COLORADO
Division of Reclamation, Mining and Safety
Department of Natural Resources

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:** July 22, 2025	**INSP. TIME:** 10:00
OPERATOR: Climax Molybdenum Company, Climax Mine	**OPERATOR REPRESENTATIVE:** Alex Ungers	**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:** None	**JOINT INSP. AGENCY:** None	
INSPECTOR(S): Todd Jesse	**INSPECTOR'S SIGNATURE:** Todd Jesse	**SIGNATURE DATE:** July 30, 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---------- N	(FN) FINANCIAL WARRANTY-------- N	(RD) ROADS---------- N
(HB) HYDROLOGIC BALANCE---------- Y	(BG) BACKFILL & GRADING---------- N	(EX) EXPLOSIVES--------- N
(PW) PROCESSING WASTE/TAILING---- Y	(SF) PROCESSING FACILITIES------- N	(TS) TOPSOIL---------- Y
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE---------- N	(RV) REVEGETATION---- N
(SM) SIGNS AND MARKERS---------- N	(SP) STORM WATER MGT PLAN---- N	(RS) RECL PLAN/COMP-- N
(ES) OVERBURDEN/DEV. WASTE--------- N	(SC) EROSION/SEDIMENTATION--- N	(ST) STIPULATIONS------- N
(AT) ACID OR TOXIC MATERIALS------- N	(OD) OFF-SITE DAMAGE----------N	

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. The weather was sunny and clear with temperatures in the 60s. The site was free of snow. Roads were well maintained, and the site was completely accessible.

The following areas were inspected:

- East Interceptor above McNulty
- McNulty Reclamation Cover Stockpiles
- PDWTP
- MRWTP
- SDP

East Interceptor above McNulty:
Interceptors function to intercept clean water before it enters 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. 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 (Photo 1). The interceptor in this area begins as an open channel before entering a pipeline. The grate at the entrance to the pipeline is clean and free of obstruction (Photo 2). The interceptor is in good condition with no obstructions or excessive erosion.

McNulty Reclamation Cover Stockpiles:
Reclamation cover stockpiles in the McNulty area were also observed to be in good condition. Crews have begun to construct the SE Reclamation Cover Stockpile and have so far stockpiled 80,000 of the anticipated 1,700,000 cubic yards of reclamation cover that is anticipated to be in this stockpile (Photo 3). Stockpiled material comes from removing the topsoil as the McNulty OSF continues to expand to the north. Material that was stockpiled and seeded last year is stable with vegetative cover beginning to grow (Photo 4).

MRWTP (Molybdenum Removal Water Treatment Plant):
The operator continues to commission the new MRWTP. The plant is running intermittently during the commissioning process. This is a supplementary process to Climax's PDWTP. Affected raw water first enters the MRWTP then reports to the PDWTP. The pH of the affected water is changed and then dosed with ferric sulfide to remove Molybdenum. A delivery of ferric sulfide occurred during the inspection (Photo 5). Reactor, sludge, and clarifier tanks were observed to be in good condition at the time of the inspection. Floor sumps and troughs that provide secondary containment were free of obstructions and appear to be in proper condition (Photo 6). No problems were noted.

PDWTP (Property Discharge Water Treatment Plant):
The PDWTP is located below 5 Dam and is intended to remove metals such as manganese, iron, copper, and zinc. The plant discharges to Tenmile Creek and provides final treatment before affected water leaves the property. The facilities were clean and well kept. Secondary containment is adequate and floor drains/sumps appear free of obstruction. The treatment process utilizes lime, flocculant, and sulfuric acid as reagent chemicals. Reagent lines and containers were clearly labeled. The lime is turned into a slurry and mixed with

affected water in reactor tanks to raise the pH. The Slurry and Reactor Tanks are in good condition (Photo 7). Solids from the PDWTP are transported via a cement truck to the sludge cells. The filter press in the facility is not being utilized. Once the water leaves the reactor tanks it enters clarifiers and is dosed with flocculant. The clarifiers were in good working conditions and operating at the time of the inspection. Adjacent to the clarifiers is the Filter Building which houses a series of sand filters. Filter tanks appear in good condition. Sulfuric acid is also used in this facility to lower the pH before water is discharged. The sulfuric acid storage is isolated from the rest of the plant and located in an epoxy coated containment area (Photo 8). No spills or other problems were noted within the PDWTP during the inspection.

Sludge Densification Plant:

The SDP provides first stage metals treatment for a significant portion of the mine's affected water. The plant creates a sludge that is deposited in a sludge cell on the Tenmile tailing storage facilities. The sludge cell was stable and there was no observed discharge into the cell during the inspection. While operating the plant utilizes lime and flocculant as reagents in the water treatment process. The interior of the facility was in good condition and well kept. Observed reagent materials were properly stored (Photo 9). Tanks appear to be in good condition. Floor sumps and troughs that provide secondary containment appear to be in proper condition and free of obstructions (Photo 10). No problems were noted.

All inspected areas were in excellent condition at the time of the inspection. In general, the site exhibits excellent housekeeping. Access roads throughout the site were dry and well maintained. No problems or possible violations were noted.

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 south of the start of the East Interceptor above McNulty.

Photo 2: View to the north of the East Interceptor

Photo 3: View to the south of the start of the SE Reclamation Cover Stockpile.

Photo 4: View to the north of vegetation growing on reclamation cover stockpile.

Photo 5: View to the north chemical delivery at MRWTP.

