Closeout/Closure Activity Update: September 2022

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

Period Ending: September 30, 2022

Date: 10/23/22

Activities

Closeout/Closure Activities

- Production Shaft Headframe Removal
 - o Contracted with vendors for the removal of the headframe
 - Contractor visited site to prepare plans
 - Began preparation work, including removal of piping and other obstructions
- Discharge Pipeline Removal
 - o Awaiting response from the USFS on the next meeting to discuss the draft work plan
- Depressurizing Well Transfer Pipelines
 - o Completed removing the surface-run transfer piping
 - Focused on removing piping above the water tank area (well pads DW-18 and DW-17)
- Placed the pump barge in the SSWP
 - o Transferred water to MWTU Pond 3 (P3) via the North Force Main
 - Notified NMED of need to increase freeboard due to several heavy rain events
 - Transferred approx. 860,200 gallons to P3, successfully increased freeboard from 2.2 to 2.5 feet
 - Ceased transfer of water to P3 once its freeboard level reached 2.2 feet
- Site Characterization
 - Discussed plans with a contractor for conducting a site radiological characterization survey
- South Diversion Ditch and North Diversion Ditch Reconstruction
 - Held discussions with a consultant to begin formulating plans for the reconstruction of the South and North Diversion Ditches
- Materials
 - Moved spare concrete culverts from the water tank area to a clean material storage area
 - Moved two I-beams to the 24-ft shaft conveyance, for support and safety during headframe removal
 - Moved the four remaining I-beams to a clean material storage area
 - o Moved three electrical switch boxes from the parking lot area to the south laydown yard

Forecasted Activities

Closeout/Closure Activities

- Upcoming dismantling work:
 - o 24-ft "Production" Shaft Headframe removal (anticipating mid-November)
 - o Removal of the old corrugated discharge pipeline
 - o Continue removal of process water pipelines
- Upcoming construction work:
 - o Plugging the 14-ft and 24-ft shafts

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

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

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