




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: Pre-Operation Inspection	WEATHER: Cloudy	INSP. DATE: May 19, 2023	INSP. TIME: 10:00
OPERATOR: Climax Molybdenum Company	OPERATOR REPRESENTATIVE: Geoff Niggeler	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Pre-Operation Inspection	BOND CALCULATION TYPE:	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 26, 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>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>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>Y</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

This was a pre-operational inspection of the Henderson Mine conducted by Peter Hays and Brock Bowles with the Division of Reclamation, Mining and Safety (Division/DRMS) for amendment application no. 8 (AM8). Mr. Geoff Niggeler and Ms. Jolyn Bryant with Climax Molybdenum - Henderson Operations (Henderson) were present during the inspection. A copy of the Exhibit C map submitted with the amendment application is included for reference.

The 112d designated mining operation permit amendment application (AM8) was received by the Division on April 17, 2023. The application was deemed complete on May 1, 2023. The current decision due date is July 31, 2023. The Applicant is publishing public notice as required by Rule 1.6.2(d) and 1.6.5(1) for four consecutive weeks. The public comment period for the amendment application ends on June 28, 2023. No objections have been received by the Division as of the date of this report. The notice sign was observed at the entrance gate during the inspection as required by Rule 1.6.2(b).

The permit amendment application proposes to increase the affected land boundary 224 acres from 4,360.2 acres to 4,584.20 acres. The proposed acreage would increase the affected area at the Mill site to allow for installation of water quality management related infrastructure, including access roads for new monitoring wells. The areas included in the amendment application were observed during the inspection and appeared as described in the amendment application.

Area below 1-Dam

Henderson is proposing to increase the affected land boundary to the east/southeast and downgradient of the Tailing Storage Facility (TSF) to allow for the construction of roads to install and access additional water quality monitoring wells and other infrastructure to expand the existing water quality management program already established in this area. The exact number and location of wells and access roads will be determined based on geophysical studies and as each new well is installed and more information becomes available. The proposed reconfiguration of the affected land boundary shifts the boundary eastward, along the property boundary. The net increase to the affected land area would be 82.5 acres.

Area below 3-Dam

Henderson does not have any immediate plans to install additional water quality monitoring wells and/or infrastructure in this area. However, Henderson feels it is appropriate to propose an increase to the affected land boundary in this area to allow for potential future water quality management program improvements. The proposed reconfiguration of the affected land boundary shifts the boundary eastward, along the property boundary. The net increase to the affected land area would be 141.5 acres.

Hydrology and Water Quality

The activities proposed in the amendment application, including the construction of roads to install and access additional water quality monitoring wells will not impact the hydrologic balance of the affected land or the surrounding area, nor affect the quality or quantity of water in surface and groundwater systems.

The Division will send the Applicant an adequacy letter based on the technical review of the amendment application separately.

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.

Inspection Contact Address

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

Ec: Jared Ebert, DRMS
Brock Bowles, DRMS

PHOTOGRAPHS



View of the amendment area below 3 Dam from the south boundary looking east



View of the amendment area below 3 Dam from the south boundary looking north (CR3)



View of the amendment area below 3 Dam from the south boundary looking northeast



View of the amendment area below 3 Dam from the south boundary looking northwest



View of the amendment area below 3 Dam from the north boundary looking south



View of the amendment area below 3 Dam from the northeast boundary corner looking southwest



View of the amendment area below 1 Dam from the southeast boundary corner looking north