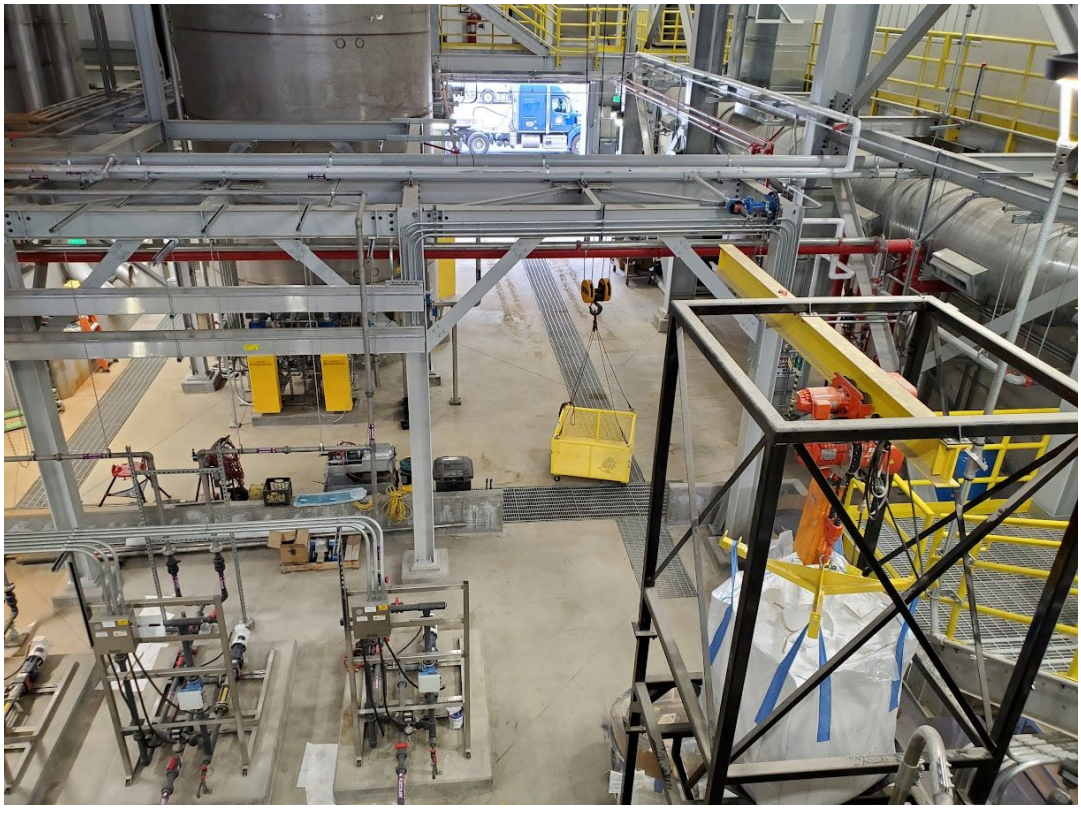

Photo 6: View to the east of containment in the MRWTP.

Photo 7: View to the east of the reactor tank in PDWTP.

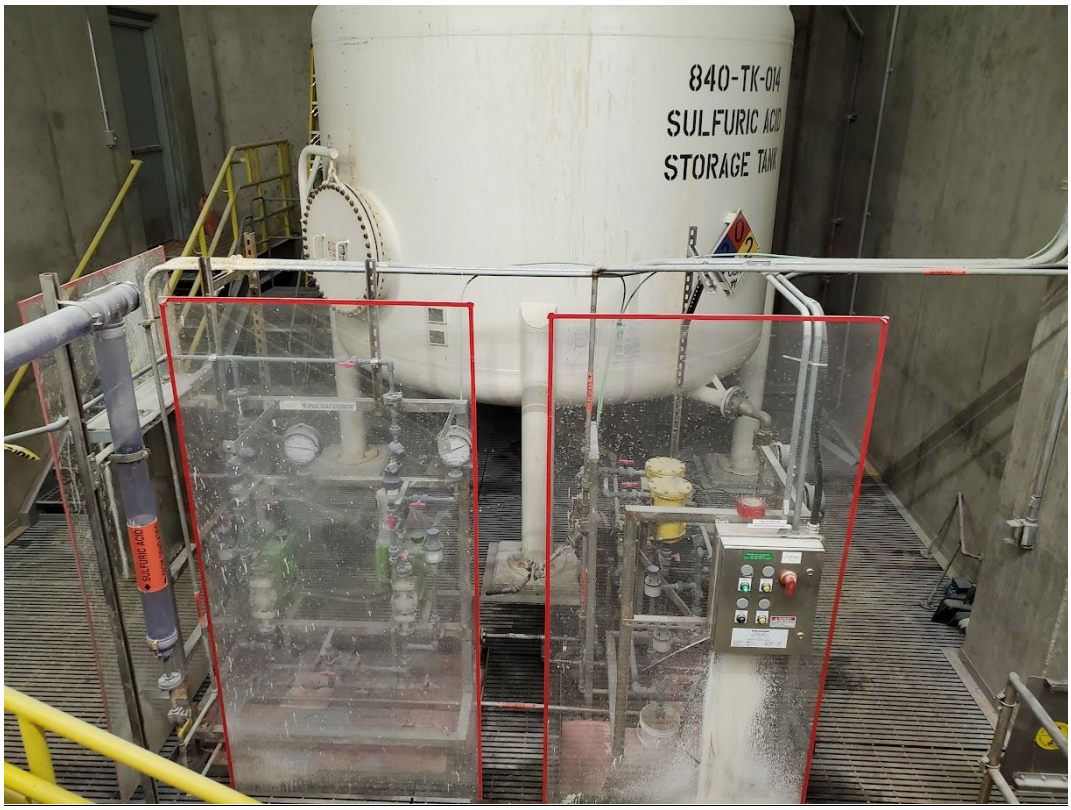

Photo 8: View to the west of sulfuric acid storage in the PDWTP.

Photo 9: View to the north of reagent storage in SDP.

Photo 10: View to the south of containment in SDP.

Inspection Contact Address

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