



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.

MINE NAME: Climax Mine	MINE/PROSPECTING ID#: M-1977-493	MINERAL: Molybdenum	COUNTY: Lake, Summit
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: November 15, 2023	INSP. TIME: 10:03
OPERATOR: Climax Molybdenum Company	OPERATOR REPRESENTATIVE: Eric Detmer	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE:	BOND AMOUNT: \$91,011,850.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Lucas West Todd Jesse	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 30, 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>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</u>	(SF) PROCESSING FACILITIES----- <u>Y</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>N</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>Y</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 normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety. This inspection also serves as the spill notification response inspection, the spill was reported to the Division on May 6, 2023. Climax is a 112d-3 Molybdenum mining and milling operation located primarily in Summit County. In addition to the Inspector listed on page one of this report Eric Detmer of Climax accompanied the inspection and represented the Operator. The site consist of 14,000 permitted acres with approximately 8,000 acres of affected lands. The site is bisected by Colorado State Highway 91 and public access is controlled by a guard station at the main gates. The Division currently holds \$91,011,850.00 in Financial Warranty for the site. Nine Photos accompany this report to illustrate the current site conditions.

This inspection was focused on the following areas:

- McNulty Overburden Storage Facility (OSF)
- TR-36 5 Dam Seepwater Collection System Construction

McNulty OSF

The McNulty OSF is an on-site repository for overburden material generated from within the pit. The major advancements during this construction included topsoil stripping of the next phase area, underdrain installation and maintenance and upland diversion structure installation and maintenance. During the topsoil stripping operations, approximately 750,000 Cubic Yards of topsoil was salvaged and stockpiled. The stockpiled topsoil is stored toward the Northern extent of the facility and can be seen in Photos One and Two. The stockpile has recently been seeded for stability. Evidence of seeding was observed. At the time of the inspection the stockpile appeared stable and no evidence of settling, slumping or erosion was noted. The area that was stripped can be seen in Photos Three and Four. Similarly, the stripped area appeared stable and no evidence of significant erosion was noted. One of the exposed under drains was observed, it was installed to promote drainage of meteoric water seeping through the overburden. The drain structure appears to be in compliance with the approved plan and able to function as designed. All internal drainage structures that were observed were free from obstruction and able to function as designed. All impacted water that falls on or is collected from the facility is routed to the Mayflower Tailings Storage Facility for use or eventual treatment.

Along the up gradient side of the facility the Clear Water Ditch has been installed. The Clear Water Ditch consists of open top, rock lined ditch as well as covered pipe. The conversion point from open top ditch to pipe can be seen in Photo Five. The inlet structure to the pipe is free from debris and able to function as designed. The open top ditch portion, shown in Photo Six, is clear from obstruction and armored with rip rap to control erosion. The ditch is in excellent condition and no issues were noted along the entire observed length.

At the time of the inspection, overburden material was actively being dumped and spread in the active area of the facility. Active dumping operations can be seen in Photo Seven. The dumping and spreading appears consistent with the approved plan, and the current extent of the overburden material is in excellent condition. No evidence of settling, slumping or erosion along the out slopes was noted. The out slopes and current extent of the facility can be seen in Photo Eight.

TR-36 5 dam Seepwater Collection System Construction

Construction of the recently approved TR-36, 5 dam Seepwater Collection System has begun. At the time of the inspection the main area of focus was site prep and excavation for the concrete cutoff wall and emergency decant structure. This area can be seen in Photo Nine. On site discussions with the Operator as well as their construction contractor indicate that progress has been slow due to freezing temperatures and encounters with groundwater. The excavation of the footprint of the cutoff wall and emergency decant structure has been slow, but moving forward. The area appears to be consistent with the approved designs and no issues were noted with construction area.

All inspected areas were in excellent condition at the time of the inspection, no problems or possible violations were noted. In general, the site exhibits excellent housekeeping. All responses to this report should be directed to Lucas West at the Colorado Division of Reclamation, Mining and Safety at Room 215, 1001 East 62nd Ave. Denver, CO 80216. Direct contact can be made at the Division's Grand Junction Field office, by phone at 303-866-3567 Ext. 8187 or by email at lucas.west@state.co.us.

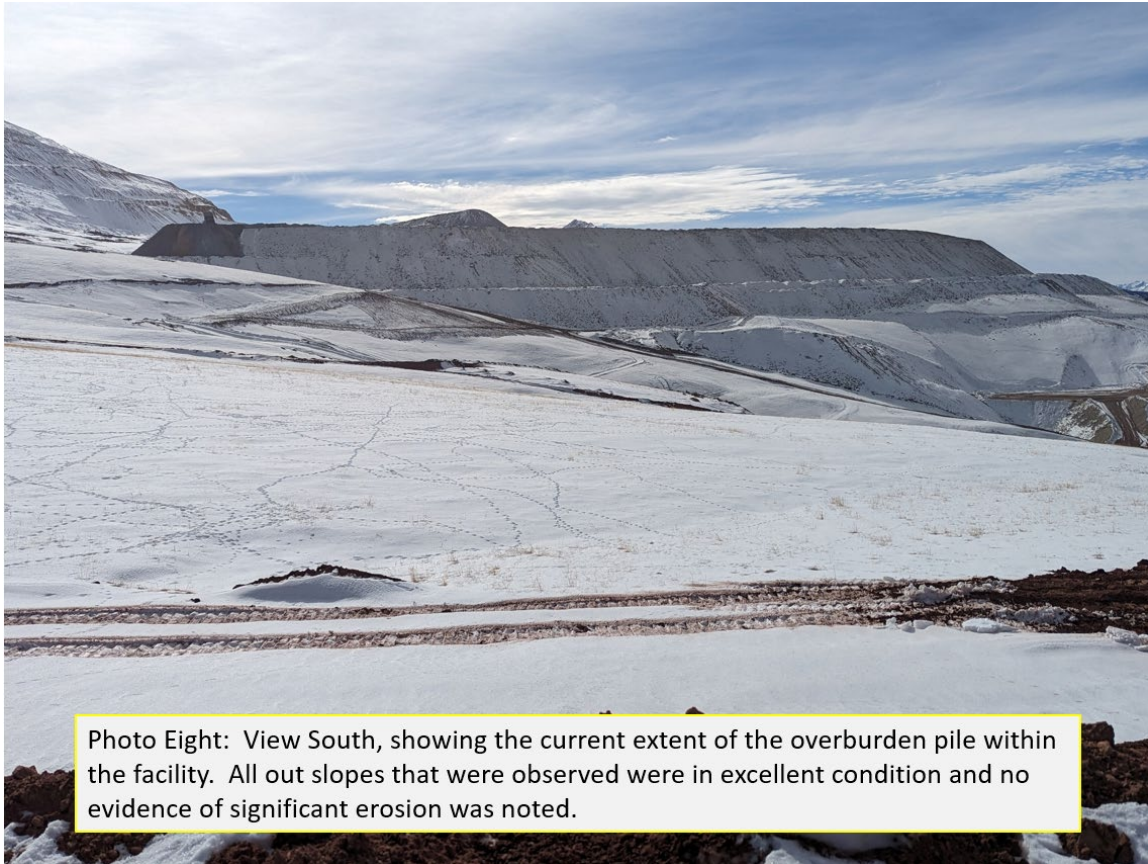
PHOTOGRAPHS











Inspection Contact Address

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