RIO GRANDE RESOURCES CORPORATION

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December 7, 2020

Mr. David Ohori
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New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Response to Comment Letter Dated October 8, 2020; Application for Modification 20-1 to Mt. Taylor Mine, Permit No. CI002RE, Rio Grande Resources Corporation

Dear Mr. Ohori,

This letter is Rio Grande Resources Corporation's (RGR) response to a comment letter by the New Mexico Mining and Minerals Division (MMD) dated October 8, 2020. The letter contained comments on RGR's request for permit modification submitted May 15, 2020. The modification request application was assigned the identifier of "MOD 20-1" by MMD. RGR's permit modification request addressed an update to the reclamation schedule, the expansion of the disposal cell in the south waste rock pile and a proposed modification of the disposition of several structures for the Post Mining Land Use (PMLU).

General Response to MMD's Comment Letter of 10/8/20

RGR's request for modification to the permit was specific to the following topics:

1) Revise the Closeout/Closure Schedule
2) Revise the Disposal Cell footprint with an expansion from 11.5 acres to 19.3 acres
3) Revise the disposition of several of the buildings and structures under the PMLU, including the desire to preserve certain water treatment facilities to support a water supply PMLU.

RGR saw the need to revise the closeout/closure Schedule to a longer duration because the current site conditions are significantly different from the assumptions used to develop the original schedule. By factoring in anticipated regulatory delays, site physical constraints, logical activity sequencing and allowance for unknown conditions, the revised schedule presented in the modification request (MOD 20-1) reflects a more realistic plan for site closure based on conditions existing today. Realistic task durations were projected based on time studies of work performed during the Phase I Reactivation period.

One of the major changes leading to increased activity durations in the revised closeout/closure schedule was a change in the schedule calendar. The 2013 schedule utilized "calendar days". The revised schedule utilizes "working days". It has been found that contractors are not willing to work on weekends or holidays.

Another major factor leading to an expansion of the schedule has been delays in regulatory approvals. Regulatory delays interrupt the logical sequencing of task progression. An example of this is the delay in excavating contaminated materials around the site caused by the delayed approval of the disposal cell expansion.

RGR is presently not anticipating a water supply project for the PMLU. At this time, RGR has decided not to retain certain water treatment facilities that were selected in the modification request (MOD 20-1). RGR wishes to maintain its right to operate a water supply project for the PMLU once all necessary agreements are in place. RGR will preserve those selected water treatment facilities until the latter stages of closure/closeout.

The attached Table 1, Rev.1 (Building List – Demolish and Retain) is a revised building disposition list from the modification request that incorporates changes requested in MMD's comments and RGR's needs.

Responses to MMD's Comment Letter of 10/8/20

RGR's responses are provided to each comment or question in the same order contained in the comment letter. The text of each comment or question as posed by MMD is italicized, followed by RGR's response in regular font.

1. *Section 1.1.2, Closeout/Closure Activities Remaining to be Completed, page 2 of the Application, should also include:*

   a. *the reclamation and post-reclamation radiological survey*
   b. *the monitoring and maintenance for erosion,*
   c. *noxious weed management,*
   d. *performing the revegetation test plot study.*
   e. *compliance with the New Mexico Environment Department ("NMED") requirements and other environmental permits, and*
   f. *all applicable requirements of Permit No. CI002RE.*

The six items above are all conditions of the approved mine permit (CI002RE, Rev 13-2). RGR has previously acknowledged the conditions of the permit and has agreed to comply with all of the permit conditions.

The intent of Section 1.1.2 of RGR's modification request (MOD 20-1) was to define the remaining closeout/closure tasks to be completed, focusing on the major topics shown in Table 1, Appendix B of the mine permit. Section 1.1.2 of the modification request was not an all-inclusive list, but was meant to highlight the major demolition and earthwork tasks remaining to be completed.

Because items a through f above are not specific closeout/closure tasks defined in Table 1, Appendix B of the mine permit, closeout/closure Schedule, RGR does not believe these items need to be included in Section 1.1.2 of the modification request.

With regard to the vegetation test plots, discussion of this topic with MMD is still in progress. Resolution of the Vegetation Test Plot Plan has not yet been achieved. Again, RGR views the Vegetation Test Plot as a permit condition, not a unique task under closeout/closure.

2. *Section 2.1.1, Details of Schedule Changes, 2nd bullet, 2013 CCP Schedule, page 3 of the Application states that under the 2013 CCP Schedule one assumption is that multi-task work crews are simultaneously active during mine closeout. However, the 2020 CCP Schedule omits that assumption. Please explain why the 2020 CCP schedule omits using simultaneous work crews during mine closeout.*

This was an oversite by RGR. RGR viewed it as an implicit assumption. The 2020 CCP Schedule also assumes the use of simultaneous, multi-task work crews. However, the 2020 CCP Schedule sequences earthwork and demolition work differently because of crew and site safety risks.

The bullet points under "2013 CCP Schedule" explain the underlying base assumptions of the 2013 CCP schedule. The bullet points under the "2020 CCP Schedule" focus on the major changes to the base assumptions and provide reasoning for the increase in the 2020 schedule duration. By simply converting the schedule from a "calendar-day" basis to a "working-day" basis, the schedule duration is significantly increased.

It should be noted that the 2013 schedule was developed more than 8 years ago. The assumptions made under the 2013 schedule do not match current site conditions and status. In the 2013 CCP, some of the assumptions included: no ore stockpile would remain on site, no pond sediments would remain and the waste rock pile would have been placed in the mine as ground support and fill. Additionally, it assumed that the PMLU issues would have been resolved.

3. *Section 2.1.1, Details of Schedule Changes, 7th bullet, Demolition, Shaft Headframes, page 4 of the Application states that the demolition of the shaft headframes will be delayed so RGR may obtain approval to leave them in place as raptor habitat or designation as historic structures with cultural significance. MMD has received comments on the Application from the New Mexico Department of Game and Fish ("NMDG&F") and the New Mexico Department of Cultural Affairs ("NMDCA") and they are attached to this letter. The NMDG&F does not support the use of the shaft headframes as raptor habitat and the NMDCA has not commented on designation of the shaft headframes as historic structures. MMD does not support the change requested by RGR to retain the shaft headframes indicated in Table 5.1, Building List – Demolish and Retain, Appendix B of the Application, and the shaft headframes shall be demolished.*

RGR acknowledges the comment and will comply with the request to demolish the headframes. Please refer to the attached revised Table 1, Rev.1 (Building List – Demolish and Retain).

4. *Section 2.1.1, Details of Schedule Changes, 7th bullet, Demolition, Surface Facilities, page 4 to 5 of the Application states that the facilities planned for the Post-Mining Land Use ("PMLU") of a water supply system as RGR states on page 1 of the Application, will be, pushed towards the end of the [mine closeout] project in order for RGR to obtain 3rd party commitments. MMD will consider approving the proposed change of the PMLU of the buildings from demolition to retain for a water supply PMLU after RGR provides to MMD permits, contracts, written agreements and/or other supporting documents that have been obtained to facilitate a water supply PMLU. Until MMD approves the change of the PMLU of these facilities from demolition to retain for a water supply PMLU, the disposition of the Ion Exchange Plant, the Phase II and III Water Wells, MWTU Pond 5, the Flocculant Treatment Facility, and the Barium Chloride Treatment Facility, shall be "Demolish". Please revise Table 5.1, Building List – Demolish and Retain of the Application to change the disposition of these facilities to "Demolish (until MMD approves the water supply PMLU)". In addition, the closeout costs for demolishing these facilities shall remain in the closeout plan financial assurance until MMD approves a water supply PMLU that uses these facilities.*

RGR acknowledges the comment and will convert the following facility items to "demolish" until such time as RGR obtains the necessary water supply documentation to "retain" them:

1) Ion Exchange Plant,
2) Flocculant Treatment Facility,
3) Barium Chloride Treatment Facility

and

4) MWTU Pond 5.

RGR will preserve the Phase II and Phase III Water Wells as "retain" until NMED approves the "Deep Aquifer Monitoring Plan". Once that plan is approved, RGR will then determine which of these wells will be plugged and abandoned. Please refer to the attached revised Table 1, Rev.1 (Building List – Demolish and Retain) for these changes. All of the facilities requested in comment 4 above will remain in the financial assurance until such time as MMD approves a water supply PMLU.

5. *Section 2.1.1, Details of Schedule Changes, 8th bullet, Shaft Plugging, page 5 of the Application states that, RGR is looking into an alternative to shaft plugging. MMD has not received additional information including proposed designs for an*

alternative to shaft plugging. MMD cannot consider changes to the shaft plugging without the additional information.

RGR is presently working with a consulting group to complete conceptual plans for a shaft cap system. RGR expects to submit the conceptual plans to MMD for review before the end of December 2020. The intent of mentioning a shaft cap system in the modification request (MOD 20-1) as an alternative to the approved "shaft plug" was primarily to introduce a construction method that would minimize work crew safety risks.

6. *Section 2.1.1, Details of Schedule Changes, 9th bullet, Well and Conduit Plugging, page 5 of the Application states that there are, approximately 26 deep wells to be fully grouted. The closeout plan cost estimate based on 2016 costs approved under Revision 13-2 assigned a cost of $6.60 per linear foot to plug these deep wells. MMD has re-examined this cost estimate and has determined that it underestimates the well plugging costs and that the well plugging costs should be in the range of at least $14.00 to $24.00 per linear foot or higher depending on site- specific conditions. MMD requires that the cost estimate for well plugging be revised as part of Modification 20-1.*

RGR is preparing an updated cost estimate that reflects the price change. RGR will submit its updated cost estimate to MMD before the end of December 2020.

7. *Section 2.1.1, Details of Schedule Changes, 10th bullet, Earthwork, Ore Pad and Runoff Retention Pond, page 5 of the Application states that, RGR is estimating the volume of contaminated material to be about 6 times the amount projected in 2013. Please provide the estimated volume in cubic yards or tons of the contaminated material to be excavated from the Ore Pad and Runoff Retention Pond.*

RGR's current rough estimate of contaminated material to be excavated from the Ore Pad is approximately 75,000 cubic yards. RGR's current rough estimate of contaminated material to be excavated from the Ore Pad Retention Pond is approximately 13,750 cubic yards. RGR anticipates performing quantitative sampling of these areas in 2021 to obtain a more precise estimate.

8. *Section 2.1.1, Details of Schedule Changes, 10th bullet, Earthwork, Contaminated Soils, page 6 of the Application states that, RGR estimates the remaining contaminated materials around the site to be two and a half times more*

than originally estimated in 2013. Please provide the estimated volume in cubic yards or tons of the contaminated material estimated in 2020 that will be excavated from the mine site area.

RGR's current rough estimate of contaminated material to be excavated from the site is approximately 171,000 cubic yards. The estimation of contaminated materials to be excavated or removed is difficult to determine until all of the facility is demolished and underlying materials are characterized. RGR anticipates performing quantitative sampling of these areas to obtain a more precise estimate, once facilities are demolished.

