




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: Henderson Mine	MINE/PROSPECTING ID#: M-1977-342	MINERAL: Molybdenum	COUNTY: Clear Creek, Grand
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: November 7, 2024	INSP. TIME: 11:30
OPERATOR: Climax Molybdenum Company	OPERATOR REPRESENTATIVE: Ron Hickman, Ben Bates	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE:	BOND AMOUNT: \$167,995,252.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Joel Renfro	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: December 2, 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>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>Y</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

The Henderson Mine was inspected by Joel Renfro with the Division of Reclamation, Mining and Safety (Division/DRMS) on November 7, 2024, as a part of its monitoring program. Ron Hickman and Ben Bates represented Climax Molybdenum Company and were present during the inspection. **Photos 1-10** were taken during the inspection and are included with this report.

The weather during the inspection was clear, but this area received some snowfall the previous day and that morning, so a few inches of snow covered most of this site. Every structure was still visible.

This inspection is the final one for 2024. The goal of this inspection was to observe new structures from TR-36 and other features of the mill that had not been looked at previously this year. The following were observed:

Extraction Wells MLEX-6 and MLEX-7

It was noted in the September 25, 2024 inspection report that a drill rig was on-site for the installation of MLEX-6. Both wells have been installed since then. These wells were added in TR-36, which was approved on September 5, 2024, as a part of the Phase IV upgrade to the Ute Park Extraction Wellfield. MLEX-6 has been drilled and installed inside the Ute Park, just east of the MLEX-3, 4, and 5. MLEX-7 has been drilled and installed inside the gravel pit located east of County Road 3. The caps of each well were visible, even through the snow.

Barge and Return Pipeline

The pipeline was followed from the barge to the East Branch Reservoir. Most of the pipeline is underground, but key support features that are above ground were documented during this inspection. Water is pumped from the barge until it reaches a high point, which is marked above ground with the vacuum vault. After that point, the water moves through the rest of the pipeline using gravity until it's discharged into the East Branch Reservoir. Water is discharged into the reservoir from the south. There are diversions around the reservoir that lead to a pipeline to keep water away from the East Branch, which reduces runoff leading into the reservoir and preserves the tailings dam to reservoir closed loop water system.

Once per year, about 4-5 pipe pigs are propelled through the pipeline. This process aids in locating damage and defects in the pipes. Additionally, pressure is checked along the pipeline, which can be used to gauge defects and help narrow down where problems may be occurring.

Material Deposit in Tailings Dam

To create positive drainage in the tailings dam, tailings material is being deposited at the southern end of the dam. This was observed and actively occurring at the time of inspection.

Mill Process Water Storage Tanks

There are two large storage tanks and two smaller ones north of the Mill facilities. The larger tanks store water that is used in the Mill processes and the smaller tanks store water that is used for showers, sinks, etc. These tanks are drained and inspected every few years by Henderson staff to check for any issues such as leaks or tears in the lining.

This concludes the report.

Any questions or comments regarding this inspection report should be forwarded to Joel Renfro at the Colorado Division of Reclamation, Mining, and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, via telephone at (720) 812-2002, or email at joel.renfro@state.co.us.

PHOTOGRAPHS



Photo 1. Cap of MLEX-7, looking south.



Photo 2. The cap of MLEX-6 to the left, looking east.



Photo 3. Barge, looking northeast.



Photo 4. Beginning of the return pipeline from the barge, looking north.



Photo 5. The return pipeline, which is above ground here but moves underground at the end of this image, looking west.



Photo 6. The vacuum vault is located above the peak of the pipeline, looking south.



Photo 7. East Branch Reservoir, standing on top of the water discharge point looking east.



Photo 8. Water tanks located east of the mill, looking south.



Photo 9. Water tanks located east of the mill, looking east.



Photo 10. Henderson Mill, looking west.

