



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: Cloudy	INSP. DATE: July 28, 2025	INSP. TIME: 09:30
OPERATOR: Climax Molybdenum Company	OPERATOR REPRESENTATIVE: Ron Hickman	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): Amber M. Gibson	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: August 20, 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>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</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>Y</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 Amber Gibson, representing the Division of Reclamation, Mining and Safety (Division/DRMS). Ron Hickman represented the Permittee/Operator (Climax Molybdenum- Henderson Operations (Henderson)) and accompanied me during the inspection. The Henderson Mine 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. At the time of the inspection, the weather was warm and the sky was partly cloudy.

The focus of this inspection was on the chemical storage and the treatment facilities of the URAD water treatment plant.

Hydrologic Balance and Sediment Control:

The groundwater monitoring wells, located on the east side of the mine facilities, were observed during the inspection. The Permittee wanted to ensure that samples from mine side's Point of Compliance (POC) well were as accurate and reliable as possible, and had reason to doubt the accuracy of the samples being acquired from MNGW-1 due to the well's inadequate construction. As a result, monitoring well MNGW-5 was installed in 2023, adjacent to and in the same geohydrologic setting downgradient of the mine operations as the current POC well MNGW-1. Since it's installation, the Permittee has been sampling MNGW-5 to collect two years (6 triannual sampling events) of water level and water quality data to establish baseline conditions to and determine the efficacy of the well for its replacement as the POC well. Monitoring wells MNGW-3 and MNGW-4 were also observed during the inspection. MNGW-2 was not observed, but as stated in Technical Revision 37, the well has been dry since it's construction in 1993.

The following five treatment ponds are utilized for the water treatment process and sediment control at the URAD treatment facility:

- **Sludge Pond 1 and Sludge Pond 2**
During the inspection, the sludge generated during the treatment process was deposited into Sludge Pond 1. Sludge Pond 2 contained sludge that had recently been mixed to help aid in the drying process. The Operator stated that sludge storage is alternated between Sludge Ponds 1 and 2 ever other year. This September, the dried sludge in Sludge Pond 2 is planned to be hauled away.
- **Treatment Pond 1**
Treatment Pond 1 (also referred to as 1 Pond or 'Buffer' Pond) receives the dewatering water from the underground mine facilities, water from seepage areas located both below the Upper Dam and the Lower Dam, and sometimes water from J Pond to aid with capacity (see Photo 6 in this report). During the inspection, sediment from the Treatment Pond 1 was being dredged. Water contained within the Treatment Pond is pumped from the Treatment Pond into the Treatment Facility to be treated. Once the water is treated, it discharges into a culvert that runs underground along the south side of the URAD ponds, and discharges north of the ponds into Woods Creek (see red dashed line on the Figure 2: URAD Water Treatment Plant Stormwater Management Map enclosed with this report).
- **Precipitation Pond 2**
Precipitation Pond 2 (also referred to as 2 Pond) acts as a Treatment Pond 1-overflow-recipient and is utilized when additional capacity is required for Treatment Pond 1. The Operator stated that they are in the process of developing a plan for removing sediment from Precipitation Pond 2 and pressing the material to allow for more capacity in the pond and hopes to begin the work in August of this year.

- J Pond

J Pond acts as overflow for Precipitation Pond 2. However, if needed, overflow from J Pond gets returned to Treatment Pond 1.

Beyond the main five ponds, on the north side of the treatment area, is what is referred to as the “Toad Pond” (colloquially named after the endangered boreal toads that reside within the area). This pond does not discharge and instead is allowed to seep within the lower tailings dam above the Lower URAD Reservoir. Again, the seepage from the lower dam is pumped back to the treatment ponds to be treated before discharging into the Woods Creek. Also, if the pond levels are elevated, the Operator will pump the water into Treatment Pond 1.

On the south side of the treatment facility is a wetlands area, the upper tailings dam, and the Upper URAD Reservoirs. The wetlands had been constructed prior to the DRMS permit to offset the removal of wetland areas where old facilities had been operating. Along with the lower tailings dam and the Lower URAD Reservoir, all of these areas are managed under an Inactive URAD Mine SWMP. Along the west side of the berm separating the wetlands from the URAD Treatment Facilities, a box culvert acts as an emergency overflow control. In the unlikely event that the water level is significantly elevated within the area south of the URAD facilities, water will be diverted into the box culvert and conveyed through a partially underground channel that re-emerges along the west side of the lower tailings dam and will be discharged into the Lower URAD reservoir – which ultimately connects back with Woods Creek.

Along the east side of the URAD Facilities, a surface water diversion ditch is located at the base of the slope and is allowed to discharge into Woods creek.

Acid and Toxic Materials:

Storage for Lime (EPF 2.1), Flocculant (EPF 2.2), and Sulfuric Acid (EPF 2.3) are located at the URAD treatment facility. Lime is stored in two double walled silos outside of the facility. Sulfuric acid is stored in a double walled tank, with an additional concrete berm surrounding it, outside of the treatment facility. Flocculant is stored and mixed in a tank within the facility, with additional bags of flocculant stored on a pallet next to the tank. The chemicals appeared to be adequately stored and contained within their designated areas.

