


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
INSPECTION TYPE: Monitoring	WEATHER: Cool, Partly Cloudy	INSP. DATE: March 17, 2025	INSP. TIME: 09:00
OPERATOR: Climax Molybdenum Company	OPERATOR REPRESENTATIVE: Ron Hickman and Miguel Hamarat	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$271,566,513.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Nikie Gagnon	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: April 16, 2025	

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>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>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>Y</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 by Nikie Gagnon of the Division of Reclamation, Mining and Safety (Division). Ron Hickman and Miguel Hamarat of Climax Molybdenum representing the Climax Molybdenum Company (Henderson/Operator) accompanied the Division during the inspection. The Henderson Mill is located 15 miles south of Parshall in Grand County. This site is a 112d-3 Designated Mining Operation (DMO) permitted for 11,877.5 acres with an maximum affected area of 4,360 acres.

Prior to the inspection, the Division met with the Henderson representatives to review the 2025 construction schedule for the Mill Water Treatment Plant (WTP) approved under TR 35, and other operational plans for this year discussed in the annual report submitted to the Division on March 7, 2025. The Division is currently reviewing two technical revisions, TR-37 (Revisions to the Groundwater Monitoring Plan) and TR-38 (Tailings Storage Facility Life of Mine Plan update).

The current Environmental Protection Plan (EPP) for the Mine and Mill was approved by the Division under Technical Revision no. 34 (TR34). The purpose of the inspection was to observe the designated chemical storage facilities listed in Section 7.2.2 of the approved EPP.

The following chemical storage facilities were inspected:

Mill EPF 2.1 - Sodium Hydroxide Storage: Two 12,300 gallon tanks are in the Nokes building on the north side of the mill building. The tanks are equipped with sonic level detectors and alarms that warn of high tank levels. The containment area was clean and clear of obstructions.

Mill EPF 2.2 - Hydrochloric Acid Storage: Two 50,000-gallon HCL tanks are located outside the mill building on the north side. The north tank is not presently being used. The tanks are sectioned off from the rest of the area by a perimeter fence.

Mill EPF 2.3a - Frother Chemical Storage (Dowfroth 250-C): Frother is stored in 275-gallon totes. Six totes were observed stored on the main floor of the mill building for a total of 1,650 gallons. The maximum approved storage quantity is 2,750 gallons. The containers appeared to be in good condition and no spills were noted.

Mill EPF 2.3b - Depressant Chemical Storage (Orform D8 Depressant): Fourteen - 275-gallon totes were stored on the main floor of the mill building for a total of 3,850 gallons. The max approved quantity is 5,400 gallons. The containers appeared to be in good condition and no spills were noted.

Mill EPF 2.4 - Pine Oil Storage: The 16,121-gallon tank is located in a separate tank room on the north side of the mill building. The tank appeared in good condition and the secondary containment area was clear of obstructions.

Mill EPF 2.5 - Collector Oil Storage (vapor oil and diesel #2): The collector oil and diesel tanks are each in a 32,000-gallon tank in a separate tank room on the north side of the mill building. Both tanks appeared to be in good condition and the secondary containment was clear of obstructions.

Mill EPF 2.6 - Syntex Storage: The 33,000-gallon storage tank is located approximately in the center of the mill building. The tank appears to be in good condition and no leaks or spills were noted.

Mill EPF 2.7 - Sodium Lauryl Sulfate Storage: 70 - 220 lbs. storage containers were onsite for a total quantity of 17,380 lbs. The max approve quantity is 26,400. The storage location was clean and no spills were noted.

Mill EPF 2.8 - Tergitol NP-9/9N9 Surfactant Storage: The main 9,400-gallon, double walled storage tank is in the mill building on the ground floor. A second 500-gallon plastic storage tank is located on the upper floor, on the east side. Both tanks were in operating condition and no leaks were noted.

Mill EPF 2.9 - Quicklime Storage: The 31,760-gallon tank is outside the main mill building on the south side. No evidence of spills was observed. The operator stated they plan to replace the spill containment edging around the concrete slab. This is routine maintenance after winter.