9. *Section 2.1.1, Details of Schedule Changes, 10th bullet, Earthwork, MWTU Ponds, page 6 of the Application states that, the estimated quantity of backfill needed is about 2 times that estimated 2013. Please provide the estimated volume in cubic yards or tons of the quantity of backfill needed for the MWTU ponds.*

RGR currently does not expect to import any outside fill material for the reclamation of the MWTU pond basins (MWTU ponds 1 through 8). RGR plans to reclaim these ponds by regrading, utilizing the concept of balancing cut and fills around the ponds to achieve the desired final surface. As approved in the 2013 CCP, RGR anticipates placing clean site debris in these ponds, which would offset final grading needs.

10. *Section 2.1.1, Details of Schedule Changes, 10th bullet, Earthwork, Waste Pile, page 6 of the Application states that, construction of a clay cap and growth media cover layer over the proposed expanded disposal cell area will be performed. MMD requires RGR to provide an updated closeout plan cost estimate that includes the additional earthwork and other applicable reclamation costs (e.g., placement of vegetative cover material, stormwater handling features, revegetation, and monitoring and maintenance) for the expanded waste disposal cell. In addition, MMD requires that the updated closeout plan cost estimate include the additional earthwork and other applicable reclamation costs for closeout of the ore pad and runoff retention pond, the residual contaminated soil at the mine site, and the MWTU Ponds due to the increased amount of contaminated materials and backfill that RGR has indicated in the Application.*

RGR is preparing an updated cost estimate that includes these cost considerations. RGR will submit its updated cost estimate to MMD before the end of December 2020.

11. *Section 2.1.1, Details of Schedule Changes, 10th bullet, Earthwork, Site Revegetation, page 6 of the Application states that, this task is significantly longer than that estimated in 2013 because of the long distance between locations. Because of the travel time to different locations, the effective work day is only about fifty percent. MMD requires that the updated closeout plan cost estimate account for the reduction in the effective workday for the site revegetation.*

The above refenced section of the modification request (MOD 20-1) referred to revegetation of the pipeline corridor, which is somewhat isolated from the main facility. RGR sees the labor cost increase of the revegetation activity, due to lost efficiency, as minor in comparison to the cost of purchasing the state mandated seed mix (of the order of $2,300 per acre). RGR is preparing an updated cost estimate that includes these cost considerations. RGR will submit its updated cost estimate to MMD before the end of December 2020.

12. *Section 2.1.1, Details of Schedule Changes, 12th bullet, Post Closure Monitoring and Maintenance, page 6 to 7 of the Application discusses continued access of the reclaimed areas of the mine site for post-closure monitoring and maintenance. MMD requires that the updated closeout plan cost estimate include post-closure monitoring and maintenance costs including radiological testing if it does not already include them, or updating these costs if they are included in the 2016 cost estimate approved under Revision 13-2.*

RGR is preparing an updated cost estimate that includes these cost considerations. RGR will submit its updated cost estimate to MMD before the end of December 2020.

13. *Section 2.1.1, Details of Schedule Changes, 13th bullet, Stage II Abatement, page 7 of the Application states that, The updated CCP schedule may need to be extended depending on the successful progression of the abatement plan, and, Planned 2020 abatement activities will impact CCP tasks located around the disposal cell, waste rock pile and 24-ft. production shaft areas. MMD requests an update from RGR on the impact of the Stage II Abatement, and the diesel spill investigation, on the proposed CCP schedule.*

The diesel release investigation drilling was performed in October 2020. Diesel contamination was identified in several locations. RGR's consultant is analyzing the results of the investigation and will submit a report in late February. Once the report is submitted and approved, RGR will begin working on a corrective action plan with NMED (for approval). Accounting for delays in regulatory responses, RGR anticipates that a corrective action plan will be approved in mid to late 2021. RGR will begin corrective actions once approval is granted and is anticipating this work to begin in late 2021, depending on regulatory approvals for the treatment location of the contaminated material. RGR is anticipating the material will be treated on site.

With regard to the Abatement plan, RGR completed the installation of 7 additional monitoring wells focusing on the disposal cell and diesel investigation areas. These wells are anticipated to provide additional information to assist in determining an effective remediation method for the abatement project. Water sampling has begun and RGR anticipates a period of 8 quarters to collect baseline information. Once the data is interpreted, a remediation plan that is best suited for the site will be formulated, pending approvals from NMED.

RGR believes the diesel release remediation project will impact the CCP schedule by approximately 2 years. RGR is unsure of the magnitude of impact of the Abatement Plan on the CCP schedule at this time, but believes it could be 2 to 5 years, depending on regulatory approvals and success of the selected remediation technique.

14. *Section 2.2, Expanded Disposal Cell, page 7 of the Application states that, RGR does not expect to construct the cell to full build-out unless the volume of contaminated materials discovered during the CCP implementation requires it. Please update the Application with the source and approximate current amount of contaminated materials anticipated to be placed in the expanded disposal cell.*

RGR's current best guess estimate of contaminated materials to be placed in the expanded disposal cell includes:

1) Roughly 171,000 cubic yards of contaminated soils from around the site (See response to Comment number 8)
2) Roughly 40,000 cubic yards of metal and concrete debris and scrap from demolition of facilities and buildings. This is a conservative estimate based on assumptions that all of the materials on site are contaminated.

This totals roughly 211,000 cubic yards of material expected to be placed in the expanded disposal cell.

15. *Section 4.1, PMLU Uses, page 7 to 8 of the Application lists some of the proposed short-term and long-term PMLU water uses at the mine. Please provide the approximate annual water short-term and long-term water usage that RGR anticipates during and after mine closeout.*

Pending settlement hearings from the Bluewater adjudication process, RGR is unable to provide this information because of confidentiality.

16. *Section 4.4, Water Supply, page 8 of the Application states that, RGR expects to acquire use- agreements and contracts for the water supply [in] the near future. Please see MMD Comment # 4 above. In addition, RGR proposes the aquifers that RGR anticipates pumping water from, and the anticipation of meeting New Mexico water quality standards, in part, by blending waters from different aquifers for the water supply system. Based on the information RGR has provided, MMD does not understand why RGR proposes to retain the Ion Exchange Plant, MWTU Pond 5, the Flocculant Treatment Facility, and the Barium Chloride Treatment Facility for the water supply PMLU. Please provide information to support the use of these facilities under the proposed water system PMLU.*

RGR desires to preserve the Ion Exchange Plant, Flocculant Treatment Facility and Barium Chloride Treatment Facility to support a dependable supply of water, even if water quality from the aquifers declines. MWTU Pond 5 would be retained to provide a settling basin and for storage/surge capacity.

17. *Section 4.5, Requested Changes to the Approved PMLU, page 9 of the Application refers to Table 5.1, Building List – Demolish and Retain. This section also lists the facilities that RGR proposes to retain during the mine closeout and abatement activities including the Phase I and Phase II Dewatering Wells. Table 5.1 also lists Phase III Water Wells. Please provide the well numbers and locations of all of the Phase I, II, and II wells on a map, the depth of each well and the geologic formation and aquifer that each well is completed. In addition, please specify the proposed disposition for each well under the mine closeout plan and the Application.*

Please refer to the attached drawing titled "Dewatering Well Disposition Plan" (Dwg No. GS20-CL104-00, Sheet No. CL-04A).

18. *Section 4.5, Requested Changes to the Approved PMLU, page 9 of the Application lists the Site Access Roads that RGR proposes to retain during the mine closeout and abatement*

activities. MMD received a letter from RGR, dated August 4, 2020, with a drawing of the Facility Roads Identified for Continued Site Maintenance (Figure 1-2). Please provide a drawing similar to Figure 1-2 labeling the site access roads listed in Section 4.5 of the Application.

Please refer to the attached drawing titled "Figure 1-2, Facility Roads Identified for Continued Site Maintenance".

19. *Table 5.1, Building List – Demolish and Retain of the Application lists the currently approved Disposition at Closeout for the buildings and facilities at the mine. Please provide a drawing of the mine site with these buildings and facilities labelled.*

Please refer to the attached drawing titled "Facility Disposition Plan" (Dwg No. GS20-CL104-00, Sheet No. CL-04).

20. *Table 5.1, Building List – Demolish and Retain of the Application lists the Disposition at Closeout for the 24- and 14- Foot Shaft Headframes changing from demolish to Retain for Owner PMLU. See Comment #3 above.*

RGR acknowledged Comment No. 3. Please refer to the attached revised Table 1, Rev.1 (Building List – Demolish and Retain) for the changes.

21. *Figure 1, Waste Rock Pile and Disposal Cell (Conceptual Full Buildout) of the Application shows a plan view of the existing Waste Pile and Disposal Cell and the proposed four expansion phases of the Waste Pile and Disposal Cell with two cross-section lines drawn (A- A' and B-B'. Figure 2, Proposed Expansion of Waste Rock Pile and Disposal Cell Sections of the Application shows the cross-sectional drawings A-A' and B-B'. MMD requests additional cross-sectional drawings of each of the four Expansion Cell Phases oriented in a north to south direction.*

Please refer to the attached drawings for the requested cross-sections:

A) "Waste Rock Pile and Disposal Cell (Conceptual Full Buildout), Figure 1",

B) "Proposed Expansion of Waste Rock Pile and Disposal Cell Sections AA and BB, Figure 2",
C) "Proposed Expansion of Waste Rock Pile and Disposal Cell Sections CC and DD, Figure 3" and
D) "Proposed Expansion of Waste Rock Pile and Disposal Cell Section EE, Figure 4".

22. *Figure 2, Proposed Expansion of Waste Rock Pile and Disposal Cell Sections of the Application has a caption, Future Contaminated Fill, below and at the A' side of the cross-section drawing. Please explain what this caption refers to in the A-A' cross-section drawing.*

That was a typographical error and should be disregarded. The attached drawing "Proposed Expansion of Waste Rock Pile and Disposal Cell Sections AA and BB, Figure 2" shows the same cross-sectional view, with the typographical error removed.

23. *Figure 3, Mt. Taylor Updated Closeout/Closure Schedule (May 15, 2020) of the Application shows bars labelled Task, Summary, and Critical in the bottom legend. All three bars appear to be black and of the same thickness. Please revise this figure to show clear differentiation between the bars if that was the original intention.*

Figure 3 was inadvertently printed in black during the assembly of the modification request. The bars of the schedule (Figure 3) have been modified to show bar type and color (see attached schedule labeled Figure 3, Mt. Taylor Mine Updated Closeout/Closure Schedule).

