



## 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.

<b>MINE NAME:</b> Red Mountain Exploration Drilling	<b>MINE/PROSPECTING ID#:</b> P-2011-014	<b>MINERAL:</b> Molybdenum	<b>COUNTY:</b> Clear Creek
<b>INSPECTION TYPE:</b> Surety Release Inspection	<b>INSPECTOR(S):</b> Peter Hays	<b>INSP. DATE:</b> August 25, 2022	<b>INSP. TIME:</b> 09:00
<b>OPERATOR:</b> Climax Molybdenum Company	<b>OPERATOR REPRESENTATIVE:</b> Geoff Niggeler	<b>TYPE OF OPERATION:</b> MP - Mineral Prospecting	

<b>REASON FOR INSPECTION:</b> Surety Release Requested	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$108,000.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> 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>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</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>Y</u>
(SM) SIGNS AND MARKERS----- <u>N</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</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 Red Mountain Exploration Drilling NOI was inspected by Peter Hays and Brock Bowles with the Division of Reclamation, Mining and Safety (Division/DRMS) to evaluate the pending final financial warranty release request (SL1) by the Prospector. The release request was submitted by the Prospector on September 16, 2022 following the inspection. Pursuant to Rule 5.3.5(1), the Office shall inspect the lands explored within thirty (30) days after the release request is submitted by the Prospector. Mr. Geoff Niggeler with Climax Molybdenum - Henderson Operations (Henderson) was present during the inspection. The site was previously inspected by the Division on August 4, 2020. The Division holds a financial warranty in the amount of \$108,000.00 for the exploration activities.

The Red Mountain Exploration Drilling NOI is located approximately 8 miles west of Empire, CO in Clear Creek County. This site is approved for 10.87 acres of disturbance. The site contains eight (8) drill pads and connecting access roads. This inspection was limited to the access road and drill sites located on Harrison Mountain, due to a lightening alert preventing the observation of the areas located on Red Mountain. Harrison Mountain contains drill pads #5-8 and an access road connecting the pads. The inspection of the Red Mountain is scheduled for September 15, 2022.

The drill holes were abandoned by the Prospector in 2011 and 2012 pursuant to Rule 5.4. The abandonment reports for the drill holes have been submitted by the Prospector with the annual report since completion. The access road and drill pads were seeded with the approved seed mixture which includes; mountain brome, tufted hairgrass, blue wildrye, slender wheatgrass, Idaho fescue, Rocky Mountain fescue, western wheatgrass, alpine timothy, Rocky Mountain bluegrass and alpine bluegrass. Forbs and woody vegetation seeds are also included in the seed mixture.

The access road between the drill pads was graded and filled to blend with the adjacent terrain and to maintain the natural drainage patterns. The access road was rough graded and topsoiled creating an angulating surface with shallow depressions between drill pad #5 and the access road switchback before drill pad #6. The rough grading technique creates micro climates which retain moisture to aid in the establishment of reclamation vegetation. Vehicle access to the drill sites and access road is no longer possible following reclamation. The vegetation on the access road was well-established and displayed evidence of several growth cycles with developed seed heads during the inspection. The access road grading above the switchback to drill pad #6 was smoother and more uniform compared to the lower access road. The vegetation on the upper access road was sparse and juvenile, however based on the elevation appeared to be developing well.

The vegetation on drill pads #5 and #6 was sparse and not well-established. The lack of vegetation on drill pad #5 might be due to over mulching. The lack of vegetation on drill pad #6 is likely due to the elevation and grade of the area. Drill pads #7-8 were not observed during the inspection due to the steep grades and impending weather.

Minor erosion features were observed on the upper elevation access road and drill pad #6. No erosion features were observed on the lower access road. Overall, the access road and the observed drill pads appeared stable.

The lower access road appeared releasable from further reclamation responsibility by the Division, however the observed drill pads and upper access road require improved vegetation establishment prior to release consideration by the Division. The Red Mountain portion of the NOI site will be evaluated by the Division prior to issuing a determination on the final release request.

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](mailto:peter.hays@state.co.us).

**Inspection Contact Address**

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**PHOTOGRAPHS**



View of drill pad #5





View of vegetation on the lower access road



View of vegetation on the lower access road





View of vegetation on the lower access road



View of vegetation on the lower access road





View of vegetation on the lower access road



View of the upper access road vegetation below drill pad #6





View of the drill pad #6 grading



View of drill pad #6