

Closure Activity Update: July 2020

RGR continued its planning phase of the Closeout/Closure activities. General planning activities focused on project contracting for demolition of surface facilities, capping the disposal cell and performing site characterization surveys. Vendors interested in bidding toured the site.

Most of the work effort for the month was devoted to cleaning debris and scrap from facility buildings and performing characterization studies on facility components. Work and planning priorities were modified to the cleanup of these facility structures because of pending approval of the mine permit modification request.

RGR experienced a site-wide power outage in July. Continental Divide's power supply was briefly interrupted due to severe weather. Power was restored within a day and work delays were minimal. RGR experienced several equipment mechanical failures including the dozer and motor-grader. Because of parts availability and the remoteness of the site, the equipment was still down at the end of the month. The COVID virus continued to impact work. No site personnel were infected, but contractor availability and access as well as supply chains were moderately impacted.

Activities

1) MWTU Pond No. 2

- Pond 2 is commissioned and ready for use.
 - Pond 2 will remain idled until needed.
 - Sufficient clean water (about 3 feet) will be maintained above the floor to prevent the liner from shifting.

2) MWTU Ponds 1, 4, 5, 6, 7, and 8

- The Final Status Survey (FSS) report for Pond 4 was completed.
- The Final Status Survey (FSS) report for Pond 5 was completed.

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.
- Approximately 2,360 tons of low-grade ore were hauled off site.
 - To-date hauled: 25,725 tons.
- A dozer continued to consolidate the ore pile for improved dig efficiency and material management.

4) Disposal Cell Liner and Waste Rock Pile (existing WRP)

- Bidding and contractor mobilization is on hold until the Vegetation Test Plot Plan is approved.

- 5) WP5 Well, MW6 Well and North and South Force Mains
 - The WP5 well continued to pump on a fully automatic cycle.
 - The MW6 well continued to be pumped on a fully automatic cycle.
- 6) Diesel Release Investigation
 - Willowstick completed its groundwater geophysical report of the diesel investigation and abatement areas.
 - A phone meeting was held with NMED regarding the results of the Willowstick geophysical study; potential drill targets were also discussed.
 - RGR submitted the QAQC report for MWTU Pond 2 to NMED (copy to MMD).
- 7) Closeout/Closure Activities
 - Continued planning work on shaft closures.
 - Removed all materials, scrap and debris and prepared the following buildings for characterization studies:
 - Carpenter Shop,
 - Compressor building,
 - Chiller Building,
 - Water Treatment building,
 - Fire Equipment building,
 - Pump House,
 - Fan shop.
 - Cleaned out scrap and equipment from the Quonset Hut (storage Building)
 - Performed a characterization study of the Glycol building.
 - Worked on sorting debris and scrap for future burial.
 - Conducted an inventory of useable machinery and materials.
 - Cleaned up all debris and scrap from the area west of MWTU Pond 8.
 - Completed the characterization study report of the discharge pipeline.
 - Began demolishing portions of the discharge pipeline located within the Water Treatment facility boundary area.
 - A contractor arrived on site to discuss demolition of the discharge pipeline outside of the site boundary.
 - Began electrically isolating facility buildings for future demolition.
 - Held an on-site meeting with RGR's vegetation consultant to plan the upcoming reference area vegetation study.
 - A contractor visited the site to discuss plugging and abandoning wells and setting up deep aquifer wells for monitoring.
 - Held discussions with MMD regarding:
 - Demolition of the Carpenter Shop and PMLU status.
 - Vegetation Test Plot Plan.
 - Closure/closeout plan - changed conditions.
 - Submitted an updated map to MMD of site roads to be preserved for continued site maintenance.
 - Submitted the 2nd Quarter Active Mine Status Report to MMD.
 - Conducted a site tour with MMD.

Forecasted Activities

- 1) Final Status Surveys (FSS) of MWTU Ponds 1 and 8.
 - Anticipate completing the FSS reports in August once all analytical results are available.
- 2) Disposal Cell.
 - Anticipate starting construction of the clay cap in September.
 - Project is delayed pending approval of the Vegetation Test Plot Plan.
- 3) Ore Pile Removal.
 - Anticipating around 10 to 11 months to complete.
 - Remaining ore is currently estimated to be one-half the original volume.
- 4) Diesel Release Investigation
 - Anticipate starting the drilling phase in October.
 - Project has been pushed back due to pending approval of the drilling plan and drill contractor availability.

Critical Path Items

- 1) Approval of eastward expansion of the disposal cell.
 - Anticipating early 2021.