




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
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: April 16, 2025	INSP. TIME: 10:30
OPERATOR: Climax Molybdenum Company, Climax Mine	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE:	BOND AMOUNT: \$284,783,656.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Todd Jesse	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: April 29, 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>Y</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>Y</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>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 in 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 \$284,783,656.00 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 50s. The site was mostly snow covered.

The inspection focused on the following areas:

- TSF's (Tenmile TSF and 3 Dam, Mayflower TSF and 5 Dam, Robinson TSF and 1 Dam, 2 Dam, & 4 Dam)
- MRWTP

Robinson TSF and 1 Dam, 2 Dam, & 4 Dam:

The Robinson TSF and pond are an EPF and function as the primary process water storage facility for the site. The reservoir stores process water that is collected from the Tenmile and Mayflower TSFs and delivered through the Tenmile Tunnel. 1 Dam (Photo 1) forms the eastern embankment of the Robinson TSF. The operator will be creating a reclamation plot on the southern end of the dam in the near future. No excessive erosion or displacement was observed on 1 Dam. 4 Dam (Photo2) is below the TSF in Eagle Park. The dam appeared stable at the time of the inspection with no signs of excessive erosion from stormwater. 2 Dam on the northern end of the Robinson TSF is partially inundated by the upstream portion of the Tenmile TSF in the Tenmile Creek drainage. The road that crosses the top of 2 Dam was clear of snow but had deep mud (Photo 3). No excessive erosion or displacement was observed on the dam. The area was covered by snow during this inspection.

Tenmile TSF and 3 Dam:

The Tenmile TSF (Photo 4) and 3 Dam (Photo 5) are downstream of the Robinson TSF and 2 Dam in the Tenmile Creek Watershed. The Tenmile TSF contains acid-generating material. Mill tailings are delivered to the TSF through the tailings delivery line. A water pool is maintained at the upstream end of the Tenmile TSF for process water storage, storm water management, and as the first stage in the water treatment system. Seepage from 3 Dam is routed to a collection pond and pumped back by vertical turbine pumps to the Sludge Densification Plant or diverted to the water pool on the Mayflower TSF. The pumping system is located within the 3 Dam Pump Station below the Tenmile TSF. The area was covered by snow during this inspection. There was no excessive stormwater erosion noted on the dam face and berms along the benching of the dam appear to be functioning as designed. No slumping or displacement was observed.

Mayflower TSF and 5 Dam:

The Mayflower TSF (Photo 6) and 5 Dam are the last downstream TSF in the Tenmile Creek Watershed. The TSF contains acid-generating material. To prevent dam failure, the Mayflower TSF includes an emergency flood bypass tunnel. Along with tailings storage, the Mayflower TSF also provides containment of contaminated materials or designated chemicals that might be accidentally released up-gradient of the TSF. There is also a sludge cell located adjacent to the east of the Mayflower TSF. The sludge cell is to store

TENORM waste generated in the water purification process before it is shipped off site (Photo 7). Below 5 Dam, collected seepage is pumped back by vertical turbine pumps to the 3 Dam Pump Station or the water pool on the Mayflower TSF. The 5 Dam face was covered by snow during this inspection (Photo 8). There was no excessive stormwater erosion noted on the dam face and berms along the benching of the dam appear to be functioning as designed. No slumping or displacement was observed.

Molybdenum Removal Water Treatment Plant (MRWTP):

The operator is in the process of commissioning the recently completed MRWTP. The MRWTP provides supplementary water treatment for removal of molybdenum from the effluent in order to meet discharge requirements. The sulfuric acid is stored in a dual-contained polyethylene tank in an isolated room on the southeast side of the MRWTP building (Photo 9). The tank is located within an epoxy-coated concrete secondary containment area. The sulfuric acid storage area appeared to be in good working condition. No evidence of spills or loss of containment were noted during the inspection. Granular ferric sulfate is stored in a silo (Photo 10) which sits on a concrete apron what contains a sump to capture spilled materials. The silo appears in good conditions with no evidence of loss of containment. Liquid ferric sulfate is stored in a isolated area in the southeast corner of the MRWTP. The polyethylene tanks sit above containment sumps to capture any spilled material (Photo 11). There was no evidence of loss of containment.

Recent Permitting Updates:

TR-37: Updates to Reclamation Plan and cost estimate approved.

TR-38: Will send in as-builts for the moly sludge cell. Construction is complete but may do some additional modifications, anticipated to close out in Spring 2025.

SI-3: Increase to reflect changes under TR-37 and 5 yr update issued and increase accepted by the Division.

TR-39: Anticipated to be received in the near future. Will update EPP and Submit WQMP (water quality monitoring plan) for all sample locations.

TR-40: Pit dewatering system will be a part of the life of mine plan and re-evaluated for reclamation postmining. May also include installing sleeves on TDL, timing depends on if it will be included in EPP update.

No Problems or Possible Violations were identified during this inspection.

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 northwest of 1 Dam.



Photo 2: View to the south of 4 Dam.



Photo 3: View to the east of road across 2 Dam.



Photo 4: View to the west of Tenmile Tailings Storage Facility and top of 3 Dam.



Photo 5: View to the west of 3 Dam.



Photo 6: View to the south of TENORM sludge cell.



Photo 7: View to the north of Mayflower TSF.



Photo 8: View to the west of 5 dam.



Photo 9: View to the east of sulfuric acid storage.



Photo 10: View to the north of ferric sulfate silo.



Photo 11: View to the northeast of ferric sulfate storage.

Inspection Contact Address

Climax Molybdenum Company, Climax Mine
Highway 91, Fremont Pass
Climax, CO 80429

Enclosure: None

CC: Dustin Czapla, DRMS
 Amy Yeldell, DRMS
 Travis Marshall, DRMS