

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:		MINE/PROSPECTING ID#:	MINERAL:	COUNTY:	
Henderson Mine		M-1977-342	Molybdenum	Clear Creek, Grand	
INSPECTION TYPE:		INSPECTOR(S):	INSP. DATE:	INSP. TIME:	
Monitoring		Brock Bowles	May 12, 2022	09:00	
OPERATOR:		OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:		
Climax Molybdenum Company		Kasey Martin	112d-3 - Designated Mining Operation		
REASON FOR INSPECTION:		BOND CALCULATION TYPE:	BOND AMOUNT:		
Normal I&E Program		None	\$135,204,778.00		
DATE OF COMPLAINT:		POST INSP. CONTACTS:	JOINT INSP. AGENCY:		
NA		None	None		
WEATHER:	INSPECTOR'S SIGNATURE:		SIGNATURE DATE:		
Clear	Brak Sauls		May 25, 2022		

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 N	(RD) ROADS <u>Y</u>
(HB) HYDROLOGIC BALANCE <u>N</u>	(BG) BACKFILL & GRADING <u>N</u>	(EX) EXPLOSIVES N
(PW) PROCESSING WASTE/TAILING <u>Y</u>	(SF) PROCESSING FACILITIES N	(TS) TOPSOIL <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE \underline{N}	(RV) REVEGETATION N
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN N	(RS) RECL PLAN/COMP N
(ES) OVERBURDEN/DEV. WASTE N	(SC) EROSION/SEDIMENTATION \underline{Y}	(ST) STIPULATIONS N
(AT) ACID OR TOXIC MATERIALS N	<u> </u>	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

PERMIT #: M-1977-342 INSPECTOR'S INITIALS: BFB INSPECTION DATE: May 12, 2022

OBSERVATIONS

This inspection was conducted by Brock Bowles of the Division of Reclamation, Mining and Safety (Division). Nikie Gagnon, Connor Drinkard, Robin Reilly, Jeremy Reineke and Lisa Thompson of the Division also attended the inspection. The purpose of the inspection was to familiarize other team members with the Henderson Mine underground facilities. Kasey Martin with Climax Molybdenum- Henderson Operations (Henderson) was present for the inspection. The Henderson Mine is located 9 miles west of Empire in Clear Creek County. This site is a 112d-3 Designated Mining Operation (DMO) permitted for 11,877.5 acres. At the time of the inspection it was cool, clear, and the ground was dry.

The following underground facilities were observed and/or discussed during the tour: settling/sediment ponds, pump room, conveyor/train repair shop, production area, truck maintenance and ore crusher. Photographs were not taken during this inspection.

The mine was in operation during this inspection. Ore was being hauled from the production area to the crusher, crushed and loaded onto the conveyor belt. The conveyor belt was moving ore to the mill on the surface for processing. Surface facilities were not inspected during this inspection.

Inspection Contact Address

Kasey Martin Climax Molybdenum Company 19302 County Rd. #3 Parshall, CO 80468

CC: Geoff Niggeler, Henderson Mine Peter Hays, DRMS