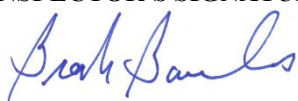




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Henderson Mine	MINE/PROSPECTING ID#: M-1977-342	MINERAL: Molybdenum	COUNTY: Clear Creek, Grand
INSPECTION TYPE: Monitoring	INSPECTOR(S): Brock Bowles	INSP. DATE: September 15, 2022	INSP. TIME: 12:00
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: \$135,204,778.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Cloudy	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 27, 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>N</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>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</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>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

This inspection was conducted by Brock Bowles of the Division of Reclamation, Mining and Safety (Division). Geoff Niggeler of Climax Molybdenum- Henderson Operations (Henderson) was present for the inspection. The Henderson Mill is located 15 miles south of Parshall in Grand 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, cloudy, with rain/snow mix and the ground was wet.

Pond 1.2 is located on the mill side of the Henderson operation, between the entrance gate and the exhaust fans. It is about 1.75 acres in size and is lined with a 40-mil high-density polyethylene liner. It was approved as a high density sludge disposal site in TR8 (1999), although no sludge has been deposited in the pond. As of this inspection, the pond contained a small amount of water accumulated from recent heavy rains. Water was not discharging. The liner appeared to be in good condition (photo 1).

The diversion channel running from No-Name Gulch just east of the main shaft to the east of the development waste pile was inspected. Water was flowing out of the gulch into the diversion ditch (photo 1). The ditch was free and clear of obstructions (photo 2). No runoff from the mine site was seen going into the ditch.

PHOTOGRAPHS



Photo 1 – Pond 1.2



Photo 2 – Water flowing from No-Name Gulch



Photo 3 – Clear water diversion ditch

Inspection Contact Address

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