



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: Clear	INSP. DATE: August 18, 2025	INSP. TIME: 09:00
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: Complete Bond	BOND AMOUNT: \$271,566,513.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
INSPECTOR(S): Joel Renfro Robert Zuber, P.E. Ben Hammar	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 17, 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>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>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>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>N</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

The Henderson Mill was inspected by Joel Renfro, Rob Zuber, and Ben Hammar with the Colorado Division of Reclamation, Mining and Safety (Division/DRMS) on August 18, 2025, as a part of the Division's monitoring inspection program. Ron Hickman and Mike Waldron with Climax Molybdenum Company (Henderson) were present during the inspection. AECOM engineers were also present, including the Engineer of Record, Pooya Sheykhloo, and Braden Error. **Photos 1-20** taken during the inspection are included with this report.

This inspection was focused on the Tailings Storage Facility (TSF), including the deposition of tailings, the condition of the 1-Dam and 3-Dam Tailings Impoundments, and the seepwater collection system.

Prior to the inspection, the Division reviewed reports for the Henderson Mill, including the Tailings Storage Facility Evaluation by AECOM in the 2024 Annual Report and a report from Ron Hickman (dated August 7, 2025) entitled Follow-up on Request for Tailing Data, Climax Molybdenum Company, Henderson Operations. The August 2025 report was also discussed during the inspection. From these reports and discussions, the Division made the following observations:

- Spigot deposition generally occurs from May to November. Leadoff deposition generally occurs before and after these months. In 2024, limited deposition occurred in July and August due to Mill maintenance.
- AECOM completed full monthly site inspections of the TSF from May to October 2024. No significant issues were identified during these inspections in 2024.
- The water monitoring system uses approximately 100 piezometers. These instruments are closely watched for performance and the need for replacement. Observation of phreatic surfaces is considered extremely important for preventing failure of the TSF. No exceedances of thresholds or rapid increases, which are causes for concern, were detected in 2024 or 2025.
- Inclinator readings of movement were found to be in accordance with the design of the TSF.
- A 60% level engineering assessment for the 3-Dam Buttress was completed in 2024. Based on modeling results and current production rates, buttress construction is anticipated to take place in two additional phases, Phase III and IV. A design for the Phase III Buttress will be completed in 2025 with construction planned in 2026.
- The TSF appears to be functioning as designed and within the established design criteria.

Tailings Delivery Line and Cutout Pipeline

A portion of the Tailings Delivery Line (TDL) was inspected, and no problems were observed. This includes the area where segments of pipe have been replaced or rotated. (Rotation can be used to prolong the life of a pipe segment by putting the worn portion on top.)

During the morning of the inspection, Henderson was diverting the tailings slurry through the Emergency Cutout Line (ECO).

Deposition of Tailings

Active tailings deposition was not occurring on 1-Dam or 3-Dam during the inspection. A crew was repairing spigots in the south cell of 3-Dam.

Tailings were being deposited in the East Branch Trunk by a 24-inch pipe. The discharge point is approximately 500 feet below the East Branch Pumphouse. This is in compliance with TR-38 and is discussed in the 2024

Annual Report. The following text is on page 4 of that report:

“... an additional tailings discharge location closer to the East Branch Pump house is needed to ensure mass balance and positive water management within the impoundment as the facility is normally operated in the coming years. This project was started in 2024 and will be completed in 2025.”

Condition of the Dams and Beach

The following aspects of the dams were observed during the inspection: dam crests, downstream faces, toes, abutments, starter dams, and buttress. No settlement, cracking, or signs of movement were observed. Mr. Hickman stated that recent inclinometer data indicate that there has been some expected settlement of the dams (as expected), but shear planes have not developed. Very few rills were observed on the faces of the dams; Mr. Hickman indicated that this was because of very dry weather during July of 2025. No ponds were observed on the crest road.

Henderson representatives indicated that material has been deposited in 3-Dam for the past month, and this will continue through the end of September.

There was a brake in a portion of 3-Dam to allow access for dust suppression and harrowing. Near the north end of 1-Dam, a road was being constructed with a dozer for dust suppression activities.

The beaches appeared to be constructed well, with consistent deposition between the cells. AECOM explained that closer to the dam, the deposited material tends to be coarser-grained drier sand, while finer, wetter-grained sand can be found further from the dam. This is to ensure a more stable foundation for when the dam rises.

Water in the return pipe for the seepage system was flowing into the TSF during the inspection.

Erosion of the beach was seen where the discharge is currently located. AECOM engineers indicated that this will be addressed with grading and filling the area with deposited tailings. A new location for the discharge is planned (and construction has begun) to be approximately 200 feet northwest of the current location.

The buttress below the 3-Dam includes a step-back, north toe, and south toe components. These structures were built to provide an extra layer of protection for the TSF. No problems were identified with any elements of the buttress. AECOM and Henderson staff were considering revisions to the seepage collection system above the north toe component, prior to construction of another component of the buttress

Impoundment Storage Capacity

The impoundment water pool location is estimated by Henderson staff based on monuments located in the impoundment. A minimum 1,400-foot beach offset from the crest of the impoundment is the goal of the operator. The beach distance was reported by Mr. Hickman at approximately 3,000 feet during the inspection. Per Division observation, this looked accurate.

