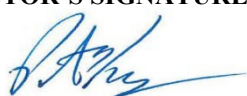




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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	WEATHER: Clear	INSP. DATE: April 28, 2023	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: Partial Bond	BOND AMOUNT: \$135,204,778.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Peter Hays Brock Bowles	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: May 1, 2023	

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>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</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>Y</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 Mill 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. Mr. Geoff Niggeler with Climax Molybdenum - Henderson Operations (Henderson) was present during the inspection.

Annual Report

The Operator submitted the 2023 Annual Report for the site on March 8, 2023. In Section 2. Henderson Mill, 2.3.4 – 3-Dam Seepwater Line Leak-Down Test, the Operator reported the backup seepwater line discharge valve leaked at the discharge point below 1-Dam leading to an invalid pressure test. The valve will be replaced and retested in the spring of 2023. The valve was observed during the inspection.

Mill Stormwater

The Division and Henderson staff attempted to inspect the stormwater outfalls located south of East Branch Reservoir and near the PC2/PC3 transfer station. However, due to snow cover the outfalls were difficult to observe and evaluate during the inspection. A list of the partially observed outfalls with comments from the inspection are below:

OF-M24: the BMP's at this outfall location consist of a rock check dam and straw waddles leading to a rip-rap outfall. The outfall was completely snow covered at the time of the inspection.

OF-M23: the BMP's at this outfall location consist of a rock check dam and straw waddles leading to a rip-rap outfall. The outfall was completely snow covered at the time of the inspection.

OF-M19: the BMP's at this outfall location consist of a rock check dam and straw waddles leading to a rip-rap outfall. The outfall was completely snow covered at the time of the inspection. Stormwater was observed flowing on the road surface towards the outfall. A pool of water was observed upstream of the outfall. Water was observed flowing at the same rate as on the road surface behind the waddles. It appeared the water was able to flow under the waddle due to damage to the waddle by a snowplow. Repairs to the outfall were recommended by the Division during the inspection.

OF-M21: the BMP's at this outfall location consist of a rock check dam and straw waddles leading to a rip-rap outfall. The outfall was completely snow covered at the time of the inspection.

The Division will schedule a follow-up inspection to observe the stormwater outfalls when ground conditions improve later in the 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 OF-M24



View of OF-M23



View of OF-M19



View of OF-M21



View of the 3-Dam backup seepwater line discharge valve

Inspection Contact Address

Geoff Niggeler
Climax Molybdenum Company
19302 County Rd. #3
Parshall, CO 80468

Ec: Jared Ebert, DRMS
Brock Bowles, DRMS