Two ‘slakers’ (equipment used to mix water with quicklime – producing slaked lime) are located inside the treatment facility on the other side of the lime silos. The Operator stated that both pieces of equipment are scheduled to be replaced with newer models in the near future.

Signs and Markers:

A mine sign was posted at the entrance to the site in compliance with Rule 3.1.12. Signs identifying the chemicals stored at the facilities were posted on the storage containers and correspond with the three listed designated chemicals in Table 5-1 of the Henderson Mine’s Environmental Protection Plan (EPP). Identification labels were also posted on each of the monitoring wells.

Conclusion:

This concludes the Division’s Inspection Report; photographs that were taken during the time of the inspection and a few corresponding inspection maps are included below. If you need additional information or have any questions, please contact me by email at amber.gibson@state.co.us or by telephone at (720) 836-0967.

Inspection Contact Address

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Empire, CO 80438

Enclosure: Figure 2: URAD Water Treatment Plant Stormwater Management Map

CC: Nikie Gagnon, DRMS
Joel Renfro, DRMS
Jared Ebert, DRMS

PHOTOGRAPHS



Photo 1: Groundwater monitoring wells observed during the inspection. **A)** MNGW – 5, **B)** MNGW – 3, **C)** MNGW – 4, **D)** MNGW – 1 .



Photo 2: Looking west at external ponds at the URAD water treatment plant. The arrow points to Sludge Pond 2 where sludge was drying at the time of the inspection.



Photo 3: The red arrow points to Sludge Pond 2 where sludge was drying during the inspection. On the west side of Sludge Pond 2 is Sludge Pond 1, where sludge was being deposited during the inspection.



Photo 4: Looking east at Sludge Pond 1.



Photo 5: Looking east at the external Ponds at the URAD treatment plant. Treatment Pond 1 was being dredged at the time of the inspection.



Photo 6: The color-coded circles, located on the image on the right, indicate inlet and outlet sources around Treatment Pond 1.



Photo 7: Lime silos located on the south side of the URAD water treatment plant.



Photo 8: Floculant storage tank located within the URAD water treatment plant.



Photo 9: Insulated Sulfuric Acid tank located outside of the URAD water treatment plant.



Photo 10: The arrows point to the two 'slakes' that will soon be replaced with updated equipment.



Photo 11: Looking north along the diversion ditch on the west side of the road leading to the URAD facilities.



Photo 12: Looking west at the “Toad Pond”.



Photo 13: Point where the treated water from the URAD facility discharges into Woods Creek.



Photo 14: Standing along the berm that separates the URAD facilities from the inactive facilities to the south. In the photo are the wetlands and the upper tailings dam.



Photo 15: Looking north at the lower tailings dam and the Lower URAD Reservoir located on the north side of the URAD treatment facility. The arrow points to the channel connected to the box culvert within the berm on the southside of the URAD facilities, installed to divert emergency overflow.

INSPECTION MAPS



Map 1: Overview of the areas inspected during the July 28, 2025 inspection at the Henderson Mine. The red dots indicate inspection photo capture locations. The aerial imagery is dated September 24, 2023.



Map 2: Zoomed in inspection map for the July 28 2025 inspection of the Henderson mine, highlighting the area where the groundwater monitoring wells were observed. The red triangles indicate inspection photo capture locations. The photo labels correspond with the photo captions within this report. The aerial imagery is dated September 24, 2023.



Map 3: Zoomed in inspection map for the July 28 2025 inspection of the Henderson mine, highlighting the URAD treatment facilities. The red triangles indicate inspection photo capture locations. The photo labels correspond with the photo captions within this report. The aerial imagery is dated September 24, 2023.



LOCATION MAP

MAP FEATURES

Inactive URAD Mine Areas	Potential Stormwater Pollutant Source
Surface Stormwater Area Disturbed By WTP Facilities	River, Stream or Creek Underground Pipeline
Concentrated Surface Flow Direction	Road
Sheet Surface Flow Direction	Diversion Ditch
Property Boundary	
River, Stream or Creek	

NOTES:
(1) Inactive URAD Mine Areas managed under Inactive URAD Mine Stormwater Management Plan (SWMP)
(2) Underground pipeline locations are approximate.

MATERIAL STORAGE AREAS

H - Hazardous Materials and Chemicals

POTENTIAL POLLUTANT SOURCES

URAD Water Treatment Plant Area

REVISION	DATE
Initial map release	04/15/2021

Aquionix EHS Services 5545 W. 56th Ave. Arvada, CO 80002 303.288.7520 www.aquionix.com	DESIGNED BY:	SCALE: 1:3,000
	DRAWN BY: MT (AQUIONIX)	DATA FRAME COORD. SYSTEM: WGS 1984_Web_Mercator_Auxiliary_Sphere
DATE DRAWN: 4/15/2021		

Climax Molybdenum
A Freeport-McMoRan Company

HENDERSON OPERATIONS
1746 County Road
Empire, Colorado 80438

FIGURE 2
URAD WATER TREATMENT PLANT
STORMWATER MANAGEMENT MAP