Mill EPF 2.10 - Nokes Storage: The 21,800 gallons storage tank is in the main mill building on the north side, ground level. No spills were noted in the storage location.

Mill Water Treatment Plant Construction

Per Rule 7.4.2, the Division is required to conduct general inspections of phased facility construction. During this inspection, the Division observed mobilization and clearing activities for the WTP which began on March 17, 2025. Following the inspection, the Mr. Hickman submitted the approved construction drawings for the WTP for the permit file.

This concludes the Division's report. A subset of the photographs taken during inspection are attached. Any questions or comments regarding this inspection report should be forwarded to Nikie Gagnon at the Colorado Division of Reclamation, Mining and Safety at 720-527-1640, or email at nikie.gagnon@state.co.us.

PHOTOGRAPHS



Photo 1: Mill EPF 2.1 - Sodium Hydroxide Storage West Tank in building adjacent to the north side of the Mill.



Photo 2: Mill EPF 2.1 - Sodium Hydroxide Storage East Tank in building adjacent to the north side of the Mill.



Photo 3: Mill EPF 2.2 – Hydrochloric Acid storage yard on north side of Mill.



Photo 4: Mill EPF 2.3a - Frother Chemical Storage (Dowfroth 250-C) totes



Photo 5: Mill EPF 2.3b – Depressant Chemical Storage totes



Photo 6: Mill EPF 2.4 - Pine Oil Storage

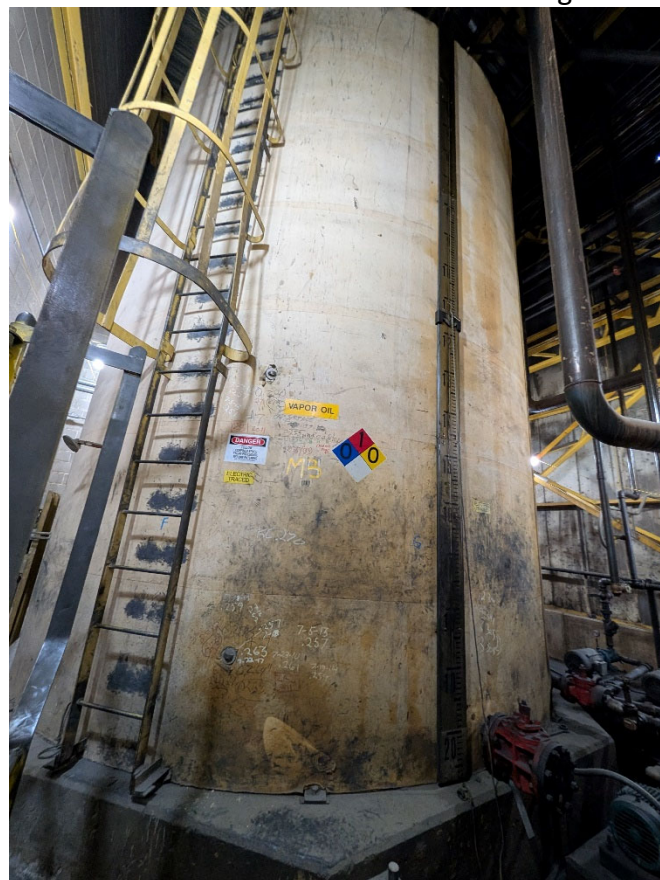


Photo 7: Mill EPF 2.5 - Collector Oil Storage



Photo 8: Mill EPF 2.6 - 33,000 gallon Syntex Storage



Photo 9: Mill EPF 2.7 - Sodium Lauryl Sulfate storage area



Photo 10: Mill EPF 2.8 - Tergitol NP-9/9N9 Surfactant Storage



Photo 11: Mill EPF 2.10 - Nokes Storage Tank



Photos 11 & 12: Mill EPF 2.9 – Quicklime Storage.





Photos 13: Looking at sand shed to be relocated for the WTP.



Photos 14-15: Looking at the future site of the Water Treatment Plant, below the north side of the Mill. Equipment mobilized for the initial clearing and demolition work.

Inspection Contact Address

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