




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: June 21, 2022	INSP. TIME: 10:00
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: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 9, 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>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>Y</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>Y</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>Y</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 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. The primary purpose of the inspection was to follow up on items noted during the previous inspection conducted on May 27, 2022. Mr. Geoff Niggeler with Climax Molybdenum - Henderson Operations (Henderson) was present during the inspection.

TSF Coherex application:

The Operator submitted a memo regarding the dust control activities at the Henderson Mill TSF in May 2022 on June 7, 2022 in response to the complaint received on May 26, 2022.

The application of coherex on the TSF was complete at the time of the inspection. Coherex will continue to be applied as part of the on-going maintenance of the TSF. No release of dust from the TSF outside of the permit boundary was observed during the inspection.

Williams Fork River water quality samples:

During the previous inspection, the Operator committed to submit water quality sample from the William Fork River. The annual surface water sampling event for Mid-May was conducted on May 16, 2022 as required by the groundwater management plan. Surface water sampling locations WFR-20 (upstream from the tailings facility) and WFR-40 (downstream from the tailings facility) were sampled during the event.

The water quality data was submitted to the Division on July 20, 2022. The Division reviewed the data and agreed the water quality data collected in May was within historical normal ranges for all parameters.

Mill Water Return Line Spill Report:

On May 24, 2022, the Operator reported water was surfacing along the west access road, south of the TSF. The water was tested and determined to be a combination of spring runoff and Mill Process Water. A leaky vent valve was determined to be the source of the water. A temporary valve was installed by the Operator since the previous inspection. A permanent replacement valve was ordered by the Operator and was expected to be installed in the fall. The standing water observed on the west access road had reduced in quantity since the last inspection.

Gravel Pit:

The gravel pit was inactive at the time of the inspection. Stockpiles of material were observed on the pit floor. The Operator stated no additional mining would occur in the north end of the pit. Mining is expected to occur to the south and southeast of the current pit floor when mining operations continue in the future. Groundwater will not be exposed during the future mining operations.

Groundwater and Surface Water:

The groundwater and surface water compliance facilities and locations at the Mill were inspected by the Division. The point of compliance (POC) groundwater wells, MLGW-7 and MLGW-15, and MLGW-17 were observed and discussed during the inspection. Compliance well MLGW-ACR was not accessible due to a locked gate at the entrance of the ranch property. Surface water sampling locations WFR-20 and WFR-40 were observed and discussed during the inspection.

1-Dam Crest Raise:

The 1-Dam crest raise construction was observed during the inspection. The raise was complete in Cell 1 and construction of the raise will continue to the north for the remainder of 1-Dam this 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.

PHOTOGRAPHS



View of the return line valve vault



View of the temporary return line valve



View of the reduced surface water area on the west access road



View of the completed 1-Dam crest raise in Cell 1



View of the coherex application on the face of 1-Dam



View of WFR-40 surface water sampling location sign



View of WFR-20 surface water sampling location sign



View of MLGW-7 POC well casing and sign



View of MLGW-15 POC well casing and sign



View of MLGW-17 well casing and sign



View of the gravel pit floor from the south end looking north