




**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> Climax Mine	<b>MINE/PROSPECTING ID#:</b> M-1977-493	<b>MINERAL:</b> Molybdenum	<b>COUNTY:</b> Lake, Summit
<b>INSPECTION TYPE:</b> Monitoring	<b>WEATHER:</b> Cloudy	<b>INSP. DATE:</b> June 6, 2023	<b>INSP. TIME:</b> 09:40
<b>OPERATOR:</b> Climax Molybdenum Company	<b>OPERATOR REPRESENTATIVE:</b> Alex Ungers	<b>TYPE OF OPERATION:</b> 112d-3 - Designated Mining Operation	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$91,011,850.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> DRMS	<b>JOINT INSP. AGENCY:</b> None	
<b>INSPECTOR(S):</b> Amy Yeldell	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> June 15, 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>Y</u>	(EX) EXPLOSIVES----- <u>NA</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>N</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>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 as part of the Colorado Division of Reclamation, Mining and Safety (Division) normal monitoring program. Climax Mine is a 112d-3 Molybdenum mine and milling operation located in Summit, Eagle and Lake County and is accessed from Colorado State Highway 91. The site consists of 14,000 permitted acres, of which approximately 8,000 acres have been affected. The Division currently holds \$91,011,850.00 in Financial Warranty for the site. Alex Ungers and Paul Weber represented Climax Molybdenum Company and accompanied Amy Yeldell of the Division on the inspection.

Division staff first checked in at the guard station and renew the annual site specific safety training. The guard station is located at the main gate on the east side of HWY 91. The weather was clear during the inspection, nearly all of the snow on site has melted. Roads saturated but well maintained and the site was completely accessible.

Prior to a field inspection, Division staff had a short office meeting update with Eric Detmer. No revisions have been submitted or approved since the previous inspection. Climax is working on pulling together information to submit to the Division to update the Reclamation Cost Estimate. Climax's goal is to have materials submitted to the Division by April of 2024. The last Surety Increase (SI-2) occurred in 2019, and the bond is reviewed on a 5 year cycle. Climax is also working on documentation to update their Environmental Protection Plan (EPP). The updated EPP will address recent revisions. The last EPP update occurred in 2018 under TR-28.

The following areas were inspected: Ceresco Seepage Collection Ditch, McNulty OSF (including the expansion area) and the North 40 OSF.

### **Ceresco Seepage Collection Ditch**

The Ceresco Seepage Collection Ditch is mostly melted free of snow, a few areas in the shadows still have snow cover (Photo One). Though the snow is melted in general the soils are still frozen and very limited seepage was observed. Overall the Ditch appeared to be in good shape and is anticipated to function properly once temperatures increase and seepage water is intercepted. Mr. Ungers indicated that the ditch is likely to get extended to the south-southeast to contain the rest of the stormwater from the switchback directly above the ditch (Photo Two). This would be a stormwater improvement. The goal is to remove the need for an outfall point for the east fork of the Arkansas River.

### **McNulty OSF (including expansion area TR-25)**

Division staff was able to see the recently installed Underdrain system for the McNulty OSF expansion (Photo Three). The Non-Contact Water Underdrain System directs clean water from above the Phase 2 expanded OSF under the pile and into the east interceptor. The goal is by end of next year to have extend the East Interceptor Ditch to run along the east side (above) the expanded portion of the McNulty OSF to route clean water around the entire pile. This would then eliminate the need for the Underdrain System. The concrete box up gradient of the stripped phase 1 area is the Surface Water Diversion System inlet structure.

Atop the Underdrain System is the Primary Contact Water Collection System (CWCS). This feature will act as a French Drain, collecting surface waters which have infiltrated through the OSF and directing them into the Energy Dissipation Structure No.1. Contact water eventually gets taken to East Tailings Delivery Line (ETDL) which then gets treated prior to discharge. Secondary CWCS will also be installed as needed in addition to toe drains as material is placed in the OSF. The phase 1 geo-membrane lined pond was observed and held water at the time of the inspection (Photo Four).

The phase 2 laydown yard has also recently been completed (Photo Five). The laydown yard is stabilized with rubble. Crews were mobilizing equipment at the time of the inspection. At this time no fuel or other similar support features have been placed in the laydown yard. The crews are mobilized to begin shredding/chipping trees in the Phase 2 area which have already been removed/knocked down. Crews will also begin stripping topsoil in the phase 2 expansion area (Photo Six).

Phase 1 topsoil has been completely stripped (Photos Seven and Eight) and is approximate 400k CY located behind pond 1, and an additional 100K CY stored on the upper south ridge. Phase 2 stripping will commence soon and it is anticipated to generate at least 900k CY, though it's estimated that much more exists.

#### North 40 OSF

Lastly the Division inspected the North 40 OSF which contains mostly low-grade ore dump and historical waste rock. The reclaimed portions of the OSF remain stable. The toe drains go into DSM interceptors (the cement boxes) which direct contact water into the ETDL (concrete pipe) which diverts to the SDP (Photo Nine). Adjacent to the ETDL is the Tailings Delivery Line (TDL) is the black poly pie. Seepage from the north side channel is directed into the 10 mile (Photo Ten). Seepage out of the North 40 OSF was observed.

---

No Problems or Possible Violations were identified during this inspection.

Responses to this inspection report should be directed to: Amy Yeldell at the Division of Reclamation, Mining and Safety, Rm 215, 1001 E 62nd Ave, Denver CO 80216. Direct contact can be made by phone at 303-866-3567 Ext 8183 or via email at amy.yeldell@state.co.us

#### Inspection Contact Address

Alex Ungers  
Climax Molybdenum Company  
Highway 91, Fremont Pass  
Climax, CO 80429

Enclosure: Ten Photos

EC:  
Travis Marshall, Senior EPS, Grand Junction DRMS  
Lucas West, DRMS  
Eric Detmer, Climax  
Alex Ungers, Climax



## PHOTOGRAPHS

















