENTATION--- Y	(ST) STIPULATIONS------- N
(AT) ACID OR TOXIC MATERIALS------- N	(OD) OFF-SITE DAMAGE----------N	

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. Miguel Hamarat with Climax Molybdenum - Henderson Operations (Henderson) was present during the inspection.

The following aspects of the mill site were inspected and are discussed below:

Ute Park Pumphouse - Mill EPF 1.7:
The Ute Park Pumphouse collects seep water from the tailings storage facility and water from the extraction wellfield and returns the water to the tailings storage facility. The extraction well system was improved under technical revisions TR-23, TR-25 and TR-28. The extraction wells, EPF 1.6, were not observed during this inspection.

Williams Fork Pumphouse - Non EPF:
The William Fork Pumphouse pumps water from the Williams Fork River to the 2 potable water storage tanks or to the East Branch Reservoir for make-up water as needed. The pumphouse will be used in the future to discharge water from the Mill water treatment plant to the William Fork River.

East Branch Reservoir System - EPF 1.1:
The East Branch Reservoir System includes the reservoir, dam, pump station and process water line. The reservoir is the primary storage area for mill process water. Recycled process water is delivered from the barge pump to the reservoir. An outlet pipe from the reservoir connects to the pump station. The process water is pumped from the East Branch Pumphouse to the process water storage tanks for use in the Mill.

The East Branch Pumphouse also pumps water from the Ute Creek Reservoir to the 2 potable water storage tanks. The water is treated in the plant located in the Mill building prior to use in the facility.

PC2/PC3 Transfer Station Stormwater Features:
The stormwater features near the PC2/PC3 Transfer Station were recently improved by the Operator. The detention basin under the end of PC2 was regraded and the retention berm was improved to retain stormwater. A section of the stormwater ditch located southwest of the transfer station was piped to prevent dust from the transfer station colleting in the open ditch. A detention basin was constructed north of the transfer station to collect stormwater from the west and north of the transfer station prior to discharging at the stormwater outfall.

3-Dam Crest Raise:
The continued 3-Dam crest raise construction was observed during the inspection. The south leadoff pipeline and spigot pipes were install since the previous inspection.

1-Dam Crest Raise:
The 1-Dam Crest Raise preparation was beginning at the south end of the dam for completion next year. The preparation work will continue weather dependent, however the construction season for the Mill is mostly completed until next year.

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
Miguel Hamarat
Climax Molybdenum Company
19302 County Rd. #3
Parshall, CO 80468

Ec: Jared Ebert, DRMS

PHOTOGRAPHS

View of the mixing vault inside the Williams Fork pumphouse

View inside the Ute Park pumphouse

View inside the East Branch pumphouse

View of the detention basin located north of the PC2/PC3 transfer station

View of the piped section of the stormwater ditch located southwest of the PC2/PC3 transfer station

View of the improved detention basin under the end of the PC2

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

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