Closure Activity Update: March 2020

RGR continued its planning phase of the closure activities. Consultants worked on the DP-61 renewal application and updating the closure plan. Revisions to the closure schedule are in progress. Discussions regarding the PMLU continued. A draft of the disposal cell expansion was completed and is in review.

Planning work continued for the post-closure ground water monitoring of the deep aquifers. A monitoring plan is being written.

Activities

- 1) MWTU Pond No. 2
 - Pond 2 is being filled with water from the Point Lookout formation
 - Water sample results were received for wells 6 and 8; the sample results for contaminants of concern were in compliance
 - $\circ~$ Received NMED approval to fill in early March
 - Clean fill water is being supplied from well 8
 - $\circ~$ All electrical work for the sump pump was completed
- 2) MWTU Ponds 1, 4, 5, 6, 7, and 8
 - The final status surveys (FSS) were performed for ponds 4, 5, 6, 7, and 8

 Sample results will take around 6 weeks to report
 - The FSS for pond 1 was delayed due to an elevated gamma reading on the floor
- 3) Ore Pile Removal
 - Removal and transportation of the ore pile material continued. An average of 5 trucks per day operated 5 days per week.
 - The ore pile was pushed to improve the dig face efficiency
 - A light plant was rented for safety reasons due to the time change
- 4) Disposal Cell Liner and Waste Rock Pile (WRP)
 - A draft plan for the expansion of the disposal cell was completed and in review
- 5) WP5 Well, MW6 Well and North and South Force Mains
 - The WP5 well continues to pump on a fully automatic cycle
 - The water will continue to be trucked to MWTU Pond 3 until the north force main is operational
 - Integrity testing of the north and south force main pipes continued
 - The south force main pipe did not pass its integrity test
 - A replacement pipe for the south force main is being contemplated
 - The steel section of the north force main was tested
 - It nearly passed but air in the pipe cause failure of the test
 - An air bleed valves is being installed
 - Replaced joints and seals to reduce the possibility of leaks
 - MW6 was being pumped on a continuous cycle by the end of the month

Closure/Closeout Activity Update Report Mt Taylor Mine, Rio Grande Resources Corp.

- 6) Facility Refurbishment
 - M3 submitted its final certification report
 - M3 was late on submitting this report due to other work commitments
- 7) Diesel Release
 - NMED delivered a comment letter to RGR regarding the diesel release investigation and expansion of the groundwater abatement plan
 - i. NMED approved the diesel release investigation
 - RGR was in the process of responding to the comment letter
- 8) Closure Activities
 - RGR continued work on preparing the DP-61 renewal application and updating the closure plan
 - RGR completed gamma scans on several piles of debris for cleanup and removal
 - RGR formulated a plan to conduct gamma scans on building interiors
 - RGR sorted several debris piles for disposal
 - RGR removed 2 above-ground water distribution lines that were no longer being used
 These lines were previously installed to supply water to fill pond 3 (2018)
 - Debris and scrap materials were cleaned and removed from buildings
 - A contractor was contacted to clean and remove several unused tanks
 - Began opening several of the dewatering wells to evaluate their condition for plugging or long-term monitoring use
 - The water truck experienced mechanical problems
 - Tested the pump in well 7 for a possible water supply well

Forecasted Activities

- 1) MWTU Pond No. 2
 - Perform the primary liner leak location survey Anticipated for May 2020
- 2) Final Status Surveys (FSS) of MWTU Ponds 1, 4, 5, 6, 7, and 8
 - FSS for ponds 1 will be completed in April
- 3) Disposal Cell
 - Anticipate starting construction of the cover in late 2nd quarter 2020
- 4) Ore Pile Removal
 - Anticipating 11 to 14 months to complete
- 5) Diesel Release Investigation
 - Preparing contracts for the geophysical study (April)
 - Awaiting approval of the additional groundwater sampling list by NMED (April-May)

Critical Path Items

- 1) Approval of eastward expansion of the disposal cell
 - This is a critical path due to the amount of contaminated soil still expected to be removed from the ore pad and ore pad retention pond, site debris and other yet-to-be identified contaminated soils on site