




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: September 26, 2024	INSP. TIME: 11:00
OPERATOR: Climax Molybdenum Company, Climax Mine	OPERATOR REPRESENTATIVE: Alex Ungers	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): Todd Jesse	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: October 14, 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>N</u>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</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>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>N</u>	(ST) STIPULATIONS----- <u>N</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 Counties and is accessible from CO State Highway 91. The site consists of 14,000 permitted acres, of which 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 the Division on the inspection. The weather was sunny during the inspection with good visibility and temps in the 60s.

The following areas were inspected:

- East Interceptor
- West Interceptor
- Chalk Mountain Interceptor
- 5 Dam Seepwater Collection System Construction
- Molybdenum Removal Water Treatment Plant (MRWTP).

East Interceptor

The East Interceptor conveys non-contact water to Clinton Reservoir. The interceptor consists of open channel, culverts and pipeline. Portions of the open channel were observed to be well maintained and able to conduct water (Photo 1). Culverts and openings to the underground pipeline are free of obstructions (Photo 2). No problems were noted with the East Interceptor.

West Interceptor

The West Interceptor captures non-contact water from the north side of the tailings ponds and conveys the freshwater east, around the mine area and into Tenmile Creek, just upstream of the PWDTP. For the most part, much of the West Interceptor flows along the road on the north side of the tailings area. The West Interceptor consists of open channel, pipeline, vaults, and culverts. Open channel sections of the interceptor that were observed were free of obstruction and showed no signs of significant erosion. Vaults that intercept clean water at Kokomo and Searle are in good working order and show no signs of instability (Photo 3). No problems with the West Interceptor were noted.

Chalk Mountain Interceptor

The Chalk Mountain Interceptor captures non-contact water from the Chalk Mountain drainages and conveys the freshwater to Eagle Park Reservoir. The Chalk Mountain Interceptor consists of open channel and culverts. The interceptor channel was observed along most of its reach, from the access road. Culverts are clear of obstruction and open channels appear to be able to convey water properly. The 4 Dam Seep Water Pump System directly below Eagle Park Reservoir was also inspected. Embankments of the collection pond show no signs of erosion and the water levels were below discharge levels. No problems were noted with the Chalk Mountain Interceptor.

5 Dam Seepwater Collection System

The system was functioning and construction was nearly completed on the 5 Dam Seepwater Collection System, approved under TR-36. However, the pipe from the ditch to the pumphouse was crushed after it was buried and needs to be replaced. The Operator has a temporary work around solution in place and is working with their contractor to replace the crushed pipe. The completed work appears to be consistent with the approved designs and no issues were noted within the construction area.

Molybdenum Removal Water Treatment Plant

Construction continues on the new MRWTP building approved under TR-34. This is a supplementary process to Climax's PDWTP. Once online the raw water will first go into the Moly building, then water will go to the existing PDWTP building. A crane and several crews were observed working on the domes of the thickener tanks. The building still on schedule to be online in the first quarter of 2025.

All inspected areas were in excellent condition at the time of the inspection. In general, the site exhibits excellent housekeeping. Access roads throughout the site were dry and well maintained. No problems or possible violations were noted.

All responses to this report should be directed to Todd Jesse 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 720-688-0626 or by email at todd.jesse@state.co.us

PHOTOGRAPHS



Photo 1: View to the northeast of Parshall Flume on the East Interceptor.



Photo 2: View to the north of East Interceptor as it enters the underground pipeline.



Photo 3: View to the west of vault on West Interceptor at Searle Gulch.



Photo 4: View to the southeast of dry Chalk Mountain Interceptor.



Photo 5: View to the south of 4 Dan Seep Water Pump System.



Photo 6: View to the south of TR-36 progress. The temporary pump can be seen in the foreground.



Photo 7: View to the southwest of construction on thickener dome of MRWTP

Inspection Contact Address

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