




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: June 9, 2025	INSP. TIME: 10:00
OPERATOR: Climax Molybdenum Company, Climax Mine	OPERATOR REPRESENTATIVE: Alex Ungers and Paul Weber	TYPE OF OPERATION: 112d-3 - Designated Mining Operation	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$284,783,656.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: DRMS	JOINT INSP. AGENCY: None	
INSPECTOR(S): Amy Yeldell	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 18, 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>Y</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>Y</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>Y</u>	(OD) OFF-SITE DAMAGE----- <u>NA</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 County and is accessed from Colorado State Highway 91. The site consists of 14,000 permitted acres, of which approximately 8,000 acres have been affected. The Division currently holds \$284,783,656.00 in Financial Warranty for the site. Alex Ungers and Paul Weber represented Climax Molybdenum Company. Amy Yeldell represented the Division.

Division staff first checked in at the guard station at the main gates located on the east side of HWY 91. The weather was sunny and clear. Most of the site was free of snow. Roads were well maintained and the site was completely accessible.

The following areas were inspected/discussed: Interceptors (West Interceptor, West Interceptor South, Chalk Mountain Interceptor, Clinton Canal).

Interceptors function to intercept clean water before it enter the mine site and route it around the mine. Water that enters the mine site is considered impacted water and must be treated prior to discharge. Interceptors may be a pipeline, culverts or open channel. Snow melt and run-off is currently at or near peak flows.

East Interceptor:

The East Interceptor begins at the McNulty OSF. The East Interceptor flows from the south to the north. It recently has been extended to wrap around the back side (northeast) of the OSF. The Division was unable to access the upper portion of the East Interceptor due to snow cover (Photo One). The newly constructed portion above McNulty OSF is open channel. The East Interceptor then crosses under Highway 91 on the northwest side of McNulty OSF and then generally runs alongside the highway. It transitions from being open channel to piped when it's on the west side of Highway 91. It is then open channel again near the SDP (Photo Two). The East Interceptor ultimately reports to Clinton Reservoir.

The lower portion of the east interceptor is scheduled to be replaced. Currently it is made of corrugated steel pipe which is deteriorating. It will be replaced with HDPE. Open portions of the East Interceptor appeared to be clean with no signs of sedimentation. All flumes and culverts observed were free of obstructions (Photo Three).

It was discussed that additional coordination with CDOT needs to occur since water coming off the highway via their BMP's (culverts) are carrying sediments and pollutants which may impact Climax's water quality.

Clinton Canal:

The Clinton Canal begins on the north side of Clinton Reservoir on the west side of Highway 91. This water is made up of Clinton Creek and East Interceptor water. It flows to the north in an open channel where it ultimately meets with the West Interceptor just above the PDWTP Effluent (Outfall 001A) in what's referred to as the mixing zone (Photo Ten). Mayflower Creek and Humbug Creek also report to the Clinton Canal prior to meeting up with Outfall 001A.

West Interceptor and West Interceptor South:

The West Interceptor begins on the Southwest corner of the Tenmile TSF. It receives water from Kokomo Gulch, Searle Creek, and Tucker Gulch. The West Interceptor South diverts water around lake Irwin wetlands. The West Interceptor flows from the south to the north. The West Interceptor is piped from its origination with surface drains periodically to receive additional surface flows. Given the small hillside drainages and southern exposure drainage is not typically year round aside from sporadic springs that infiltrate out.

The first major inflow of water comes from Kokomo Gulch (Photo Four). The West Interceptor then flows calmly in an open channel before being piped as it approaches Searle Gulch. Water was clear and appeared to be free of sedimentation (Photo Five). At Searle Gulch water primarily from Kokomo Gulch (left/south) meets with Searle gulch (right/west), (Photo Six). Climax has the ability to add water to the Mayflower TSF via Supply Canal No. 2 or divert water down the West Interceptor (Photo Seven).

After Searle Gulch the West Interceptor resumes being piped with periodic surface drains to add additional surface flows (Photo Eight). Tucker Creek is that last major water input source prior to the West Interceptor going to the mixing zone. At the confluence Tucker Creek is the right and West Interceptor is the left side (Photo Nine).

The East and West interceptors converge at the Mixing zone which is just before Property Line Flume (outfall 001A) (Photo Ten).