Prior to and after the inspection, the Division reviewed the Mill Tailing Impoundment Flood Storage Capacity Analysis (Attachment B of the Annual Report) by W.W. Wheeler. The available capacity of the TSF is 9,579 acre-feet. The flood storage requirement for the TSF is 5,613 acre-feet (increased from 3,582 acre-feet with TR-38). Based on the values in the Wheeler report and observation of the beach length during the inspection, it is clear to the Division that the TSF contains the capacity to contain the Probable Maximum Precipitation event.

Seepage Collection System

New extraction wells (MLEX-6 and MLEX-7) were observed, and no problems were identified. The wells were completed in 2024, and the rest of this system is still under construction.

Per Henderson representatives, there are 112 horizontal drains, and almost all (105) are at 1-Dam. They all appear to have P-traps to prevent air from entering the pipes. Many of the horizontal drains were flowing during the inspection; flow rates varied. The water in the discharges appeared to be clear, indicating low amounts of suspended solids. Orange stains were seen below the drains, indicating high values of dissolved iron. AECOM staff were inspecting these drains and looking for signs of any tailings material exiting the horizontal drains.

Some seepage through the TSF was observed near the toe of 1-Dam but did not appear to be problematic as the horizontal drains were operating nearby. The phreatic surface of water in the TSF (darker color of soil) could be observed near these drains.

Some of the foundation drains were flowing (e.g., Number 6), and some were not. Per Henderson staff, these drains are not cleaned because they are fragile and nearing the end of their life. Where these drains have failed, Henderson has installed extra horizontal drains.

The lower ends of abandoned decant lines were observed, and no problems were observed.

The Seepage Collection Cell was inspected, and no problems were observed.

A French drain system (aka, the sand boil collection system) has been constructed at the south end of 1 Dam. The purpose of this system is to mitigate risk of erosion from the sand boil. This structure appeared to be functioning, but AECOM indicated that it requires cleaning.

East Branch Trunk Deposition

The Division observed tailings actively being deposited the East Branch Trunk in an attempt to create positive drainage into the TSF. At ultimate height, tailings will be near the toe of the reservoir in order to keep positive drainage on the TSF.

The pipeline depositing these tailings is detailed in the Mill EPF 1.3 – Tailings Delivery System. A 24-in lead-off pipe is used to deposit the tailing and this pipeline is intended to be moved as the dam is raised.

Additional Observations

The Ultimate Canal appeared to be operating as designed. The pipe at the lower end of the canal (design from TR-38) has not been constructed yet.

The use of Coherex for dust suppression was apparent in many locations, including the beach, where tire tracks were seen. Evidence of where Coherex was applied can be seen where the deposited tailings have a brown crust-like surface. The use of this material is constant during dry weather conditions per Henderson representatives.

Per Mr. Hickman, a geological exploration drill rig was onsite to characterize geology below 3-Dam.

The Division observed vegetation test plots near the north end of the impounded water of the TSF. The purpose of these test plots is to compare vegetative success with different growth media. Each test plot has been growing

native vegetation for several growing seasons. Each plot seemed to have shown similar vegetative success.

This concludes the report.

Any questions or comments regarding this inspection report should be forwarded to Joel Renfro at the Colorado Division of Reclamation, Mining, and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, via telephone at (720) 812-2002, or email at joel.renfro@state.co.us.

PHOTOGRAPHS



Photo 1. Spigots for 3-Dam, looking west.



Photo 2. Access road that follows the tailing delivery line, looking northwest.



Photo 3. A spigot connection to the tailings delivery line.



Photo 4. Equipment actively applying Coherex dust suppressant to the tailings.



Photo 5. Construction area for the future seepage system return pipe.



Photo 6. MLEX-6 Under construction.



Photo 7. Seepage collection cell, looking northwest.



Photo 8. Small amount of erosion on face of 1-Dam, at Cell 5 area.



Photo 9. Seepage collection cell looking southeast.



Photo 10. View of 1-Dam with Leadoff 9 in the foreground, looking southeast.



Photo 11. Ultimate Canal, looking west.



Photo 12. Horizontal drains below 1-Dam, looking north



Photo 13. Horizontal drains, looking south.



Photo 14. Foundation drain, looking northeast.



Photo 15. Abandoned decant lines below 1-Dam.



Photo 16. Buttress Phases 1 and 2 below 1-Dam.



Photo 17. Buttress Phases 1 and 2 below 1-Dam, with seepage collection system above the north toe in foreground



Photo 18. A 24-in leadoff pipe used to deposit tailings in the East Branch Trunk, looking north.



Photo 19. Road and pipeline leading down to the East Branch Trunk tailings deposit.



Photo 20. Tailings slurry flowing into the East Branch Trunk.

Inspection Contact Address

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