




**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> Clear	<b>INSP. DATE:</b> April 18, 2024	<b>INSP. TIME:</b> 10:00
<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> April 25, 2024	

**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>Y</u>	(RD) ROADS----- <u>Y</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>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>N</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>NA</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 represented Climax Molybdenum Company and accompanied Amy Yeldell of the Division on the inspection.

Division staff first checked in at the guard station at the main gates located on the east side of HWY 91. The weather was clear and breezy during the inspection. The entire site was covered in snow. Roads were well maintained and the site was completely accessible.

The following areas were inspected/discussed: Permitting updates, SDP, PDWTP and Progress on new Molybdenum building (MRTP) and Sludge cells.

### **Permitting Updates:**

Climax submitted bonding information prior to the April 1, 2024, deadline. The Division is currently reviewing the information submitted and will have adequacy questions.

On March 29, 2024, Climax submitted TR-37 which addressed updates to Exhibits E: Reclamation Plan, Exhibit F Reclamation Plan Maps, Exhibit G Water Information and Exhibit I Soil Information. This information is to aid with the 2024 reclamation cost update. The Division has received a 90-day extension request to allow for back and forth in calculating the bond.

An EPP update (TR-38) is nearly complete and is anticipated to be submitted soon.

Planning have begun for the moly removal sludge cells. They will be submitted as TR-39 once finalized.

TR-36 5-Dam Seepwater Collection Area, Secondary Containment System construction is still on hold.

Activities are expected to resume in May. There are concerns about concrete integrity.

### **SDP:**

The SPD is currently on by-pass and all water is being treated at Mayflower. Climax is finding that not treating water at the SDP, resulting in better coprecipitation of Ferric Molybdenum. By not removing the iron at the SDP the pH going into the PDWTP is at a lower pH which is resulting in more Molybdenum removal during water treatment and is overall better for water chemistry. Climax will continue to test various treatments for best efficiency and overall water quality. All water will continue to be properly treated prior to discharging into Tenmile Creek.

### **PDWTP:**

The PDWTP has resumed using the filter press to dewater sludges. There has been a lot of adjustments and tinkering to get the right screen mesh size to allow for proper dewatering but also effective clean out. Climax will continue to optimize the filter press.

### **Overview of progress on new Molybdenum building (MRTP):**

The molybdenum removal (MRTP) building (TR-34) still under construction. This is a supplementary process to Climax's existing Property Discharge Water Treatment Plant (PDWTP). Once online the raw water will first go

into the Moly building, then water will go to the existing PDWTP building and finally the existing Metals Filter Building before discharge into Tenmile Creek.

A crane and several crews were on site actively working on this new EPF. The metal building extension off of the PDWTP is complete. The Ferric Sulfide silo has yet to be installed. Work is continuing on the thickener tanks and the walkways between the two have been installed. The building still on schedule to be online in the first quarter of 2025.

**MRTP Sludge Cells:**

There were additional discussions about planning for the location of the MRTP Sludge cell(s). Additional testing has occurred. All waste must meet the CDPHE-HWMD T-Nor requirements and Part 3 of NRC Regs for Uranium. Any waste which does not meet these requirements will require off-site disposal. Climax needs a storage location if transport cannot keep up with the volume generated or if material needs additional dewatering prior to off-site disposal. Ultimately material slated to be transported off-site to a facility in Golden.

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 970-210-1272 or via email at amy.yeldell@state.co.us

**Inspection Contact Address**

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## PHOTOGRAPHS

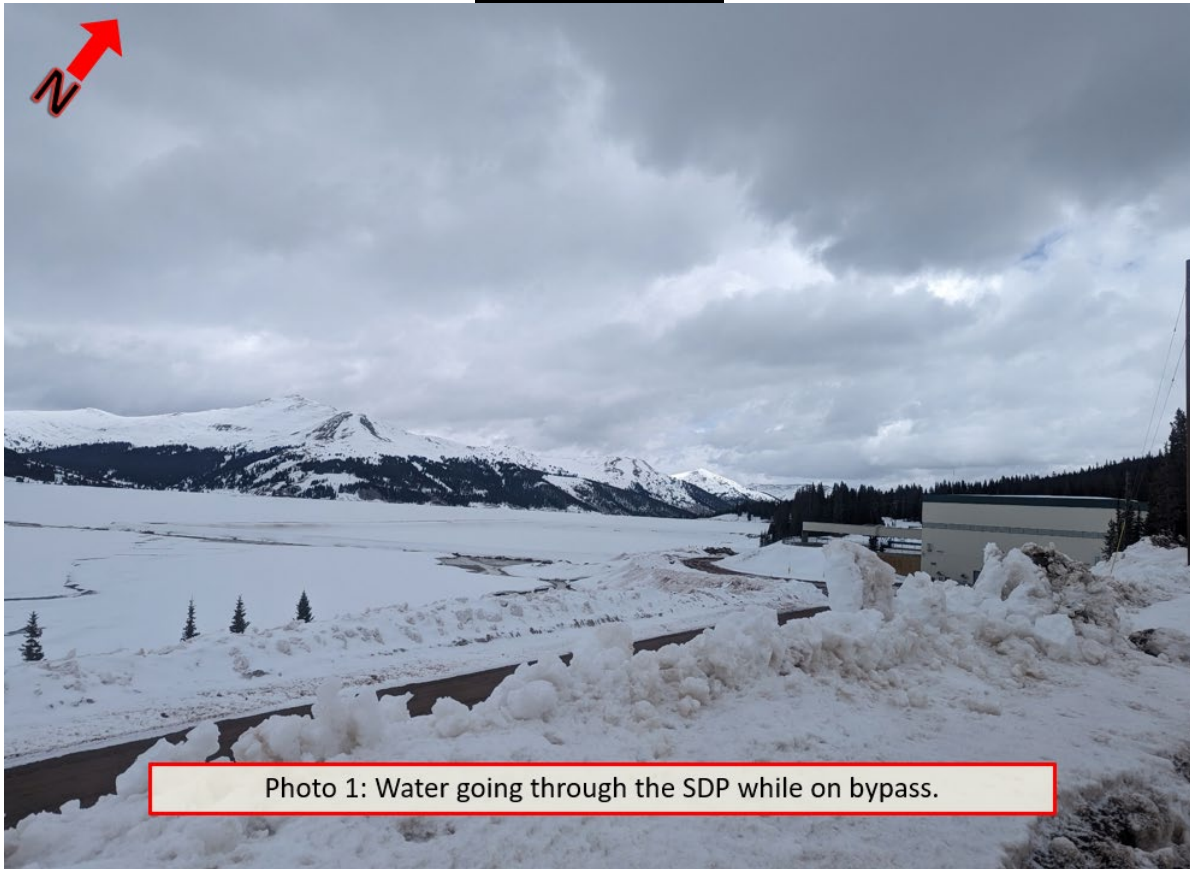


Photo 1: Water going through the SDP while on bypass.



Photo 2: Overview of Mayflower TSF