24. *MMD received an e-mail from Bruce Norquist, Facilities Manager of the Mt. Taylor Mine, dated August 11, 2020 requesting to remove the Carpenter Shop building superstructure. The previous landowner of the Carpenter Shop had requested that this building be reserved for the Commercial PMLU and this building was approved to be retained for a Commercial PMLU in Revision 13-2 to Permit No. CI002RE. RGR has recently indicated that the Carpenter Shop is now owned by RGR and it is proposed to be demolished in the Application. After consultation with NMED, MMD conditionally approved the removal of the Carpenter Shop building superstructure, in an e-mail to RGR, dated September 23, 2020. MMD requested a timetable for RGR to demolish the Carpenter Shop foundation and cautioned RGR to not damage or disturb other applicable mine facilities that*

are needed for ground water monitoring or abatement.

RGR replied by email (10/14/20) to the MMD email dated 9/23/20 regarding the demolition of the Carpenter Shop. In that email, RGR stated it intended to demolish the Carpenter Shop foundation in the 1st Quarter of 2021, or sooner. RGR completed the demolition of the Carpenter Shop foundation on November 17, 2020. RGR was not aware of any wells in the vicinity of the Carpenter Shop, but stated it would take all precautions to avoid any wells should they be encountered. RGR also consulted with NMED on the issue of these wells at the time. NMED stated they were not aware of any wells in the vicinity either.

25. *MMD received a letter from RGR, dated September 15, 2020, requesting that the Disposition of the Electrical Building at the mine be changed from Demolish, to Retain for Owner PMLU. RGR stated that the reason for the request is that the Electrical Building, is a key center of power for the site, and that it is needed, to provide electricity to the retained buildings under the PMLU. MMD will include this request as a supplement to the Application.*

RGR acknowledges the comment.

Responses to Comments by Other Agencies on the Modification Request (MOD 20-1) Submitted 5/15/20

As before, RGR's responses are provided to each comment or question in the same order contained in the respective Agency's comment letters. The text of each comment or question as posed by those Agencies is italicized, followed by RGR's response in regular font.

NMED Comments

A. MECS

1. *RGR needs to include a discussion on how settlement will be addressed as a result of placing demolition debris and other contaminated material in the expanded waste rock pile.*

As previously done, demolition debris that is not compressible and thicker than the lift will be placed in a separate trench or pit and backfilled with flowable fill. The earthwork specification MW-CB01-00, submitted in January 2018, provides additional details. Earthen materials that are placed according to this specification will have negligible settlement potential.

2. *NMED understands that ongoing investigations related to the diesel plume and groundwater abatement may reveal additional impacted material that needs to be managed in a manner that is protective of water quality. It is not clear if the waste rock pile expansion contemplates the necessary volume required for placement of the soils excavated from the diesel plume contamination, and other soils excavated as part of abatement and reclamation activities.*

RGR has reviewed the capacity of the conceptual expanded disposal cell (19.3 acres). RGR has conservatively estimated the amounts of contaminated materials that it anticipates removing and placing into the expanded disposal cell. RGR is satisfied that the capacity of the conceptual expanded disposal cell is sufficient to accommodate all of the materials expected to be placed.

RGR anticipates that once remediated, the formerly diesel-contaminated material may be found suitable for use as clean backfill elsewhere on the site.

3. *Section 4.5, Requested Changes to the Approved PMLU: RGR lists facility components that are intended to be preserved throughout the duration of closure activities. Included in this list are "Abatement wells (NMED, DP-61 permit monitoring)", and "All other Groundwater Monitoring wells (NMED, DP-61 permit monitoring)". NMED requests that RGR include in the list a mention of any new wells to be drilled for the diesel investigation and the additional site wide groundwater investigation.*

Please see the attached table titled "Mt. Taylor Mine Shallow (monitoring) Wells" for a list of the abatement and diesel investigation wells that RGR is currently monitoring. These wells are considered to be temporary and will be properly abandoned after those efforts are complete. No additional wells for "site wide groundwater investigation" are planned at this time.

NMED Summary Comment

4. *The permit modification states that water from the Point Lookout Sandstone and other aquifers may be provided to end-users for various types of beneficial use. Water quality of any water provided to end users must be appropriate for the intended use and discharged in compliance with applicable state and federal standards as opposed to simply meeting the water quality standards of*

20.6.2.3103.A NMAC. As discussed above, additional information is needed before NMED can determine whether the activities proposed in the Modification 20-1 application will be protective of the environment.

RGR will provide any additional information, as requested, regarding protection of the environment through the activities proposed in MOD 20-1.

B. Surface Water Quality Bureau (SWQB) Comments

1. *The Surface Water Quality Bureau (SWQB) of the New Mexico Environment Department (NMED) has reviewed the Subject Request for Comments on the modification of the Mt. Taylor Mine. The modification proposes to update the reclamation schedule, expand the south waste rock pile and disposal cell, refurbish and upgrade the stormwater drainage system, and modify the post-mining land use in order to exercise water rights in support of watering livestock, supporting on-site commercial activities, irrigation, and 3rd party end-users. Pursuant to §19.10.5.505 New Mexico Administrative Code (NMAC), SWQB has prepared the following comments.*

The SWQB incorrectly states in the above paragraph that the modification request includes "refurbish and upgrade the stormwater drainage system". Surface water drainage upgrades were completed as part of the Phase 1 construction in 2018-2019.

Comments from the Watershed Protection Section:

2. *Prior to any discharge to San Mateo Creek, or other surface waters of the state, a demonstration must be made that state Surface Water Quality Standards will be met (State of New Mexico, Standards for Interstate & Intrastate Surface Waters, New Mexico Water Quality Commission, 20.6.4 NMAC, as amended through December 17, 2019), and contaminants will not be mobilized.*

RGR acknowledges the comment. RGR is not contemplating any discharges to San Mateo Creek or other surface water courses that are not presently permitted under the NPDES.

Comments from the Point Source Regulation Section:

3. *A Construction General Permit (CGP) is not required if the disturbing activities are part of the normal day-to-day operation of a completed facility (e.g., daily cover for landfills, maintenance of gravel roads or parking areas, landscape maintenance). If work performed is routine maintenance that is performed to maintain the original line and grade, hydraulic capacity, or original purpose of the facility, or if the Wastewater System Improvement Project goes beyond routine maintenance, see below.*

RGR acknowledges the comment and will comply with the regulations. RGR is currently operating under an NPDES permit (#NM0028100) and an MSGP permit (NMR05J02B). The surface water drainage controls of the site were upgraded (2018-2019) to capture and treat or evaporate surface water runoff. These upgrades prevent surface water from being discharged from the disturbed areas.

C. Air Quality Bureau Comments

RGR acknowledges the comments of the Air Quality Bureau and will comply with the regulations.

DEPARTMENT OF CULTURAL AFFAIRS, HISTORIC PRESERVATION DIVISION

As previously stated by this office, the permit area has never been archeologically surveyed and, while there is significant ground disturbance in the proposed disposal cell expansion area, intact, undisturbed ground surfaces do exist and this project has the potential to damage cultural resources that may be eligible for the National Register of Historic Places and the State Register of Cultural Properties. Therefore, this office recommends a cultural resources survey be conducted on any undisturbed portions of mine property where proposed new ground disturbance will occur for this permit.

RGR acknowledges the comments. Cultural resources studies have been conducted at the mine site and adjacent areas in the past. RGR has already contacted a cultural resources consultant and will conduct cultural resources studies on any undisturbed portions of mine property where proposed new ground disturbance is planned to occur.

Department of Game and Fish

The updated CCP stipulated the demolition and removal of the mine headframes. In the requested modification, RGRC is proposing to allow the headframes to remain in place for "raptor habitat" and/or designation as an historic site. The Department does not consider the mine headframes to be appropriate habitat for raptors and should be removed as originally stipulated in the CCP. The undisturbed surrounding habitat near the mine contains abundant cliff faces and mature trees for raptor nesting and perch sites. Additionally, the headframes are not old enough to qualify for consideration as an historic site.

RGR acknowledges the comment. MMD's comments (comment #3) indicated a similar disposition on the headframes. RGR concurs and will demolish the head frames.

Office of the State Engineer (OSE)

1. *The shaft and conduit workings have penetrated unsaturated geologic units, as well as saturated units and confining units to terminal depth. Previous CCP plans indicate that these shafts and conduits were cased and grouted to prevent water intrusion. We would be interested in the original design and construction details of these shafts. The update request also indicates a possibility of simply capping the shafts (without plugging). We would like to know which regulatory agency offers approval that simply capping a shaft might offer perpetual segregation of aquifers.*

RGR acknowledges the comment. Capping or plugging is widely used for mine shaft closure. MMD's AML Program has used capping or plugging for a number of abandoned mine shafts in New Mexico, including some that penetrate aquifers.

2. *Groundwater may still enter and fill a subsurface mine over time, but it would seem appropriate that the loss of hydraulic head from one aquifer to the other ought to be addressed in post-closure phase. In my opinion, there is value in measuring and recording data to monitor for continued integrity of grout and casing material to*

ensure segregation of shallow and deep aquifer waters, as intended.

RGR acknowledges the comment. There is no means of directly measuring the integrity of shaft liners once entry is no longer possible. Post-closure monitoring will include measurement of water levels and water quality in wells and the shaft.

3. *Numerous project wells exist on the mine site (production wells, dewatering wells, monitor wells, or some form of environmental characterization / abatement wells). A number of these wells will remain operational (while some will be plugged and abandoned). Therefore, it would be beneficial to have a detailed tabulation of existing project wells on file, reflecting location, depth / design character, use / potential future use, and the nature of any sampling, water level measurement, or metered withdrawals for continued reference as closure activities proceed.*

Table 2.3 of the 2013 CCP lists the locations and descriptions of the deep wells. Descriptions of the shallower monitoring wells are included in the discharge permit, DP-61, and supporting documents. Please see RGR's response to comment section A.3 (MECS) under the NMED comments. Also refer to the attached table titled "Mt. Taylor Mine Shallow (monitoring) Wells" for a list of the abatement and diesel investigation wells that RGR is currently monitoring.

4. *For wells designated for decommissioning, NMOSE Well Plugging Plan of Operations WD-08 Form must be filed with and approved by the NMOSE Albuquerque District 1 Water Rights Division prior to the initiation of any well plugging activity. The approval process reviews the appropriateness of proposed sealant choice and placement in the decommissioning of wells.*

RGR acknowledges the comment. RGR will seek all necessary approvals from the NMOSE.

5. *The update request notes potential for new or revised uses of groundwater in the future. In the event that proposed water right use is different from the current water right uses, then the Albuquerque District 1 Water Rights Division should be consulted to determine the*

need for and nature of filing an application to change an existing water right to accommodate the proposed use(s). Similarly, should future use of groundwater be transferred to additional or new ownership, application must be made to the NMOSE Albuquerque District 1 Water Rights Division.

RGR will comply with the rules and regulations of the NMOSE.

