




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: October 30, 2024	INSP. TIME: 13:00
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): Dustin Czapla	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 1, 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>N</u>	(RD) ROADS----- <u>N</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 Division of Reclamation, Mining and Safety's (Division) normal monitoring program. Alex Ungers, representing the Operator, was present during this inspection. 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 accessed from Hwy 91 at the top of Fremont Pass. The Division currently holds a financial warranty amount of \$91,011,850.00 for this site.

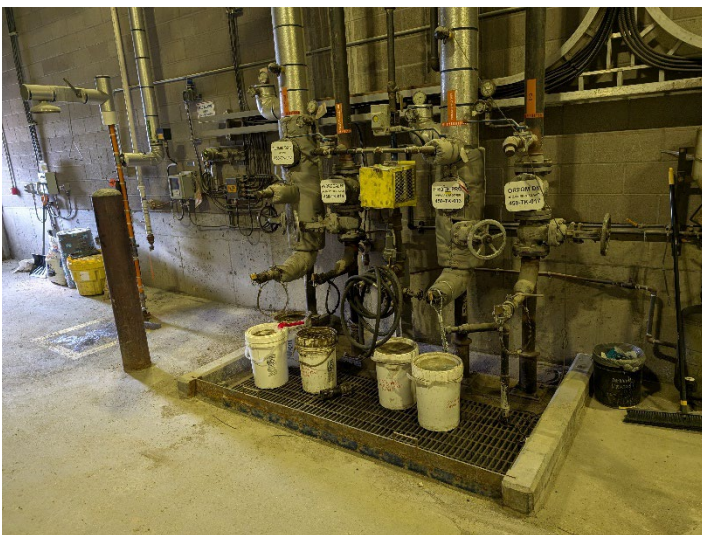
Adequate mine identification signage was noted at the entrance to the site.

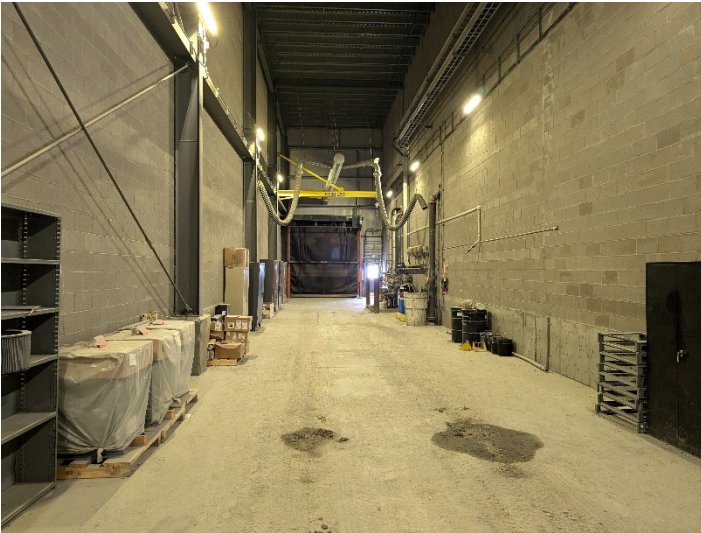
The inspection was focused on the following areas:

- Mill Chemicals Reagent Transfer Area
- Sludge Densification Plant (SDP) and Lime Station
- Sinkhole repair at TDL Drop Structure 2
- Mayflower Pump Station and 5 Dam Seepwater Collection Area (TR36)

Mill Chemicals Reagent Transfer Area

The Reagent Storage Room and transfer bay were observed to be in excellent condition. The transfer bay was clean, neat and well kept. The pipes and delivery systems appeared to be in good working order and no evidence of spillage during transfer was noted. The sump associated with the transfer station was clean and free from obstruction. The transfer bay is sloped towards the interior of the mill facility providing for secondary containment should any spillage occur.



