Closure Activity Update: August 2021

Work priorities continued to focus on demolition projects as RGR awaits approval of the MOD 20-1, Disposal Cell Expansion and Radiological Survey Work Plan. Closure projects have been impacted. Closeout/closure work focused on demolition of the Chlorine Building and site maintenance.

Period Ending: August 31, 2021

Date: 9/21/21

The ore pile removal project will not be completed by the end of September, as anticipated. The new completion date is predicted to be late December, based on recent stockpile measurements. The ore pile was originally estimated to contain approximately 60,000 tons of low-grade ore material. When the ore removal project was started, RGR estimated the ore quantity to be around 53,000 tons based on the historic tonnage factor and dimensional measurements of the existing ore pile and cover. The smaller volume of ore was derived by subtracting the estimated volume of cover soil from the total pile size. The September completion date was based on this smaller quantity of ore. In addition, RGR's historic "tonnage factor" has been found to be inaccurate for the material in the pile. Moisture content has been highly variable and has significantly affected the tonnage factor. The tonnage factor is used to convert volume to weight. Contracted truck haulage offsite has also been slower than expected, particularly because of COVID-19 labor issues.

Activities

- 1) Ore Pile Removal
 - Removal and transportation of the ore pile material continued
 - Approximately 2,130 tons of low-grade ore were hauled off site during the month
 - o To-date hauled: 51,900 tons
- 2) MWTU Ponds
 - Pond 2 remains ready for use
- 3) WP5 Well, MW6 Well and North Force Main (NFM)
 - Prepared a set of commissioning procedures for the NFM
- 4) Closeout/Closure Activities
 - Demolished the Chlorine Building
 - Continued removing and sorting equipment, debris and scrap from around the site:
 - o Completed clean-out of the Compressor building, ready for demolition
 - Performed radiation characterization studies on:
 - 1) Compressor building
 - 2) Shaft-heat buildings
 - 3) Chiller Pump building
 - 4) Electrical building
 - 5) IX building
- 5) Other: Began preparing bid-request documents for shaft plugging and the demolition of the discharge pipeline, headframes and several buildings

Forecasted Activities

1) Ore Pile Removal: Completion projected for late December 2021

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

- 2) Closure Activities
 - Upcoming demolition work:
 - o Emergency Hoist/Quonset Hut Building
 - Shaft Heat Building
 - Chiller Pump Building (in progress)
 - Compressor Building (in progress)
 - o Discharge Pipeline
 - Cooling Towers
 - Process water piping (in progress)
 - o Headframes and ventilation structure
 - o Shaft plugging
 - Deep Dewatering Well electrical apparatus
 - IX building
 - o Sewer Lagoon

Critical Path Items

1) Approval of eastward expansion of the disposal cell

Delays

- Earth moving projects are delayed until the disposal cell expansion is approved
- Demolition projects are somewhat delayed as RGR awaits approval of the MOD 20-1 and radiological survey work plan

Period Ending: August 31, 2021

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• Deep Aquifer well plugging and abandonment is delayed pending approval of the monitoring plan