6. *Two surface water drainage systems exist in close proximity of the mine: 1) San Mateo Creek which is a perennial stream located approximately ½ mile south of the mine; and, 2) Marquez Canyon, an ephemeral stream located immediately north of the mine. Care should be exercised during closeout/closure operations to ensure that these surface water bodies are not impacted. Measures should be taken to ensure that the channel geometry is not disturbed and their waters and stream bed & banks are not contaminated as a result of closeout/closure operations.*

RGR will take appropriate actions to safeguard these drainage systems from the Mt Taylor mine closeout/closure activities.

If you have any questions, please contact me at (505) 287-7971 or by email at bruce.norquist@ga.com. A hard-copy of this document is also being sent by regular mail.

Sincerely,

Bruce Z. Norquist

Bruce Norquist
Facilities Manager, Mt. Taylor Mine
Rio Grande Resources Corporation

cc: Ashlynne Winton, NMED (via email)

Mount Taylor Mine

APPENDIX B.

Table 5.1 Building List- Demolish and Retain

Building Name	Building Type	Disposition at Closeout		Disposition at Closeout	
		(2013 CCP)	(2013 CCP)	(2020 CCP Modification Request)	(2020 CCP Modification Request)
		Demolish	Retain for Owner PMLU**	Demolish	Retain for Owner PMLU**
Compressor Building	Steel frame and siding		X	X	
York Chiller (Chill Water) Building	Steel frame and siding		X	X	
Pump Building (Chill Water Pump House)	Steel frame and siding		X	X	
Chlorine Building	Concrete Block	X		X	
Shaft Heating Building	Steel frame and siding	X		X	
Glycol Heat Exchanger	Steel frame and siding	X		X	
Hoist House	Steel frame and siding		X		X
Cooling Tower	Steel frame and siding	X		X	
Guard House (Security Building)	Steel frame and siding		X		X
Fire Equipment Building (Fire House)	Steel frame and siding		X	X	
Service Building (Office and Warehouse)	Steel frame and siding		X		X
Car (Maintenance) Shop	Steel frame and siding		X		X
Carpenter Shop	Steel frame and siding		X	X	
Electrical Building	Steel frame and siding	X			X
Water Treatment and Boiler Building	Steel frame and siding	X		X	
Core Storage Building	Steel frame and siding		X	X	
Fan Shop	Steel frame and siding		X	X	
Storage Buildings (2)	Steel frame and siding		X	X	
Flocculant Treatment Facility[*1]	Steel frame and siding	X		X	
Barium Chloride Treatment Facility[*1]	Steel frame and siding	X		X	

Mount Taylor Mine

APPENDIX B.

Table 5.1 Building List- Demolish and Retain

Building Name	Building Type	Disposition at Closeout		Disposition at Closeout	
		(2013 CCP)	(2013 CCP)	(2020 CCP Modification Request)	(2020 CCP Modification Request)
		Demolish	Retain for Owner PMLU**	Demolish	Retain for Owner PMLU**
Ion Exchange Plant *1	Steel frame and siding	X		X	
Mo-Se Facility***	Steel frame and siding	X		X	
Portable building	Steel frame and siding	X		X	
Fuel Pump House	Steel frame and siding		X	X	
Access/Utility Tunnel	Concrete		X		X
Sanitary Treatment Plant	Concrete; steel	X		X	
Septic Tank and Leach Field	Various		X		X
Water Tank	Steel		X		X
Fuel Storage Tanks	Steel	X		X	
Other Facilities to Be Retained by Owner	Phase I Water Wells (For Water Supply)		X		X
	Phase II Water Wells *1,4 (For Water Supply)				X
	Phase III Water Wells *1,4 (For Water Supply)				X
	MWTU Pond 5 *1 (For Water Supply)			X	
	24- and 14- Foot Shaft Headframes (For Raptor Habitat)	X		X	

** ***Other facilities to be retained for PMLU*** *by* ***owner:***

Phase I water wells to remain

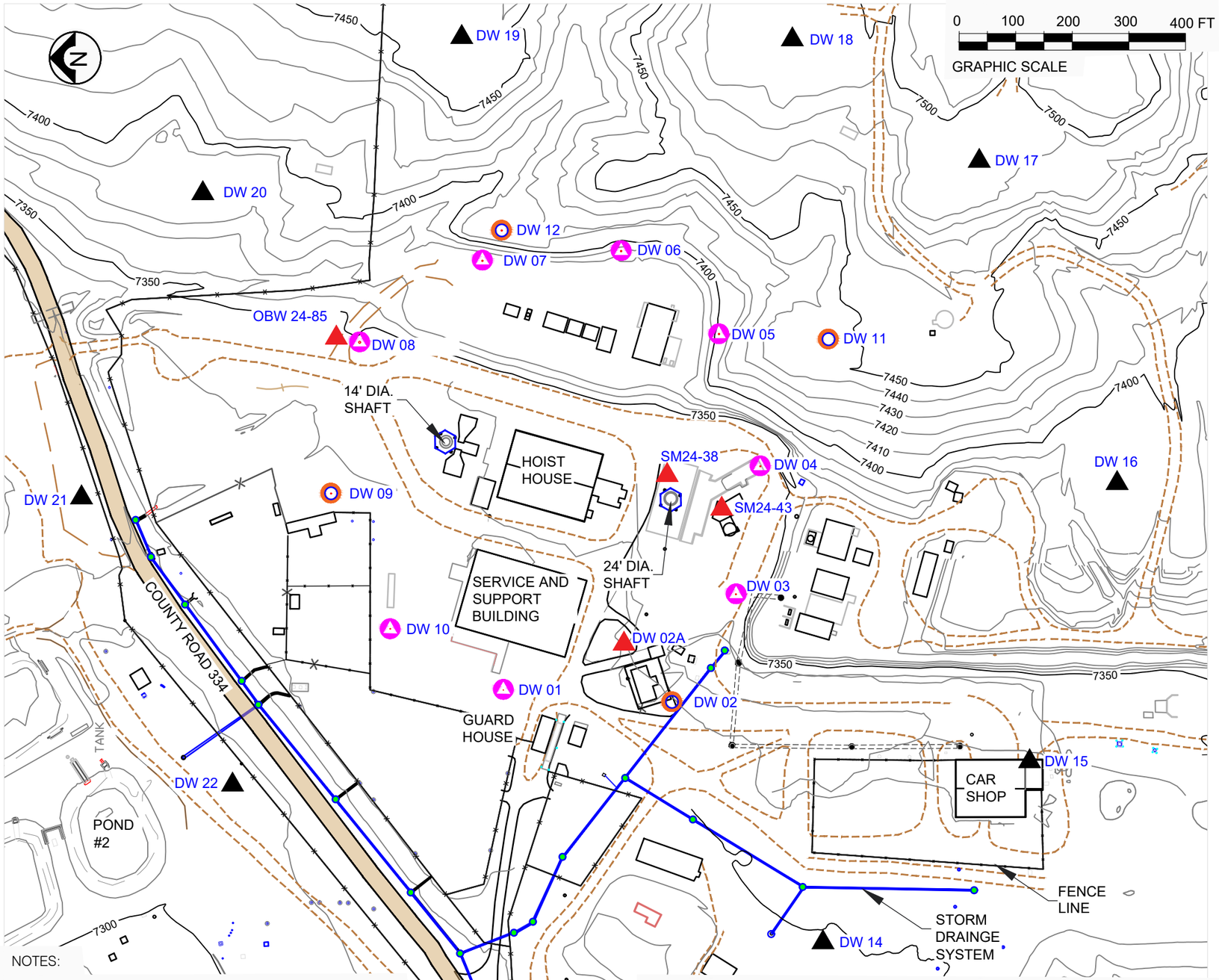
*** Amended cost estimate & FA includes separate Mo-Se ion exchange building that may be constructed near Ion Exchange Plant (This was not constructed)

*1 These Items were Changed from "Retain" to "Demolish" according to instruction by MMD in a comment letter dated 10/8 regarding the MOD 20-1 request. These will be changed back to retain once RGR submits documentation to MMD for the Water Supply project.

*2 The Electrical Building was changed from "Demolish" to Retain" per letter from RGR to MMD dated 10/10/20

*3 The Headframes were changed from "Retain" to "Demolish" per instruction from MMD in a comment letter dated 10/8/2

*4 The Phase II and III Water Wells must be "retained" until such time as NMED approves the deep aquifer monitoring plan and RGR determines which ones will be plugged and abandoned, or preserved for the study



DEWATERING WELL TABLE

PHASE	Well No	Depth[2] From Surface (*Feet*)	Geologic Formation of Aquifer in Screened Interval (4)	Closure Disposition (2)
1 ▲	DW-01	1118	Point Lookout	Retain for Post-Mining Land Use
	DW-03	1150		
	DW-04	1130		
	DW-05	1172		
	DW-06	1190		
	DW-07	1125		
	DW-08	1044		
	DW-10	1065		
2 ○	DW-02	2920	Tres Hermanos / Dakota	Retain for well monitoring program [1]
	DW-09	2845		
	DW-11	3028		
	DW-12	2940		
3 ▲	DW-13	3185	Westwater	Retain for well monitoring program [1]
	DW-14	3205		
	DW-15	3205		
	DW-16	3275		
	DW-17	3342		
	DW-18	3314		
	DW-19	3274		
	DW-20	3223		
	DW-21	3184		
	DW-22	3195		
Other ▲	DW-02a *(Domestic Water Supply)*	925	Point Lookout	Retain For Domestic Water
	SM-24-38	3535	Westwater	Retain for Well Monitoring Program [1]
	SM-24-43	3535		
	OBW24-85	933	Point Lookout	Retain for (DWMP)

NOTES:

1. PHASE 2 AND 3 WELLS TO BE PLUGGED ONCE THE WELL MONITORING PROGRAM IS COMPLETE AND APPROVED.
2. DEPTHS TO BOTTOM OF WELLS AND TO GEOLOGICAL FORMATIONS ARE APPROXIMATE.

