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

Closeout/Closure Activity Update: February 2022

Work priorities continued to focus on dismantling projects as RGR awaits approval of the Disposal Cell Expansion and Radiological Survey Work Plan. Closure projects have been impacted. Closeout/Closure work for the month focused on continued cleanup and consolidation of debris from around the site.

Period Ending: February 28, 2022

Date: 3/22/22

Highlights: Continued work on preparing shaft plug designs for construction

Activities

- 1) Ore Pile Removal
 - Removal and transportation of the ore pile material continued
 - Approximately 1,560 tons of low-grade ore were hauled off site during the month
 - o To-date hauled: approximately 63,040 tons
 - o RGR estimates there to be approximately 2,000 to 2,500 tons of ore remaining
 - Contracted trucking problems were average
 - Driver lost-time days
 - Truck mechanical issues
 - Two weather days (snow, ice)
 - o Nearly one week of haulage was lost due to weather, a holiday and a short month
- 2) Closeout/Closure Activities
 - Continued removing equipment from buildings
 - Continued cleaning up debris and scrap
 - o Began consolidating the previously dismantled rails into manageable piles
 - Began cleaning out the Core Shed for future dismantling
 - Continued working on shaft plug designs for construction
 - Completed welding a temporary cover over the ventilation structure pit

Forecasted Activities

- 1) Ore Pile Removal: Anticipating completion in early April, depending on trucking reliability and material density
- 2) Closure Activities
 - Upcoming dismantling work:
 - o 24-ft "Production" Shaft Headframe
 - Process water piping
 - IX Building
 - Sewer Plant

Critical Path Items

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 radiological survey work plan
- Well-plugging and abandonment is delayed pending approval of the deep aquifer monitoring plan