



COLORADO

Division of Reclamation,
Mining and Safety


Department of Natural Resources

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: June 12, 2024	INSP. TIME: 12:00
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: None	BOND AMOUNT: \$91,011,850.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
INSPECTOR(S): Dustin Czaplá	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 21, 2024

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Acid And Toxic Materials

PROBLEM: The Tailings Delivery Line developed a leak on June 3, 2024, just up-gradient from the Clinton Cutout. The TDL was promptly shutdown and has now been temporarily repaired. However, further work needs to be done to address the drainage and stability issues at the leak area that caused the concrete pipe separation, in order to prevent future leaks at this TDL section.

CORRECTIVE ACTIONS: Develop a plan to address the drainage and stability issues at the TDL leak area and submit the plan to the Division in the form of a Technical Revision.

CORRECTIVE ACTION DUE DATE: 10/01/24

OBSERVATIONS

This inspection was conducted as part of the Division of Reclamation, Mining and Safety's (Division) normal monitoring program. Eric Detmer, representing the operator, was present. Photographs are included with this report to illustrate some of the conditions observed.

Climax Mine is a 112d-3 molybdenum mining and milling operation located in Summit, Eagle, and Lake counties and is accessible from Highway 91 at the top of Fremont Pass. The Division currently holds a financial warranty amount of \$91,011,850.00 for this site.

Adequate mine identification signage was noted at the entrance to the site.

The inspection was focused on the following areas:

- Tailings Delivery Line (TDL)
- McNulty OSF
- 5 Dam Seepwater Construction

Tailings Deliver Line (TDL)

The Tailings Delivery Line developed a leak on June 3, 2024, just up-gradient from the Clinton Cutout near Drop Tower 13. The leak was due to separation of a joint section of the 42" concrete pipe. The operator notified the Division of the leak right away and promptly shutdown the TDL, which has now been temporarily repaired. There appeared to be a seep developed just uphill from the leak location causing saturation of the soil, which likely caused settling and failure of the pipe. The operator has been instructed to develop a plan to address the drainage and stability issues at this area in order to prevent similar future failures of the TDL here.



McNulty OSF

Operations at the McNulty OSF appear to be in accordance with the approved operating plan. Topsoil is stockpiled at the base. The pile was recently seeded and appeared stable. The underdrains and diversion structures appeared to be functioning. The clear water ditch was flowing and transporting water below the highway towards the Tenmile TSF.





5 Dam Seepwater Collection System

Construction is nearing completion on the 5 Dam Seepwater Collection System approved through TR36. The project was delayed due to difficulties procuring a transformer. Construction is expected to be completed this summer. Work completed thus far appears to be following the approved plans.



No other problems or violations were noted during this inspection.

Responses to this inspection report should be directed to Dustin Czapla at the Division of Reclamation, Mining and Safety, Room 215, 1001 E 62nd Avenue, Denver, CO 80216, phone number (303) 866-3567.

Inspection Contact Address

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