REV	DESCRIPTION	DATE	DRAWN BY	ENGINEER	APPROVED
0	2020 UPDATE	12-5-20	EL	AK	

RIO GRANDE RESOURCES CORP.
MOUNT TAYLOR MINE - *San Mateo, NM*

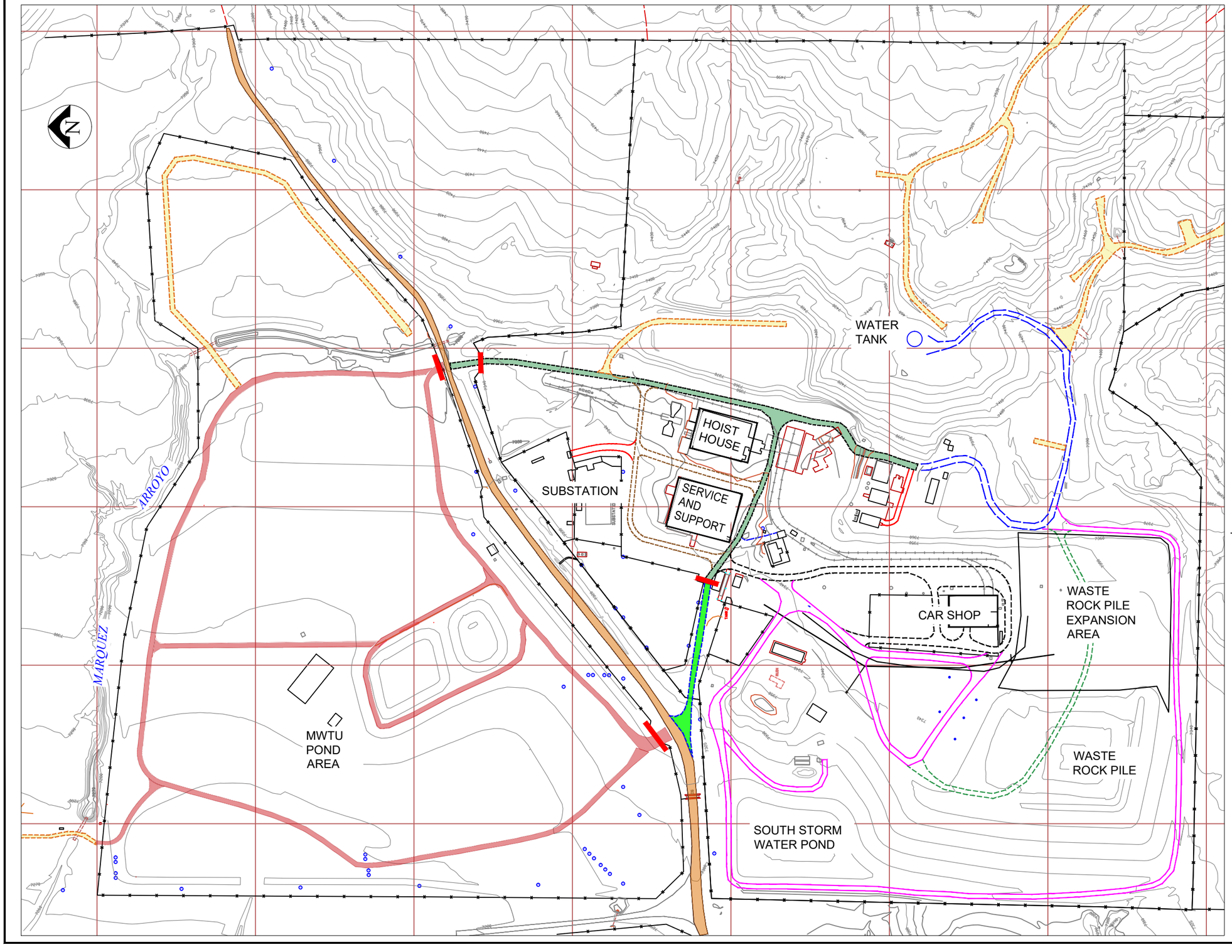
Prepared By: Alan Kuhn Associates LLC

SIZE: B | SCALE: AS SHOWN

MT. TAYLOR MINE CLOSEOUT/CLOSURE

SHEET TITLE: DEWATERING WELL DISPOSITION PLAN

SHEET NO. **CL- 04A** | DWG NO. **GS20-CL104-00** | REV **0**



LEGEND

- COUNTY ROADS (NOT RGR'S RESPONSIBILITY)
- PRIMARY ENTRANCE ROAD
- MULTI FACILITY ACCESS ROAD
- HOIST HOUSE AND SERVICE BUILDING ROADS
- CAR SHOP AND YARD ROADS
- ELECTRICAL SUBSTATION AND ELECTRICAL BUILDING ACCESS ROADS
- WATER TANK ACCESS ROAD
- WRP AND SSWP PERIMETER ROAD
- WRP RAMP AND ACCESS ROAD
- MWTU SECURITY PERIMETER ROAD
- RANCH ROADS - DRIVABLE DIRT SURFACE - NOT MAINTAINED
- SECURITY GATES
- FENCELINES

NOTES:

1. PERMIT CI002-RE, REVISION 13-2, CONDITION 9.K.2.6.
2. WASTE ROCK PILE EXPANSION AREA SHOWN FOR INFORMATION ONLY PENDING NMED APPROVAL.

0 300 600 FT

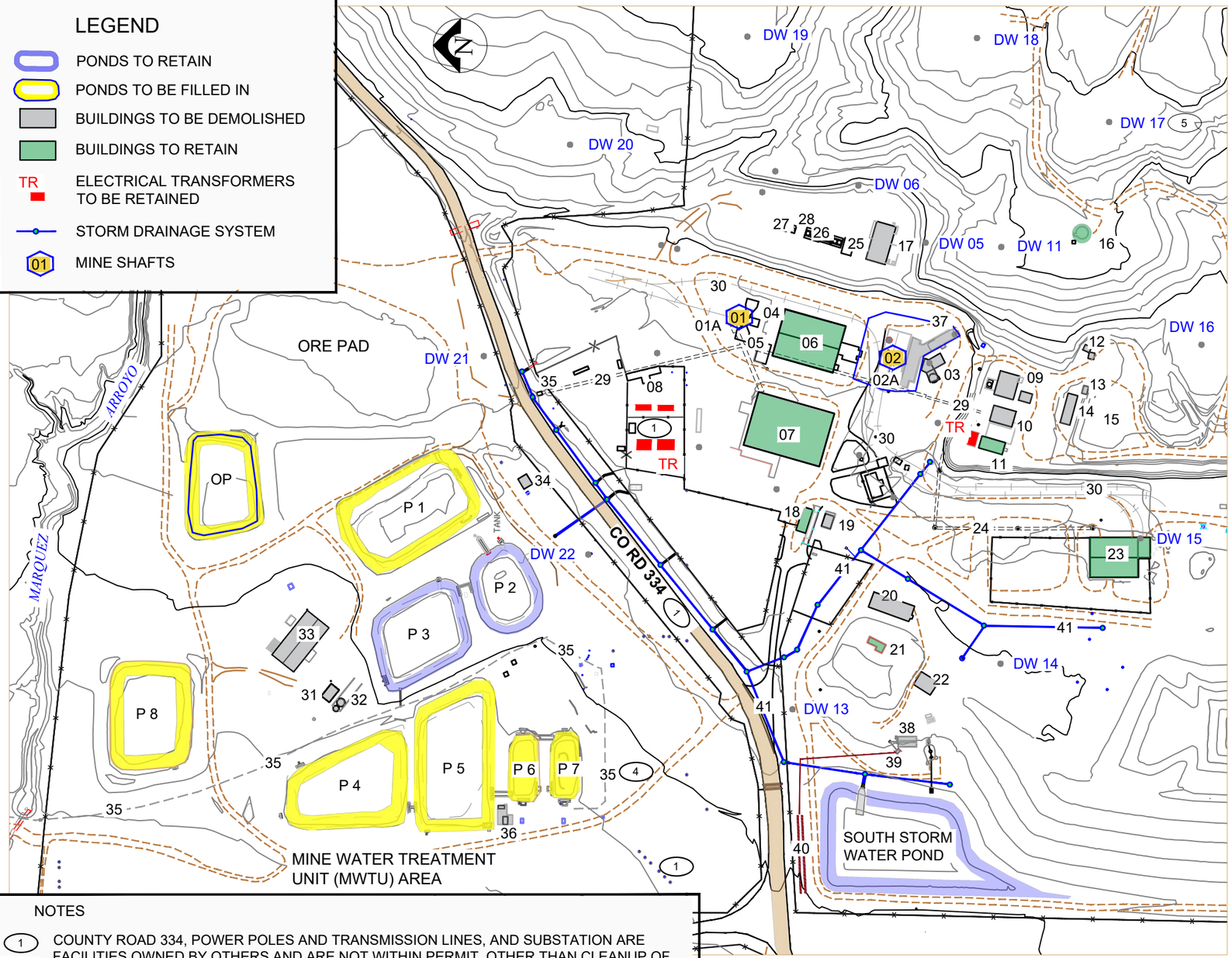
GRAPHIC SCALE

FIGURE 1-2 Print Date 12-5-2020

FACILITY ROADS IDENTIFIED FOR CONTINUED SITE MAINTENANCE

LEGEND

- PONDS TO RETAIN
- PONDS TO BE FILLED IN
- BUILDINGS TO BE DEMOLISHED
- BUILDINGS TO RETAIN
- TR — ELECTRICAL TRANSFORMERS TO BE RETAINED
- STORM DRAINAGE SYSTEM
- 01 — MINE SHAFTS



FACILITY DISPOSITION TABLE (12 / 5 / 2020)

	FACILITY DESCRIPTION	TYPE	DISPOSITION
01	MANWAY SHAFT	RC	CO
01A	MANWAY HEADFRAME	SS	D
02	PRODUCTION SHAFT	RC	CO
02A	PRODUCTION HEADFRAME	SS	D
03	MINE EXHAUST FAN	SS	D
03A	EXHAUST FAN FOUNDATION	RC	D
04	STORAGE BUILDING	ST	D
05	GLYCOL HEAT EXCHANGER	SS	D
06	HOIST HOUSE	ST	R
07	SERVICE BUILDING	ST	R
08	SUBSTATION	EL	R
09	WATER TREATMENT BUILDING	ST	D
10	COMPRESSOR BUILDING	ST	D
11	ELECTRICAL BUILDING	ST	R
12	PORTABLE BUILDING	ST	D'
13	FUEL PUMP HOUSE	ST	D
14	CARPENTER SHOP	ST	D
15	FUEL STORAGE TANKS	SS	D'
16	WATER TANK	SS	R
17	YORK CHILLER	SS	D
18	GUARD HOUSE/ SECURITY BUILDING	ST	R
19	FIRE EQUIPMENT BUILDING	ST	D
20	CORE STORAGE/ FIELD OFFICE	ST	D
21	ADOBE RUIN / PRE-MINING STRUCTURE	AD	R
22	FAN SHOP	ST	D
23	CAR MAINTENANCE SHOP	ST	R
24	CMP UTILITY TUNNEL	CMP	R
25	PUMP BUILDING	ST	D
26	COOLING TOWER	SS	D
27	CHLORINE BUILDING	ST	D
28	CONDUIT 1	SS	D
29	CONCRETE UTILITY/ ACCESS TUNNEL	RC	R
30	MINE CAR RAILS	SS	D
31	BARIUM CHLORIDE BUILDING	ST	D
32	MIXING TANKS	SS	D
33	ION EXCHANGE PLANT	ST	D
34	FLOCCULENT BUILDING	ST	D
35	24" DIA. TREATED WATER DISCHARGE PIPE	SS	D
36	MWTU ELECTRICAL / PUMP BUILDING	ST	D
37	PRODUCTION SHAFT ORE LOADING AREA AND TRUCK WASH	RC	D
38	SANITARY TREATMENT PLANT	RC	D
39	SEPTIC TANK	RC	R
40	SEPTIC DRAIN FIELD	PVC	R
41	STORM DRAINAGE SYSTEM	CMP	R

