




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 - Puzzler Target	MINE/PROSPECTING ID#: P-2022-006	MINERAL: Molybdenum	COUNTY: Clear Creek
INSPECTION TYPE: Mineral Prospect Inspection	INSPECTOR(S): Peter Hays	INSP. DATE: July 22, 2022	INSP. TIME: 11:15
OPERATOR: Climax Molybdenum Company	OPERATOR REPRESENTATIVE: Geoff Niggeler	TYPE OF OPERATION: MP - Mineral Prospecting	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Partial Bond	BOND AMOUNT: \$17,000.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 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----- <u>Y</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>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>N</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 Mine Exploration Drilling - Puzzler Target was inspected by Peter Hays and Brock Bowles with the Division of Reclamation, Mining and Safety (Division/DRMS) as part of the Division's monitoring inspection program. Ms. Jolyn Bryant with Climax Molybdenum - Henderson Operations (Henderson) was present during the inspection.

The Henderson Mine Exploration Drilling - Puzzler Target was approved by the Division on June 23, 2022 and issued on June 30, 2022. The prospecting site is located on private land in Clear Creek County. The mineral of interest is Molybdenum Porphyry. The anticipated completion date is October 31, 2023. The NOI is approved for 0.57 acres of disturbance for the completion of two (2) 4.5" diameter drill holes to a length of 3,300 feet with one (1) mud pit. The disturbed acreage consists of a 688 foot long access road and a 50' x 90' drill pad. The following chemicals may be used on-site and will be stored in MSHA approved methods and containers: Quick Gel, EZ- Mud, EZ-Mud Gold, Soda Ash, Quicktrol Gold, NXS Lube, Rod Grease, Cellulose, Cement and/or Abandonite.

The construction of the access road, drill pad and mud pit were complete. The drill rig and support vehicles were observed on-site during the inspection. The drillers anticipated starting to drill the following week. The drilling project is expected to last for two (2) months.

The Division holds a financial warranty in the amount of \$17,000.00, which appeared adequate to reclaim the current disturbances at the site.

The Division noted two (2) areas at the beginning of the access road requiring additional stormwater controls. Marmots destroyed the erosion wattle installed in the safety berm to allow water to drain from the road and the Division recommended reinstalling the wattle downstream of the access road culvert. The Prospector stated the erosion wattles would be replaced and improved as soon as possible.

Photographs taken during the inspection are attached. If you need additional information or have any questions, please contact me at 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

Geoff Niggeler
Climax Molybdenum Company
P.O. Box 68
Empire, CO 80438

Ec: Jared Ebert, DRMS

PHOTOGRAPHS



View of the access road from CR 202



View of the triple lined mud pit



View of the drill rig, support vehicles and drill site



View of the access road from the drill pad