Chalk Mountain Interceptor:

The Chalk Mountain interceptor is located on the south side of the mine and consists of an open channel (Photo Eleven). It begins near the top of Fremont Pass on the west side of Highway 91 flowing north. Near Buffers Lake it begins to part from the highway and flows from east to west. Chalk Mt interceptor then discharges into the East Fork of the Eagle River. Water observed was clean with no visible sedimentation. No obstructions were observed in the Chalk Mountain Interceptor.

Recent Permitting Updates:

TR-37 and SI3: Updated Reclamation Plan and FW updated in 2024, next due Spring 2029.

TR-38: Will send in as-builts for the moly sludge cell. Construction is complete but currently doing some additional modifications.

Upcoming Revisions:

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 post-mining.

No Problems or Possible Violations were identified during this inspection.

Responses to this inspection report should be directed to: Amy Yeldell at the Division of Reclamation, Mining and Safety, Rm 215, 1001 E 62nd Ave, Denver CO 80216. Direct contact can be made by phone at 970-210-1272 or via email at amy.yeldell@state.co.us

Inspection Contact Address

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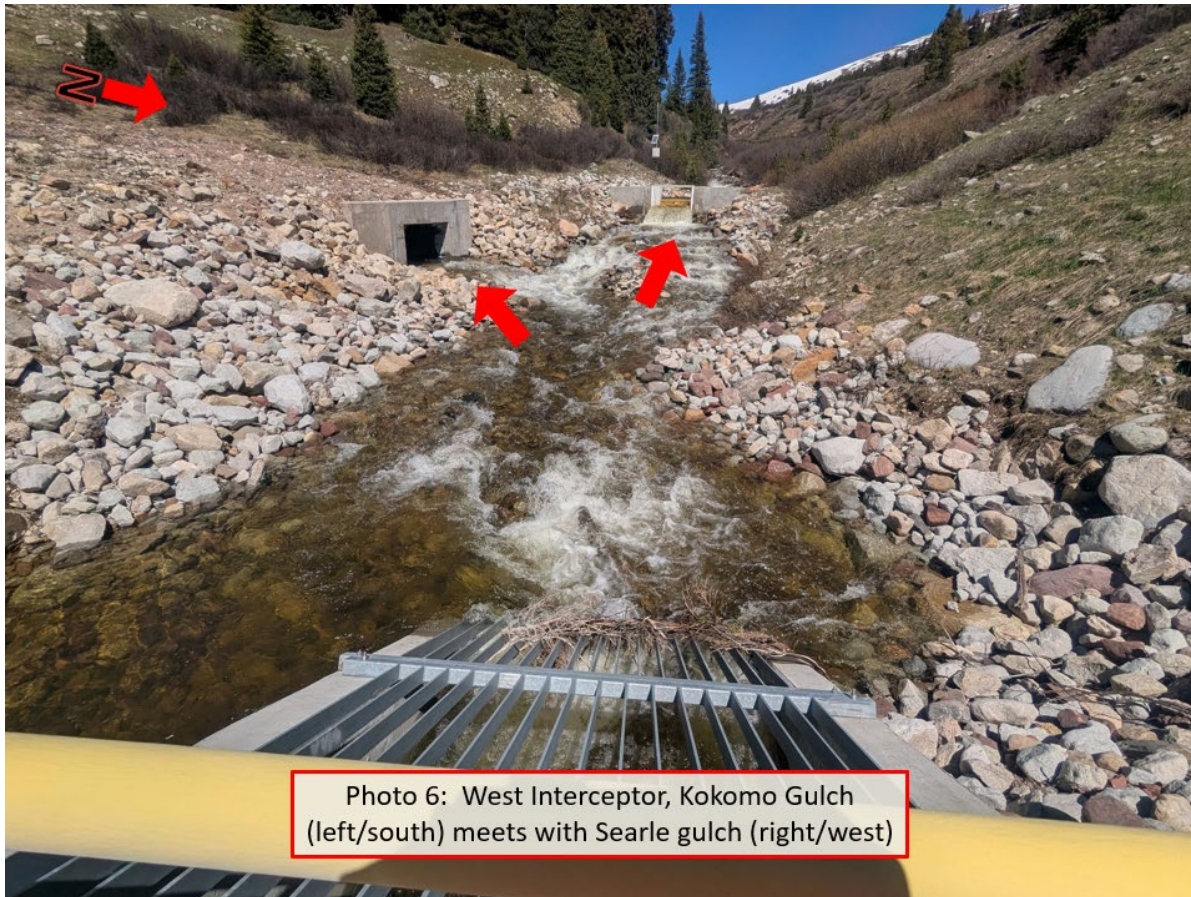
CC:
Travis Marshall, Senior EPS, Grand Junction DRMS
Dustin Czapla, DRMS
Todd Jesse, DRMS
Alex Ungers, Climax