BUILDING TYPE KEY

AD = ADOBE STRUCTURE
CMP = CORRUGATED METAL PIPE
EL = ELECTRICAL EQUIPMENT
PVC = PVC PIPE
RC = REINFORCED CONCRETE
ST = STEEL FRAME WITH STEEL SIDING
SS = SOLID / STRUCTURAL STEEL

DISPOSITION KEY

CO = SEAL SHAFTS WITH CAP OR PLUG AND COVER WITH CLEAN SOIL
D' = ALREADY DEMOLISHED AS OF DECEMBER 2020
D = TO BE DEMOLISHED
R = RETAIN FOR POST MINING LAND USE

NOTES

1. COUNTY ROAD 334, POWER POLES AND TRANSMISSION LINES, AND SUBSTATION ARE FACILITIES OWNED BY OTHERS AND ARE NOT WITHIN PERMIT. OTHER THAN CLEANUP OF CONTAMINATED SOILS, THESE FACILITIES ARE NOT SUBJECT TO CLOSEOUT.
2. LAND NOT RETAINED BY RGR TO BE RETURNED TO PRE-MINE OWNERS.
3. PROCESS WATER PIPELINES TO BE DEMOLISHED ACCORDING TO PERMIT
4. 24" DIA. STEEL TREATED WATER DISCHARGE PIPELINE (#35) TO BE REMOVED.
5. DEWATERING WELLS DISPOSITION = SEE SHEET CL 04A.

REV	DESCRIPTION	DATE	DRAWN BY	ENGINEER	APPROVED
0	2020 UPDATE	12-5-2020	EL	AK	AK

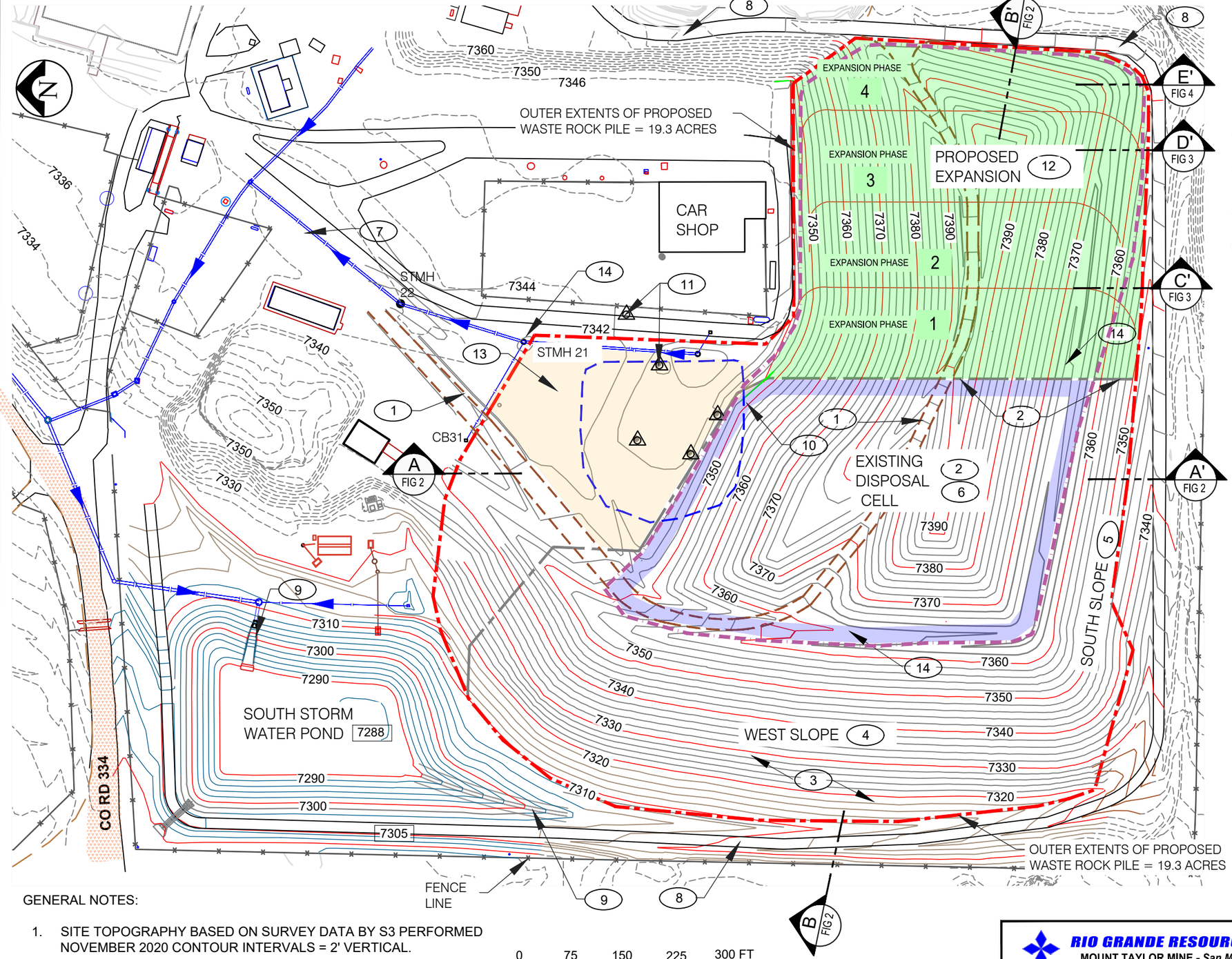
RIO GRANDE RESOURCES CORP.
MOUNT TAYLOR MINE - *San Mateo, NM*

Prepared By: Alan Kuhn Associates LLC
SCALE: AS SHOWN
SIZE B

... TAYLOR MINE CLOSEOUT/CLOSURE

SHEET TITLE: FACILITY DISPOSITION PLAN

SHEET NO. CL- 04
DWG NO. GS20-CL104-00
REV 0



NOTES:

1. ACCESS ROAD AND RAMP TO FACILITATE DISPOSAL CELL EARTHWORK.
2. WASTE ROCK PILE AND DISPOSAL CELL AS OF DECEMBER 2020 - (11.5 ACRES)
3. WASTE ROCK PILE SLOPES = 5H TO 1V
4. ALL SLOPES = CLAY COVER *(RADON BARRIER)* AND LOAM COVER *(GROWTH MEDIA)*
5. SOUTH SLOPE = CONSTRUCTED WITH CLEAN SOILS (NO COVER NEEDED).
6. DISPOSAL CELL WITH 1' THICK CLAY LINER
7. STORM DRAINAGE PIPES, MANHOLES
8. SERVICE ROADS
9. CONCRETE CHUTE
10. BURIED LAGOON AREA.
11. LAGOON MONITORING WELLS.
12. PROPOSED EXPANSION AREA (PHASES 1 - 4)
13. FILL OVER LAGOON AREA ONLY IF NEEDED (PHASE 5).
14. DRAINAGE BENCH DETAIL. DIVERTS STORM RUNOFF FROM DISPOSAL CELL SLOPES TO STORM MANHOLE 21.

LEGEND

- EXISTING CONTOURS
- SOUTH POND CONTOURS
- 2' INTERVAL CONTOURS
- 10' INTERVAL CONTOURS
- ACCESS / EARTHWORK RAMP
- DRAINAGE PIPES
- EXISTING DISPOSAL CELL (CLAY LINED)
- PROPOSED EXPANDED DISPOSAL CELL
- WASTE ROCK PILE FULL BUILDOUT LIMITS = 19.3 ACRES
- BURIED LAGOON AREA

GENERAL NOTES:

1. SITE TOPOGRAPHY BASED ON SURVEY DATA BY S3 PERFORMED NOVEMBER 2020 CONTOUR INTERVALS = 2' VERTICAL.
2. EXPANSION OF THE WASTE PILE TO 19.3 ACRES IS SHOWN FOR INFORMATION PURPOSES ONLY, PENDING NMED APPROVAL.