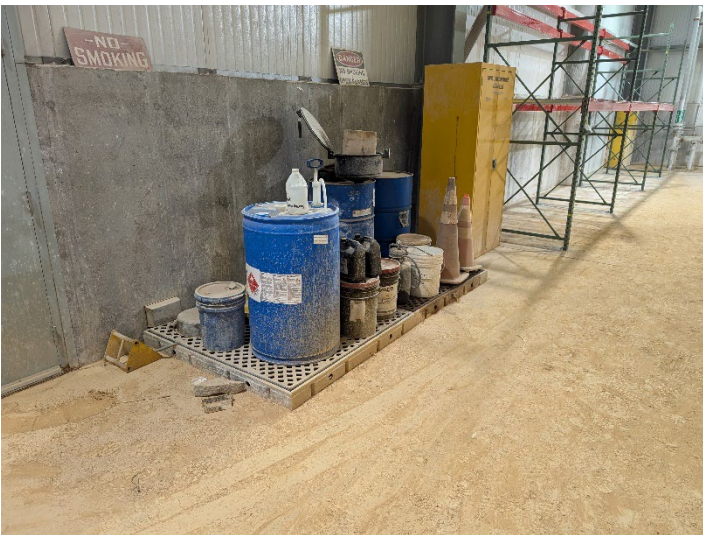


Sludge Density Plant (SDP) and Lime Station

The SDP is located on the east side of Tenmile Pond. The SDP provides first stage metals treatment for a significant portion of the mine's affected waters and creates sludge for deposition in tailings storage facilities. When possible, water is recycled through Robinson Lake for use in the mill facility. The plant has been constructed with adequate secondary containment, in the form of concrete sumps, to contain spills that could occur within the plant. Spills were not noted during this inspection. Operation of the SDP is automated, and emergency generators are in place in case of power outages. Reagents utilized in the SDP include lime and flocculant. All chemicals and reagents observed in the SDP area were properly stored with adequate secondary containment protections. Containers were clearly labeled.

The SDP Lime Station is located approximately 800 feet south of the SDP. The lime station includes conventional silos for storage of lime and lime slakers. Slaked lime is produced by mixing lime from the silos with fresh water. No problems were noted in the lime station.

The SDP facility appeared to be well maintained and functioning as designed. No problems were noted.



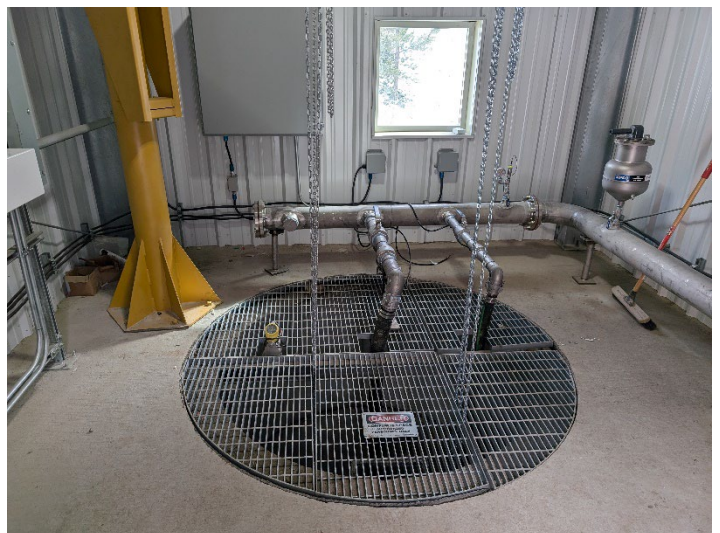
Sinkhole repair at TDL Drop Structure 2

On October 4, 2024, Climax notified the Division that a leak was discovered on a buried portion of the TDL HDPE pipe near Drop Structure 2. Climax made repairs by completing removal and replacement of a 10-foot section of the HDPE pipe. The pipe was leak tested prior to backfilling. The leak repair area was observed during this inspection. No problems were noted.



Mayflower Pump Station and 5 Dam Seepwater Collection Area (TR36)

The system was functioning, and construction was completed on the 5 Dam Seepwater Collection System approved under TR-36. The pipe from the ditch to the pumphouse that was crushed after it was buried has been replaced. The completed work appears to be consistent with the approved designs and no issues were noted within the construction area.





Inspection Contact Address

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