Inspection Contact Address

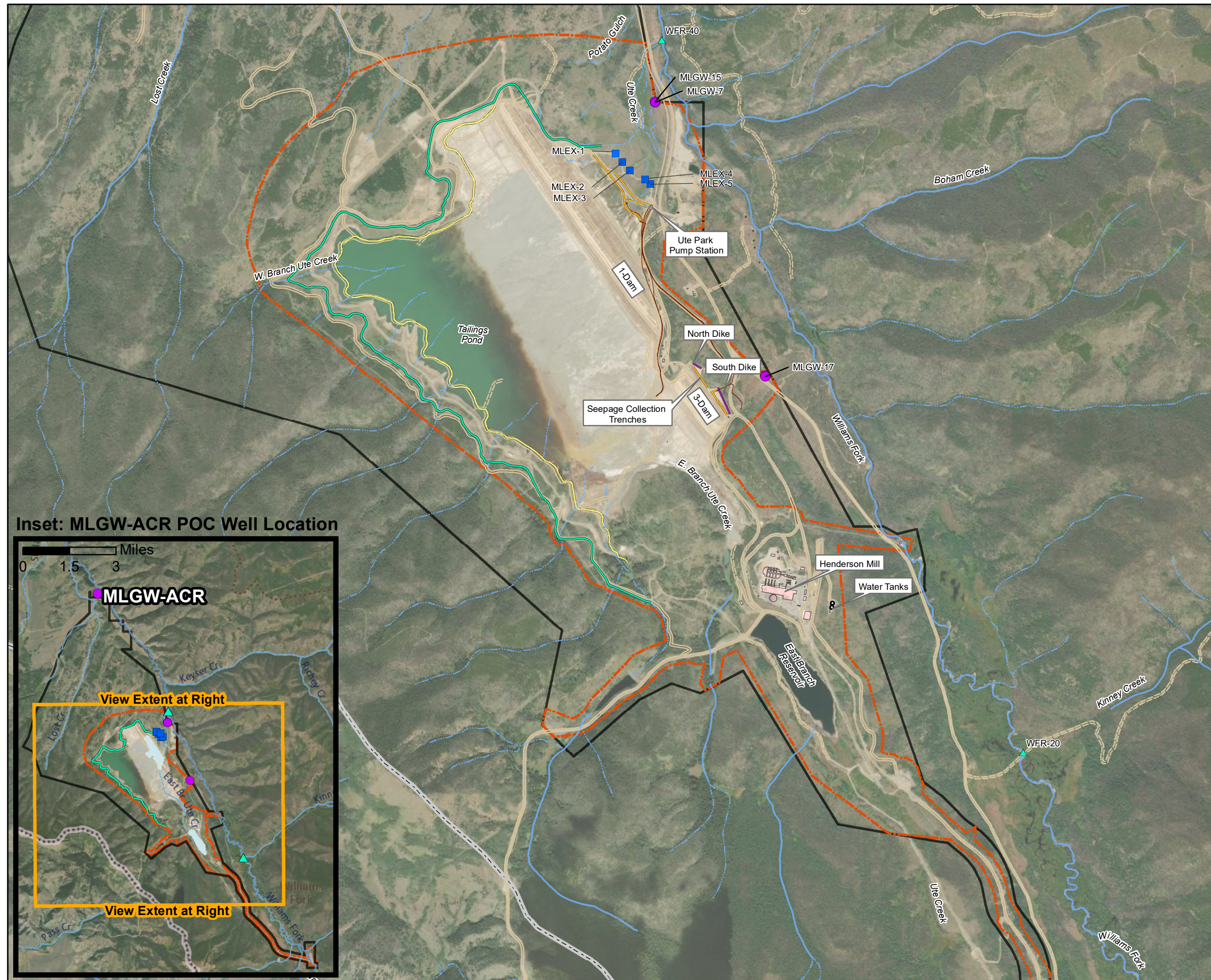
Ron Hickman
Climax Molybdenum Company
P.O. Box 68
Empire, CO 80438

Enclosure:

Regional and Site map from TR-36

CC:

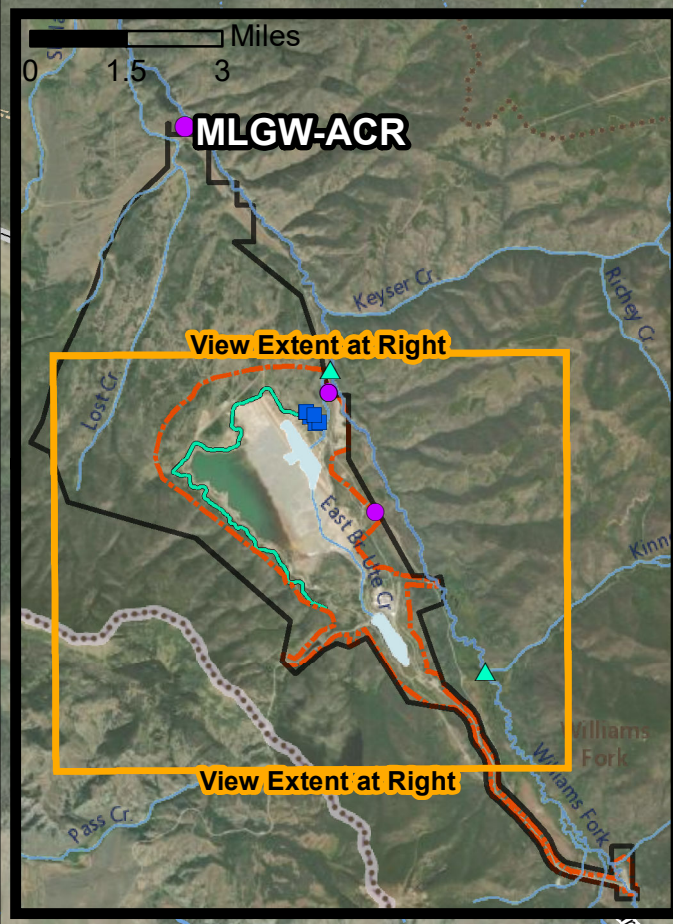
Ben Bates, Climax Molybdenum
Miguel Hamarat, Climax Molybdenum
Nikie Gagnon, DRMS
Jared Ebert, DRMS