0 75 150 225 300 FT

GRAPHIC SCALE

DATE DRAWN:
DECEMBER 5, 2020

RIO GRANDE RESOURCES CORP.
MOUNT TAYLOR MINE - *San Mateo, NM*

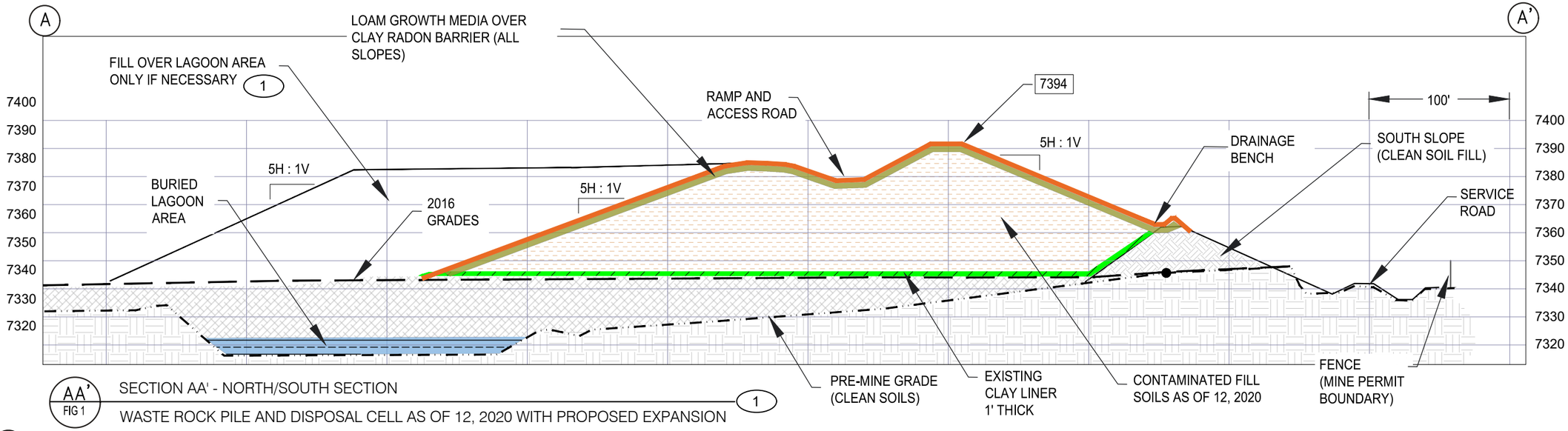
Prepared By:
Alan Kuhn Associates LLC

SIZE B | SCALE: AS SHOWN

FIGURE 1

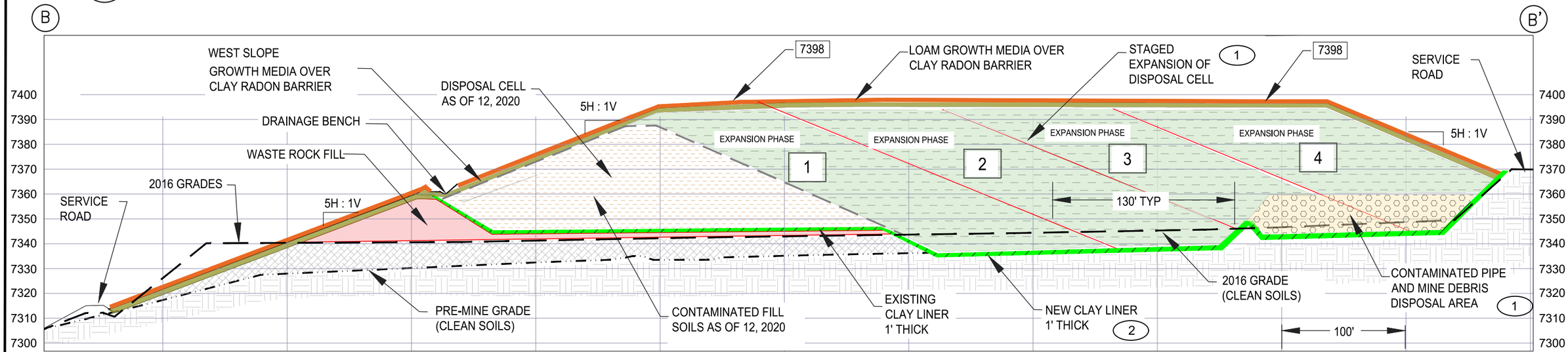
PROJECT TITLE: **MT. TAYLOR MINE CLOSEOUT/CLOSURE PLAN**

SHEET TITLE: WASTE ROCK PILE AND DISPOSAL CELL (CONCEPTUAL FULL BUILDOUT)



AA' FIG 1 — SECTION AA' - NORTH/SOUTH SECTION

WASTE ROCK PILE AND DISPOSAL CELL AS OF 12, 2020 WITH PROPOSED EXPANSION (1)



BB' FIG 1 — SECTION BB' - EAST/WEST SECTION

EXISTING WASTE ROCK PILE AND PROPOSED EXPANDED DISPOSAL CELL - STAGED EXPANSION (1)

0 40 80 120 160 FT

GRAPHIC SCALE

(VERTICAL SCALE = 2X HORIZONTAL)

NOTES:

(1) PROPOSED EXPANDED SHAPE (SIZE AND HEIGHT) OF THE DISPOSAL CELL WILL VARY DEPENDING ON THE AMOUNT OF CONTAMINATED SOIL EXCAVATED FROM THE CLEANUP OF THE SITE.

(2) THE NEW CLAY LINER TO EXTEND ONLY AS MUCH AS NEEDED TO ACCOMMODATE THE AMOUNT OF CONTAMINATED SOIL EXCAVATED FROM THE SITE.

GENERAL NOTES:

1. SITE TOPOGRAPHY BASED ON SURVEY DATA BY S3 PERFORMED NOVEMBER 2020.
2. EXPANSION OF THE WASTE PILE TO 19.3 ACRES IS SHOWN FOR INFORMATION PURPOSES ONLY, PENDING NMED APPROVAL.

DATE DRAWN:
DECEMBER 5, 2020

RIO GRANDE RESOURCES CORP.
MOUNT TAYLOR MINE - *San Mateo, NM*

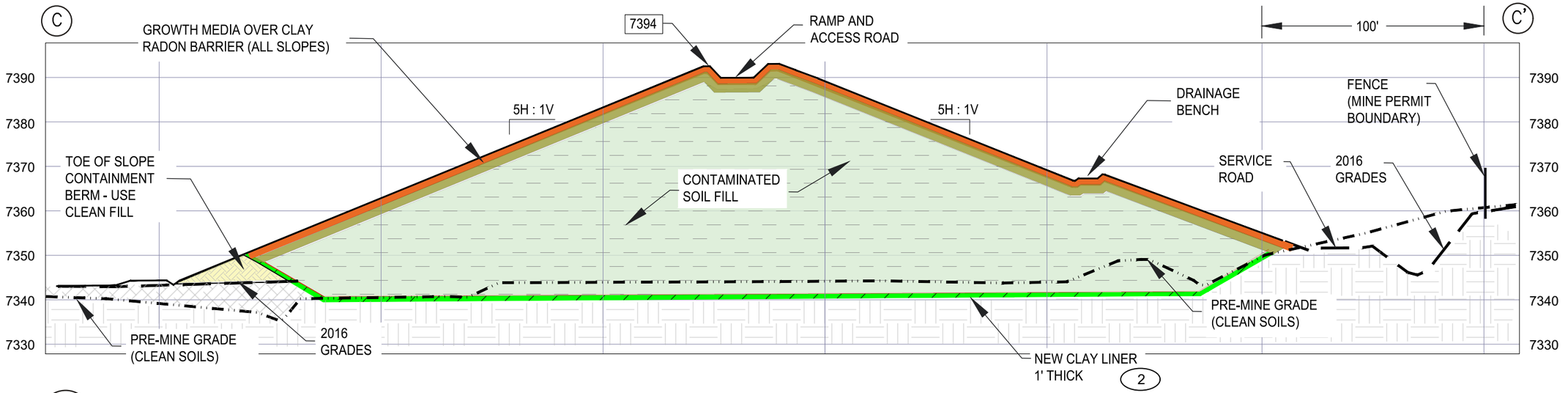
Prepared By:
Alan Kuhn Associates LLC

SIZE B | SCALE: AS SHOWN

Figure 2

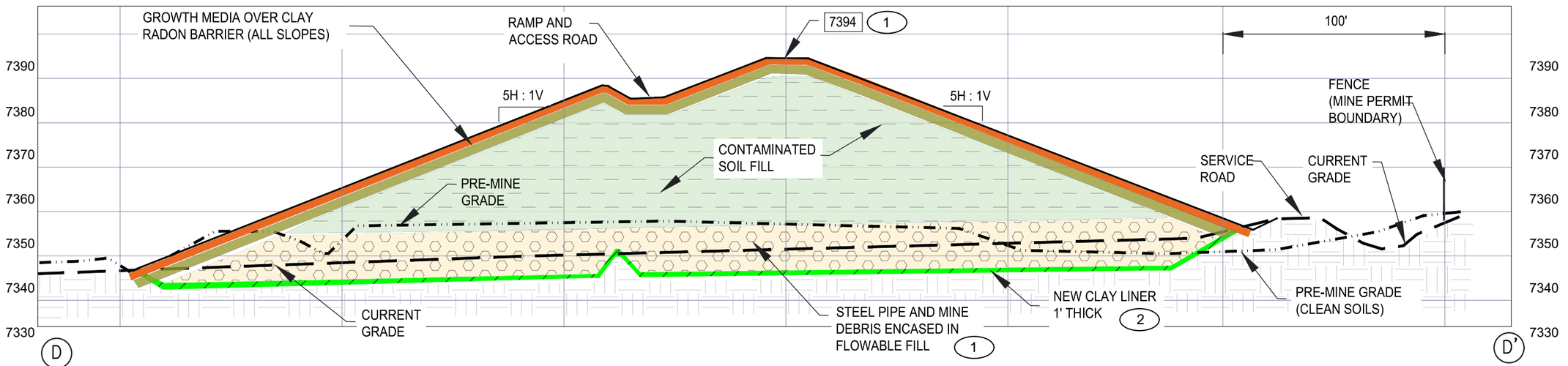
PROJECT TITLE: **MT. TAYLOR MINE CLOSEOUT/CLOSURE PLAN**

SHEET TITLE:
PROPOSED EXPANSION OF WASTE ROCK PILE AND DISPOSAL CELL SECTIONS AA AND BB



CC'
FIG 1

SECTION CC' - NORTH/SOUTH SECTION THROUGH PHASES 1 AND 2 OF PROPOSED EXPANSION 1



DD'
FIG 1

SECTION DD' - NORTH/SOUTH SECTION THROUGH PHASE 3 OF PROPOSED EXPANSION 1

0 25 50 75 100 FT

GRAPHIC SCALE

(VERTICAL SCALE = 2X HORIZONTAL)

NOTES:

1. PROPOSED EXPANDED SHAPE (SIZE AND HEIGHT) OF THE DISPOSAL CELL WILL VARY DEPENDING ON THE AMOUNT OF CONTAMINATED SOIL EXCAVATED FROM THE CLEANUP OF THE SITE.
2. THE NEW CLAY LINER TO EXTEND ONLY AS MUCH AS NEEDED TO ACCOMMODATE THE AMOUNT OF CONTAMINATED SOIL EXCAVATED FROM THE SITE.

GENERAL NOTES:

1. SITE TOPOGRAPHY BASED ON SURVEY DATA BY S3 PERFORMED NOVEMBER 2020.
2. EXPANSION OF THE WASTE PILE TO 19.3 ACRES IS SHOWN FOR INFORMATION PURPOSES ONLY, PENDING NMED APPROVAL.

DATE DRAWN:
DECEMBER 5, 2020

RIO GRANDE RESOURCES CORP.
MOUNT TAYLOR MINE - *San Mateo, NM*

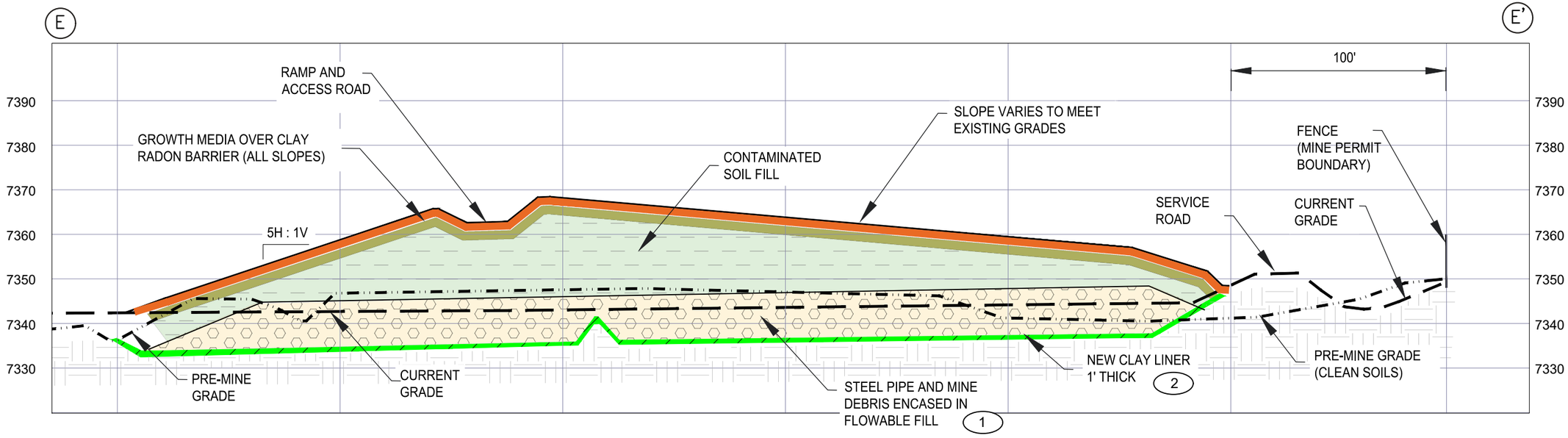
Prepared By:
Alan Kuhn Associates LLC

SIZE B | SCALE: AS SHOWN

Figure 3

PROJECT TITLE: **MT. TAYLOR MINE CLOSEOUT/CLOSURE PLAN**

SHEET TITLE:
PROPOSED EXPANSION OF WASTE ROCK PILE AND DISPOSAL CELL SECTIONS CC AND DD



EE'
FIG 1

SECTION EE' - NORTH/SOUTH SECTION THROUGH PHASE 4 OF PROPOSED EXPANSION

1

NOTES:

1. PROPOSED EXPANDED SHAPE (SIZE AND HEIGHT) OF THE DISPOSAL CELL WILL VARY DEPENDING ON THE AMOUNT OF CONTAMINATED SOIL EXCAVATED FROM THE CLEANUP OF THE SITE.
2. THE NEW CLAY LINER TO EXTEND ONLY AS MUCH AS NEEDED TO ACCOMMODATE THE AMOUNT OF CONTAMINATED SOIL EXCAVATED FROM THE SITE.

GENERAL NOTES:

1. SITE TOPOGRAPHY BASED ON SURVEY DATA BY S3 PERFORMED NOVEMBER 2020.
2. EXPANSION OF THE WASTE PILE TO 19.3 ACRES IS SHOWN FOR INFORMATION PURPOSES ONLY, PENDING NMED APPROVAL.

0 25 50 75 100 FT

GRAPHIC SCALE

(VERTICAL SCALE = 2X HORIZONTAL)

DATE DRAWN:
DECEMBER 5, 2020

RIO GRANDE RESOURCES CORP.
MOUNT TAYLOR MINE - *San Mateo, NM*

Prepared By:
Alan Kuhn Associates LLC

SIZE B | SCALE: AS SHOWN

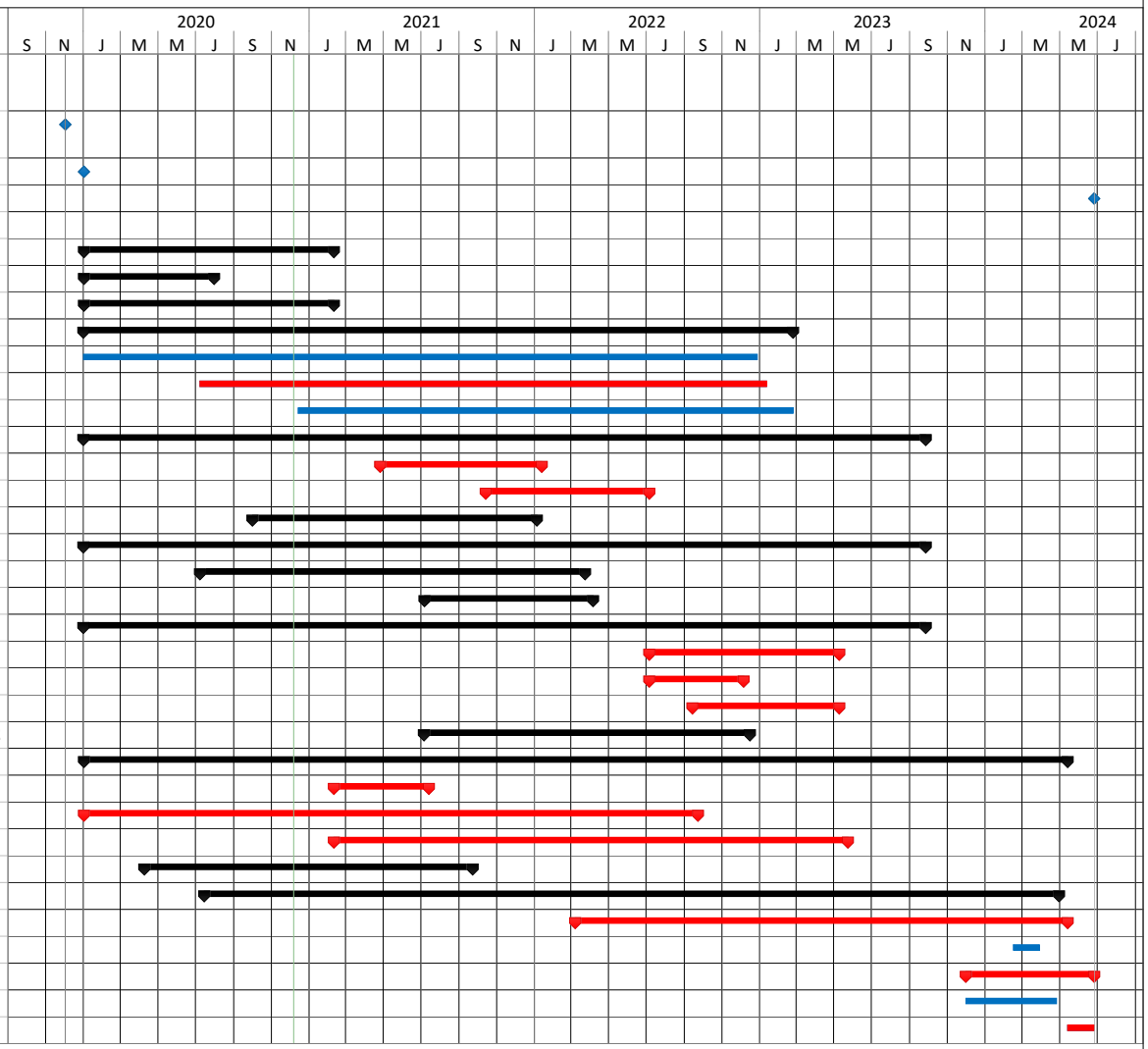
Figure 4

PROJECT TITLE: **MT. TAYLOR MINE CLOSEOUT/CLOSURE PLAN**

SHEET TITLE:
PROPOSED EXPANSION OF WASTE ROCK PILE AND DISPOSAL CELL SECTION EE

Figure 3
Mt. Taylor Mine Updated Closeout/Closure Schedule
(May 15 2020)

ID	Task Name	Dur.	Start	Finish
1	**Project**	**1191 d**	**12/3/19**	**6/25/24**
2	Closeout/Closure Kickoff - Notification submitted to the New Mexico Minning and the Minerals Division (MMD) and the New	0 d	12/3/19	12/3/19
3	CLOSEOUT/CLOSURE PROJECT Start Date	0 d	1/1/20	1/1/20
4	CLOSEOUT/CLOSURE PROJECT COMPLETE (Start Post Closure)	0 d	6/25/24	6/25/24
5				
6	**Regulatory Approvals**	289 d	1/2/20	2/9/21
7	MMD Regulatory Reviews	151 d	1/2/20	7/31/20
14	NMED Regulatory Reviews	289 d	1/2/20	2/9/21
22	**Project Management**	**822 d**	**1/1/20**	**2/23/23**
23	Contracting	750 d	1/1/20	12/27/22
24	Mobilization	630 d	7/8/20	1/11/23
25	Demobilization	550 d	12/14/20	2/23/23
26	**Demolition**	**975 d**	**1/1/20**	**9/26/23**
27	24 ft Shaft Headframe	180 d	4/26/21	1/12/22
34	14 ft Shaft Headframe	180 d	10/14/21	7/5/22
41	Shaft Exhaust Fans and Vents	314 d	10/1/20	1/4/22
47	Surface Facilities	939 d	1/1/20	9/26/23
48	MWTU Buildings, Structures	429 d	7/8/20	3/23/22
62	Treated Water Discharge Pipeline	188 d	7/7/21	4/5/22
65	Service and Support Facilities	939 d	1/1/20	9/26/23
132	**Shaft Plugging**	**212 d**	**7/6/22**	**5/9/23**
133	24 ft Shaft	106 d	7/6/22	12/5/22
138	14 ft Shaft	163 d	9/14/22	5/9/23
144	**Well and Conduit Plugging**	**365 d**	**7/6/21**	**12/15/22**
148	**Earthwork**	**1095 d**	**1/2/20**	**5/13/24**
149	Waste Disposal Cell	106 d	2/10/21	7/13/21
154	Ore Pad and Runoff Retention Pond	685 d	1/2/20	9/22/22
160	Contaminated Soil - Excavation and Disposal	573 d	2/10/21	5/23/23
168	MWTU - Ponds	366 d	4/8/20	9/22/21
174	Waste Pile	951 d	7/14/20	4/29/24
197	Finish Grading	549 d	3/8/22	5/13/24
211	Erosion Protection	30 d	2/16/24	3/28/24
212	**Revegetation**	**142 d**	**12/1/23**	**6/25/24**
213	Conditioning, Seeding, Mulching	100 d	12/1/23	4/25/24
214	Fencing	30 d	5/14/24	6/25/24



Print Date: Date: 12/7/20

Task — Milestones — Summary — Critical

Mt. Taylor Mine Shallow (monitoring) Wells

Well No.	State Plane Coordinates NAD 83		Year Installed	Casing/liner Diameter inches	Casing/liner Material	Collar Elevation, Feet AMSL	Screen Interval, ft	
							Depth/ Elevation of top	Length
	Easting	Northing						
MW-1	2781541	1580484	1979	3	steel	7274	25	10
MW-2	2781538	1580191	1979	3	steel	7275	25	10
MW-3	2781545	1580976	1979	3	steel	7272	30	10
MW-4	2781050	1578580	2005	4	PVC	7284.2	33	15
MW-5	2781556	1579062	2005	2	PVC	7297	22.5	10
MW-6	2782243	1578620	2011	2	PVC	7341	15	35
WP-4	2781527	1578330	1982	4	PVC	7308	36	10
WP-5	2781545	1578790	1982	4	PVC	7302	30	10
MW-2F	2782590	1578561	2020	3	PVC	7346.894	40	20
MW-1M	2782405	1579263	2020	3	PVC	7338.042	37	10
MW-4H	2782042	1579343	2020	3	PVC	7322.225	52	10
MW-4D	2782096	1578856	2020	3	PVC	7341.415	42	20
MW-11A-R	2781942	1578593	2020	3	PVC	7353.977	75	10
MW-1C	2783133	1578349	2020	3	PVC	7394.918	84	10
MW-1J	2782725	1579041	2020	3	PVC	7347.571	48.5	10