




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: July 15, 2024	INSP. TIME: 09:45
OPERATOR: Climax Molybdenum Company, Climax Mine	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: DRMS	JOINT INSP. AGENCY: None	
INSPECTOR(S): Amy Yeldell Todd Jesse	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 31, 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>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</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>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 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. Eric Detmer and Alex Ungers represented Climax Molybdenum Company. Mike Bellitto of WSP was also there to assist Climax. Amy Yeldell and Todd Jesse represented the Division.

Division staff first checked in at the guard station at the main gates located on the east side of HWY 91. The annual safety refresher was completed.

This was a records inspection specifically related to TR-37. TR-37 proposes several revised exhibits but is primarily focused on updating the Reclamation Plan and the corresponding reclamation cost estimate for bonding purposes. The last Surety Increase and formal bond calculation was completed in 2019. To date three adequacy reviews have been issued. Reviews #2 and #3 have outstanding items. The purpose of this inspection was to gain clarification on questions and talk through the responses. Climax will formally submit in writing responses to be reviews. After which the Division will provide Climax with a draft estimate for their review prior to issuance.

During the inspection, the Division and WSP were able to compare correction factors used in various bonding software which results in different estimated liabilities despite having similar inputs. The Division conveyed its expectation of additional information to be provided and areas where the permit needs to be clarified. Climax was amenable to all feedback and clear on the expected deliverables. A tentative second meeting has been scheduled to review the Divisions estimate.

At the time of the inspection, TR-37 had a decision due date of August 28, 2024 with all adequacy responses to be received by July 29, 2023. Since the inspection the decision due date has been extended to September 30, 2024. Climax anticipates submitted the discussed adequacy responses to the Division by August 2, 2024. Additional review time has been accounted for to facilitate continued collaboration.

Permitting Updates:

An EPP update is nearly complete and is anticipated to be submitted soon.

TR-38 Moly Sludge Cell: Construction has commenced.

TR-36 5-Dam Seepwater Collection Area, Secondary Containment System: Construction has resumed, facility not yet certified.

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

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