

Sent by Email

June 4, 2024

Mr. Dustin Czaplá, Environmental Protection Specialist
Colorado Division of Reclamation, Mining and Safety
1313 Sherman St., Rm. 215
Denver, CO 80203

Re: Tailings Delivery Line (TDL) Leak – Climax Mine Permit No. M-1977-493

Dear Mr. Czaplá:

Climax is providing this 5-day follow-up written notice pursuant to Rule 8.2.3 of the DRMS Rules and Regulations for Hard Rock, Metal, and Designated Mining Operations. On Monday, June 3, 2024, Climax identified a small leak (approximately 12 gallons per minute (gpm)) from the Tailings Delivery Line (TDL), which it conservatively considered as a potential failure or imminent failure of an Environmental Protection Facility (EPF) pursuant to Rule 8.1(b). Climax left a voicemail with Environmental Protection Specialist Dustin Czaplá at approximately 8:30 am on June 4, 2024, and spoke with Environmental Protection Specialist Lucas West at approximately 9:45 am on June 4, 2024, in accordance with Rules 8.2.1(a).

Description of Incident

The incident occurred at the Climax Mine located at Fremont Pass – Highway 91 Climax, CO 80429. At 2:00 pm on June 3, 2024, a Climax tailings operator observed a small flow of tailings leaking from near Drop Tower 13 (just upgradient of the Clinton Cutout) on the TDL. Upon further investigation and assistance from the Climax Engineering Department, the TDL was shut down and the flow of tailings was stopped by 4:00 pm. on the same day. The TDL at this location is comprised of 42-inch diameter reinforced concrete pipe (RCP).

Attachment 1 depicts the location of the TDL and leak. Note that the flow of tailings was eventually captured in the Mayflower Tailings Storage Facility (TSF) as depicted in Attachment 1 to this notification.

Required Information under Rule 8.2.3, paragraphs (a) through (e):

- (a) actions taken to respond to and correct the emergency situation or condition;

Climax Response: The TDL at this segment was shut down and tailings were diverted to another location. The condition of this pipe segment is currently being assessed for possible repair and/or replacement and will not be brought back into service until the TDL is fully functional.

- (b) any known or anticipated adverse impacts to human health, property or the environment;

Climax Response: Given the nature and small amount of material that leaked from the TDL, as well as the location of the leak within the capture area of the Mayflower TSF, there are no known or anticipated adverse impacts to human health, property, or the environment.

- (c) name(s), address(s), telephone numbers and e-mail address of the Operator's contact person for additional information and follow-up by the Office;

*Climax Response: Eric Detmer, Environmental Manager – edetmer@fmi.com, 719-427-0070
Climax Mine
Fremont Pass-Highway 91
Climax, CO 80429*

- (d) monitoring and analyses that are necessary to evaluate the situation and corrective actions, copies of all pertinent data; and

Climax Response: Ultimate containment of the leaked tailings was provided by the Mayflower TSF. Climax is evaluating the most appropriate method to address any remaining/residual solids tailings materials on the land surface between the TDL and Mayflower TSF. This may include excavation and placement in the Mayflower TSF.

- (e) results of the Operator's investigation to assess the conditions or circumstances that created the emergency situation, and what corrective or protective measures will be taken to prevent a similar event from occurring in the future.

Climax Response: Climax does not interpret this event as an emergency situation because ongoing tailings generated by the Mill were diverted to another location, and this pipe segment was isolated and shut down within a short time of the initial leak discovery. Ultimate containment for any leaked tailings is provided by the Mayflower TSF. The 42" RCP pipe formed cracks/leaks at two pipe segments and is initially suspected to be caused by ground settlement. The pipeline will be repaired or replaced before being put back into service. Climax will continue implementing the following actions to maintain and operate the pipeline:

- Continue area inspections every shift*
- Continuation of annual visual inspections every year, walking the entire length of the TDL*
- Internal video inspections on 10-year frequency starting in 2021*

Please feel free to contact me at (719) 427-0070 or at edetmer@fmi.com if you need any further information regarding this matter. Thank you for your continued assistance with Climax Mine.