Legend

- POC Monitor Well
- Extraction Well
- ▲ Surface Water Monitoring Loc.
- Ultimate Canal
- Canal
- Dike
- Ditch
- Intermittent Surface Water
- Perennial Surface Water
- Pipeline
- Road
dashed where unimproved
- Property Boundary
- Affected Lands (2010)
- County Line

Inset: MLGW-ACR POC Well Location



Henderson Mill, Grand County, CO



SCALE: 1 inch = 2,500 feet

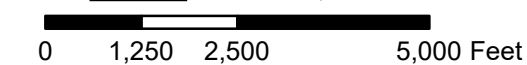
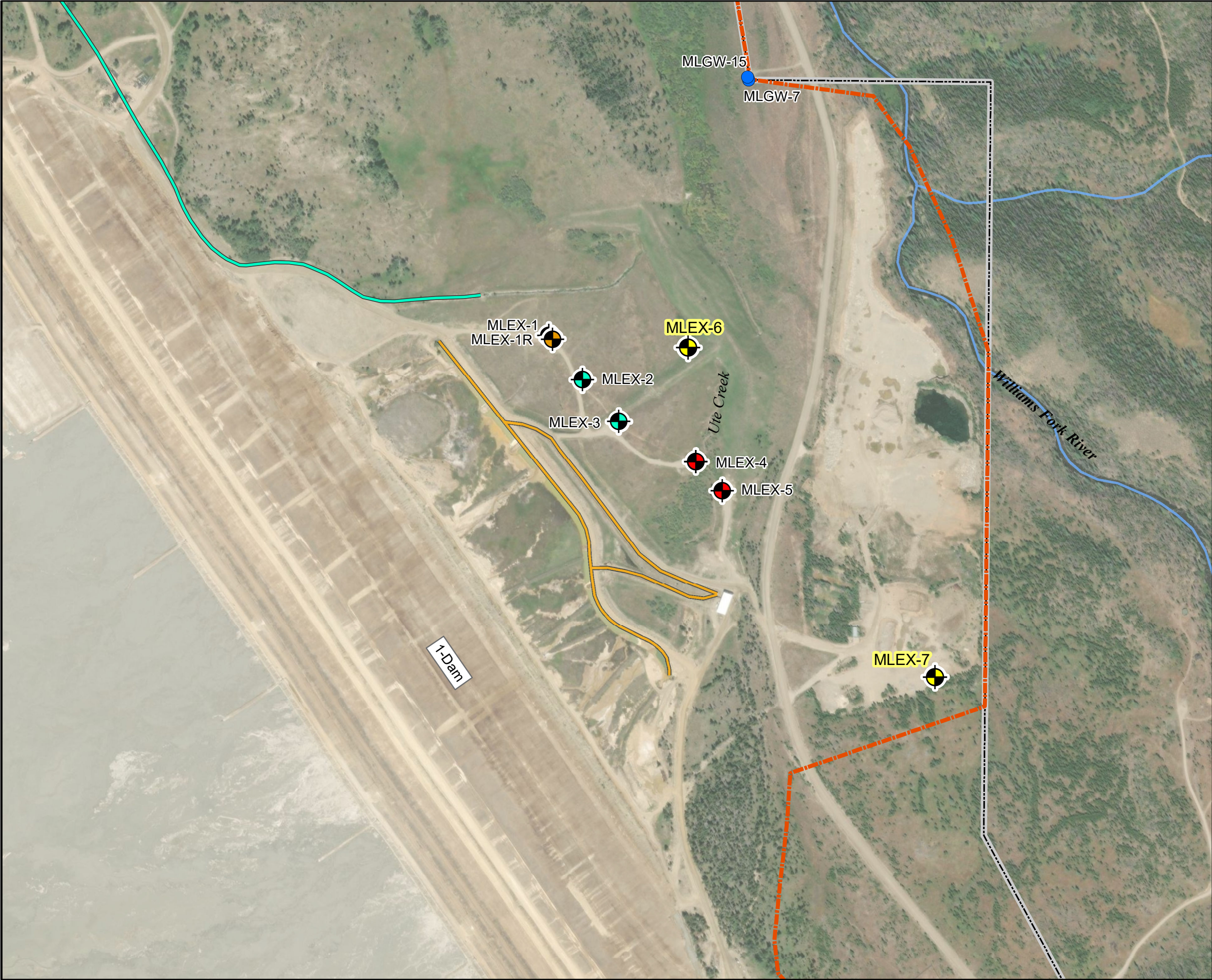




Figure 1
Regional Map
Henderson Mill, CO




Legend




2024 Extraction Well (proposed)




2023 Replacement Extraction Well




Phase III Extraction Well




Phase II Extraction Well




Phase I Extraction Well




POC Monitor Well




Ultimate Canal




Canal



Perennial Surface Water

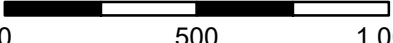


Property Boundary



Affected Lands (2010)

SCALE: 1 inch: 500 feet



05001,000 Feet

Service Layer Credits: Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Imagery from USDA NAIP Natural Color Imagery for Colorado acquired 2013.



N



AJAX



CLEAR CREEK ASSOCIATES

Figure 2

Site Map

1-Dam

Henderson Mill, CO