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

Closeout/Closure Activity Update: July 2022

Work activities were somewhat delayed by several heavy rainfall events and resultant muddy site conditions. Material characterization and management are ongoing. Project planning continued.

Period Ending: July 31, 2022

Date: 8/25/22

Activities

Closeout/Closure Activities

- Production Shaft Headframe Removal
 - o Removal is postponed until after bird nesting season
 - o Discussed controlled blasting options with vendor
- Shaft Plugging
 - Completed final draft "for construction" plans and drawings
- Discharge Pipeline Removal
 - o Completed the work plan for the US Forest Service
- Process Water Pipeline
 - o Sent asbestos waste offsite for proper disposal

Forecasted Activities

Closeout/Closure Activities

- Upcoming dismantling work:
 - 24-ft "Production" Shaft Headframe
 - o Removal of Dewatering Well transfer piping
 - Removal of corrugated discharge pipeline (old)
 - Continued removal of process water pipelines
- Upcoming construction work:
 - o Plugging the 14-ft and 24-ft shafts

Critical Path Items

Approval of the disposal cell expansion

Delays

- Earth moving projects are delayed until the disposal cell expansion is approved
- Well-plugging and abandonment is delayed pending approval of the deep aquifer monitoring plan