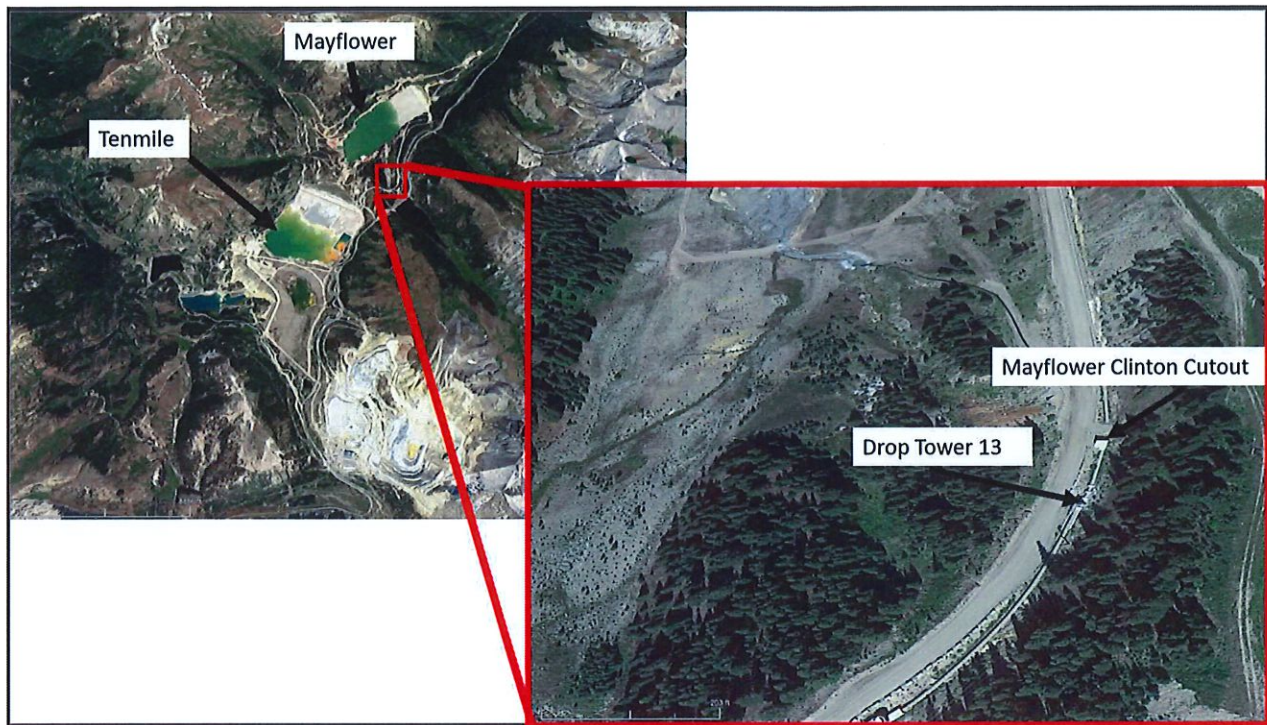
Sincerely,



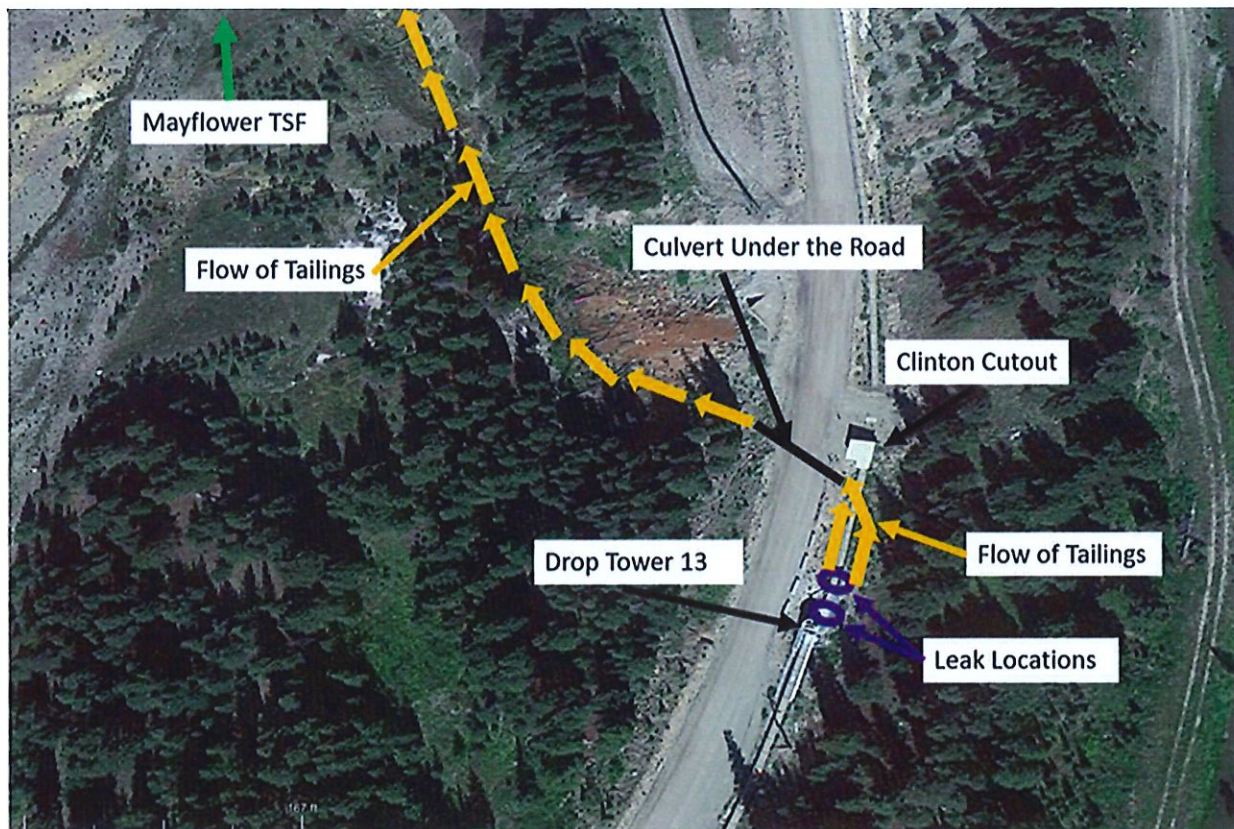
Eric Detmer, P.E.
Environmental Manager

Attachment

Attachment 1 – Location Map



General Location



Close-up Location