



COLORADO OPERATIONS

Henderson Mine and Mill
P.O. Box 68
Empire, CO 80438
Phone (303) 569-3221
Fax (303) 569-2830

July 7, 2025

Via Email to nikie.gagnon@state.co.us

Ms. Nikie Gagnon
Division of Reclamation Mining and Safety
1313 Sherman St., Rm. 215
Denver, CO 80203

Re: Follow-up on Henderson Mill Tailings Delivery Line Inspections, Climax Molybdenum Company, Henderson Operations, Reclamation Permit No. M-1977-342

Dear Ms. Gagnon:

In a letter dated June 5, 2025, Henderson Mill provided notice to the Division of Reclamation, Mining and Safety (DRMS) of a leak from the tailings delivery line (TDL) that occurred on June 4, 2025. In that report, Henderson indicated that we were allocating resources to immediately conduct additional Non-Destructive Testing (NDT) along the TDL. The new data would be compared with previous data from June 2024 and evaluated for preventative measures at other locations until repairs can be made later in the summer. Additional bands would be installed on areas where the data shows there is increased wear and risk between now and the summer HDPE repair. This letter provides information regarding that inspection, which was carried out June 11-12, 2025.

Based on the inspection, one more band was installed on a fuse in Section 1 (Flange 1 to Flange 2). Two holes were found in the pipe in this location, that were sealed with dirt on the bottom side. These holes had likely been there pre-2021 and had not leaked due to the dirt sealing them off. No other immediate concerns were identified that warranted banding. Accelerated wear was observed in Section 1 at Fuse 1-2, and Section 10 at Fuses 10-3 and 10-4 with thickness below or equal to 2.0-in, but wear rates indicate these sections should not leak until repairs can be made later in the summer.

Henderson has scheduled the following actions in summer 2025:

- Replace 200-ft of pipe in Section 10 (Flange 10 to Flange 11)
- Replace 200-ft of Section 1 (Flange 1 to Flange 2)
- Replace 100-ft of Section 3 (Flange 3 to Flange 4)

Ms. Nikie Gagnon
Follow-up on Henderson Mill Tailings Delivery Line Inspections
July 7, 2025

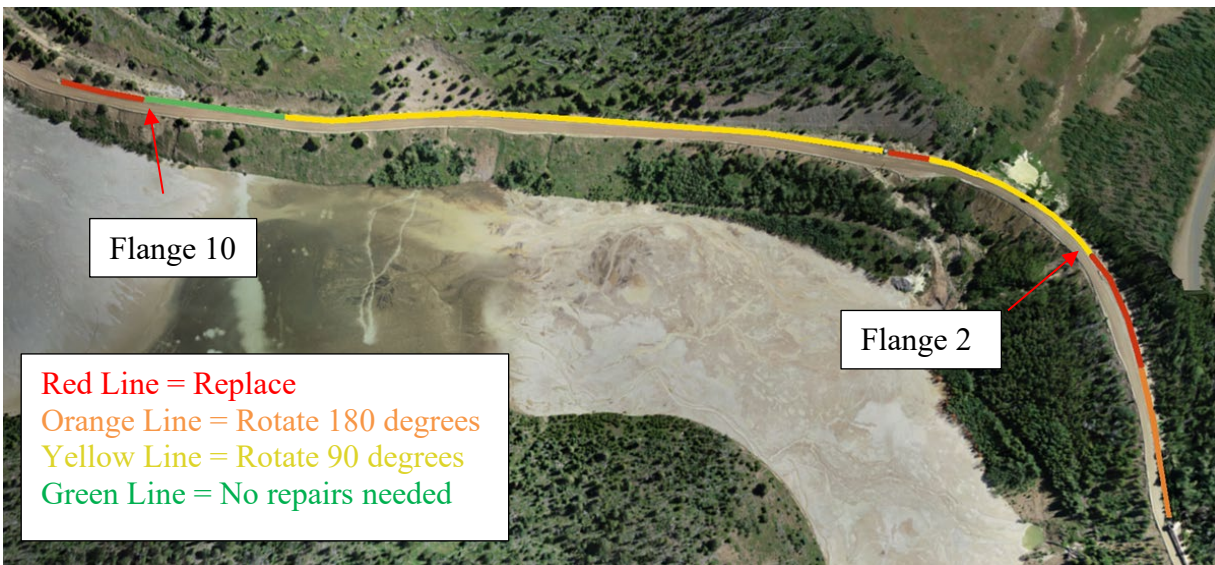


Figure 1. TDL Analysis

Henderson also plans to rotate several sections of pipe between Drop Tower No.12 and Flange 11 based on wear rates as shown in orange and yellow on Figure 1. Henderson has also ordered approximately 1,500 feet of 42-in SDR 15.5 pipe to make the repairs in the summer and have extra on-hand for future repairs.

Based on these inspections, Henderson is implementing a data-driven, preventative approach to inspecting and replacing sections of the pipeline that show wear. This model will be continued to plan future rotations and replacements with onsite pipe.

If you have any additional questions or concerns, please feel free to contact me at 720-942-3438 or Miguel Hamarat at 720-942-3255.

Sincerely,



Ron Hickman
Chief Environmental Engineer
Climax Molybdenum Company
Henderson Operations

CC:

M. Hamarat, Climax