



June 22, 2023

Eric Detmer  
Climax Molybdenum Company  
Highway 91, Freemont Pass  
Climax, CO 80429

**RE: Climax Mine, Permit No. M-1977-493, Request for Financial Warranty Update**

Dear Mr. Detmer:

The Division of Reclamation, Mining and Safety (Division) is required pursuant to Rule 4.2.1(1) to ensure that all Financial Warranties shall be set and maintained at a level which reflects the actual cost of fulfilling the requirements of the approved Reclamation Plan. As discussed during the Division's June inspection, the 5 year review period for the Financial Warranty update is nearing. The Division last performed its own independent reclamation cost estimate in 2019 under Surety Increase #2. Climax has indicated that this project is already underway.

This project should include a thorough review of the information provided under Exhibit L - Reclamation Costs and provide an update consisting of all remaining reclamation tasks. Additionally include itemized unit costs utilized by Climax in their calculations. The Divisions SI-2 calculation should be used as a basis for the required information, accounting for inflationary increases and any new items.

Therefore the Division is formally requesting that Climax submit the updated reclamation task/ cost estimating information to the Division for its review by **Monday, April 1, 2024**. The information provided shall fully address the requirements of Rule 6.4.12. Once received the Division will review the updated information provided by Climax and utilize it as a basis to adjust the financial warranty as appropriate and required by Rule 4.2.1(3).

If you have any questions, please contact me at 303-866-3567 Ext 8183 or [amy.yeldell@state.co.us](mailto:amy.yeldell@state.co.us).

Sincerely,

Amy Yeldell  
Environmental Protection Specialist



EC:     Travis Marshall, DRMS  
         Dustin Czapla, DRMS  
         Lucas West, DRMS  
         Alex Ungers, Climax