ADDENDUM TO MT TAYLOR MINE CLOSEOUT/CLOSURE PLAN, REV. 1

CLARIFICATION OF PLANS FOR ORE PAD REMOVAL

May 16, 2017

This addendum provides additional information to clarify Rio Grande Resource Corporation (RGR) plans for the closeout/closure of the ore pad at the Mt Taylor Mine when the mine has ended operations under active (operating) permit status. This addendum provides additional detail for section 4.4.2, page 30-31 of Revision 1 of the Closeout/Closure Plan (CCP) dated November 2013.

The Application for Revision of Mine Permit #C1002RE from Standby to Active Status, Revision 1, November 2013 describes the design of the ore pad in Section 3.3.1 and on drawings MT13-AC-12 and -13. The liner will be 60 mil HDPE geomembrane covered by 1.5 feet of clayey (CL or SC classification) and topped by a 1.0 foot travel course and drainage layer of free-draining crushed sandstone or aggregate, as shown on drawing MT13-AC-13, Detail E. The entire pad will be sloped at 1% west and the travel course/ drainage layer will be graded to the drainage system on the west side of the ore pad, where the drainage from both this layer and the ore pad surface will be collected and sent to the ore pad runoff retention pond for evaporation.

With this design RGR expects that precipitation that infiltrates to the drainage layer will then flow west to the drainage collection system, and infiltration through the clay layer will be limited by its low saturated hydraulic conductivity (which will be several orders of magnitude lower than in the saturated hydraulic conductivity of the drainage layer). Consequently, radiological contamination should be localized in the drainage layer and in the water reporting to the ore pad runoff retention pond with little, if any, getting into the clay layer. Therefore, the CCP anticipates that only the upper foot (drainage layer) of pad soil will be removed, and the clay layer and geomembrane can be left in place at closure/closeout. Tables 4.2 and 4.3 of the CCP show the volume of contaminated soil estimated to be removed from the ore pad under this expected scenario, which is the basis for the current financial assurance cost estimate.

Drawing MT13-CL-07 in the CCP shows a plan view of the mine area north of the county road after removal of the facilities and regrading. The contours on this plan represent the shape and slope of the ground surface after closeout/closure, but as-built elevations will depend on actual volumes of contaminated materials removed. If the final surface grade will not leave sufficient clean soil in place (minimum 2.0 feet) after removal of contaminated soil to support vegetation, it is possible that the final surface will require some selective cut and fill of existing soil, or some or all of the geomembrane liner might have to be removed. In the latter case the geomembrane can be buried in the bottom of MWTU Pond #1 before the pond basin is backfilled.