PHOTOGRAPHS









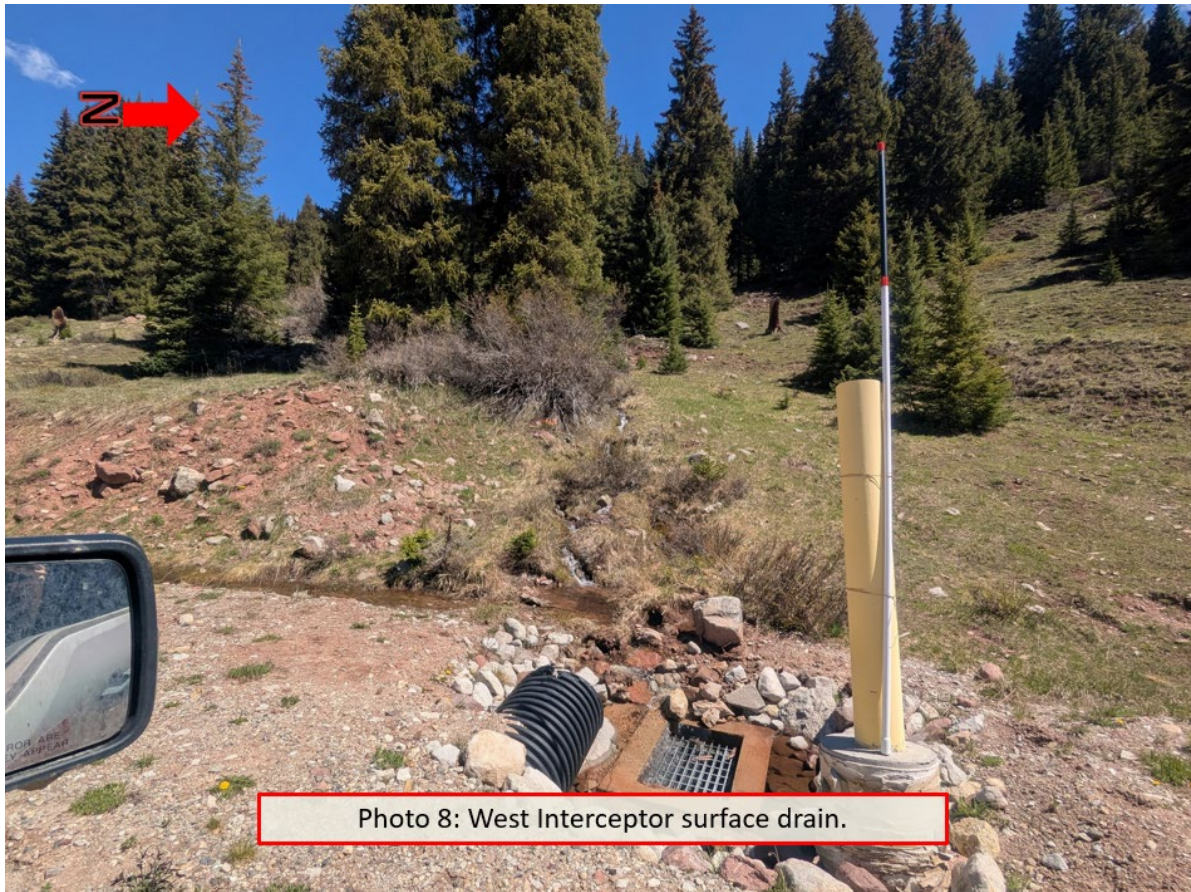


Photo 8: West Interceptor surface drain.



Photo 9: Confluence of Tucker Creek (right) and West Interceptor (left)