View of the amendment area below 1 Dam from the south end looking northwest



View of the amendment area below 1 Dam from the south end looking north



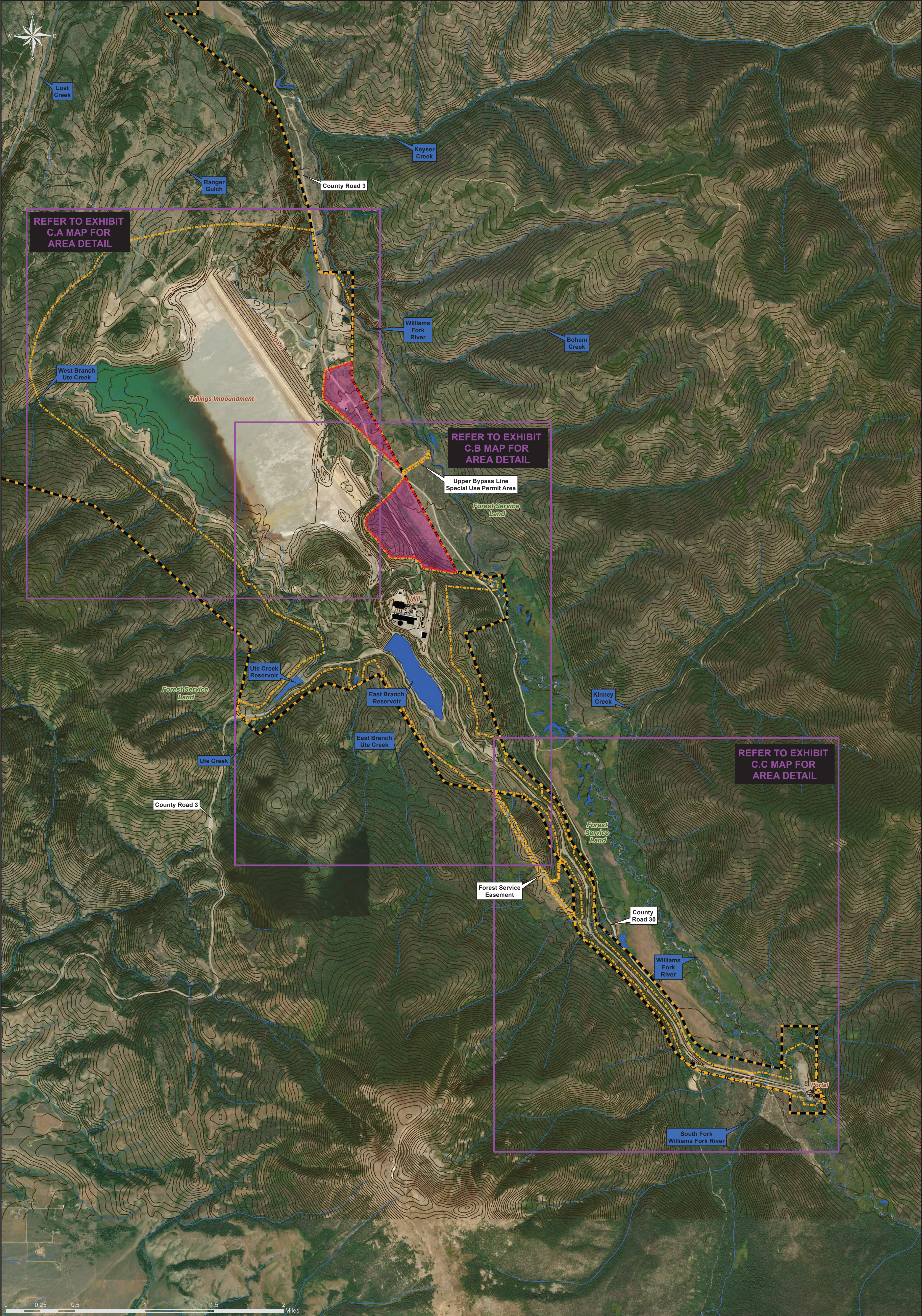
View of the amendment area below 1 Dam from the south end looking east



View of the amendment area below 1 Dam from the north boundary corner looking south



View of the amendment area below 1 Dam from the north boundary corner looking southeast



LOCATION MAP

MAP FEATURES

	PROPERTY BOUNDARY		BUILDING
	AFFECTED LAND BOUNDARY		SUB-MAP REFERENCE OUTLINE
	PROPOSED ADDITIONAL AFFECTED LAND BOUNDARY		AM-08 ACREAGE
	PERENNIAL STREAM		
	INTERMITTENT STREAM		
	LAKE / POND		

Contour Interval: 25 Feet

SIGNATORY INFORMATION

SIGNATURE

Miguel Hamarat

NAME

Environmental Manager

TITLE

Pursuant to Rule 6.2-1(2)(b), this map has been prepared under my direction as a registered land surveyor, professional engineer, or other qualified person.

REVISION	DATE	AUTHOR

DESIGNED BY:

DRAWN BY: MT(Aquionix)

DATE DRAWN: 2/27/2023

A Freeport-McMoRan Company

HENDERSON OPERATIONS

1746 County Road

Empire, Colorado 80438

HENDERSON MILL

Exhibit C

Pre-Mining and Mining Plan

Map of Affected Lands

SCALE: 1 inch = 1,667 feet

COORDINATE SYSTEM: NAD_1983

_UTM_Zone_13N