

MT TAYLOR MINE REACTIVATION PLAN

PHASES, TASKS, AND SEQUENCE

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PHASE 1

Objectives

- Address initial DP-61 condition requirements
- Accelerate Stage 2 Abatement Plan
- Isolate existing radiologically contaminated materials in a single repository
- Upgrade surface water drainage and controls

Tasks and Sequence

1A – Design and Construction Bid Package

1B – Regulatory Review

1C – Contract Bid and Award

1D – Construction

1E – Stage 2 Abatement Plan Acceleration

Sequence 1A>1B>1C>1D>1E

Estimated Performance Period

- Tasks 1A and 1B – expected completion – ten to fourteen months
- Tasks 1C-1E - 1C to start after Mine Permit 13-2 revision approval (1B). 1D nine to twelve working months (may be separated into two construction seasons). 1E start after NMED approves Implementation Plan, finish construction with 1D and continue operations until abatement is complete.

Uncontrollable Variables

- Regulatory approvals
- Administrative and legal appeals
- Weather

PHASE 2

Objectives

- Design and construction of surface facilities for water management and treatment
- Complete design and construction of waste rock pile reconfiguration
- Design for ore management and staging

Tasks and Sequence

2A – Complete Surface Facilities Design

2B – Regulatory Review

2C – Contract Bid and Award

2D – Construction

2E – Exploration Drilling

Sequence – 2A>2B>2C>2D. 2E is independent of other tasks.

Estimated Performance Period

- 2A and 2B - start after completion of 1B, estimated nine to twelve months
- 2C start after 2A, complete three to six months after completion of 2B
- 2D start after completion of 2C, twelve to eighteen months to complete
- 2E independent,

Uncontrollable Variables

- Regulatory approvals
- Administrative and legal appeals
- Weather
- Vendor performance
- Equipment availability
- Market Conditions

PHASE 3

Objectives

- Begin mine dewatering
- Begin mine water treatment and discharge

Tasks and Sequence

3A – Mine Water Systems Contracting

3B – Deep Well Rehabilitation/ Analysis/ Activation

3C - Treated Water Pipeline Rehab and Lining

3D – Pond Reconstruction and Upgrade

3E - Substation Rehabilitation and Upgrade

3F – MWTU Start-up

3G – Exploration

Sequence $3A > (3B + 3C + 3D + 3E) > 3F$. 3G is independent of other tasks.

Estimated Performance Period

- Begin after 2B
- Long lead times for 3B and 3E equipment requires procurement start during Phase 2 for up to 1.5 years delivery of pumps, 2-3 years for design studies and condition assessments of existing power facilities and delivery of transformers.
- Complete 6-12 months after delivery of 3B and 3E equipment.

Uncontrollable Variables

- Administrative and legal appeals
- Additional Agency Approvals
- Weather
- Vendor performance, especially electric utilities
- Equipment availability
- Market conditions

PHASE 4

Objectives

- Rehabilitate and re-fit shafts
- Construct new ore pad and runoff retention pond
- Recruit and train work force

Tasks and Sequence

4A – Shafts, Hoisting Systems and Generators

4B – Underground Mine Rehabilitation

4C – Ore Pad and Retention Pond Construction

4D – Recruitment and Training

4E – Begin Ore Development

4F – Begin Ore Production

Sequence – $4A > (4B+4C) > 4E$; 4D start anytime in Phase 4 but complete by start of 4E.

Estimated Performance Period

- Long lead times for 4A and 4B equipment requires procurement start during Phase 1
- Start 4A after 3E, complete in three to four years
- Start 4B after completion of 4A, complete in two to three years
- 4C construction during 4B

- Start 4E after 4C, twelve to eighteen months
- Start 4F after 4E
- Recruitment and training start during Phase 2 for management and water treatment employees, in Phase 4 for miners, continue to 4E ore production

Uncontrollable Variables

- Administrative and legal appeals
- Weather
- Vendor performance
- Conditions of shafts and underground workings
- Market conditions

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