

Calico Resources Grassy Mountain Mine

Informational Item By:

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Project Overview

Site

- 22 miles south of Vale; Mine and process area 886 acres
- 62 acres patented claims (underground mine)
- Remainder BLM; several unpatented claims (processing mill and tailings storage)

Investment/Returns

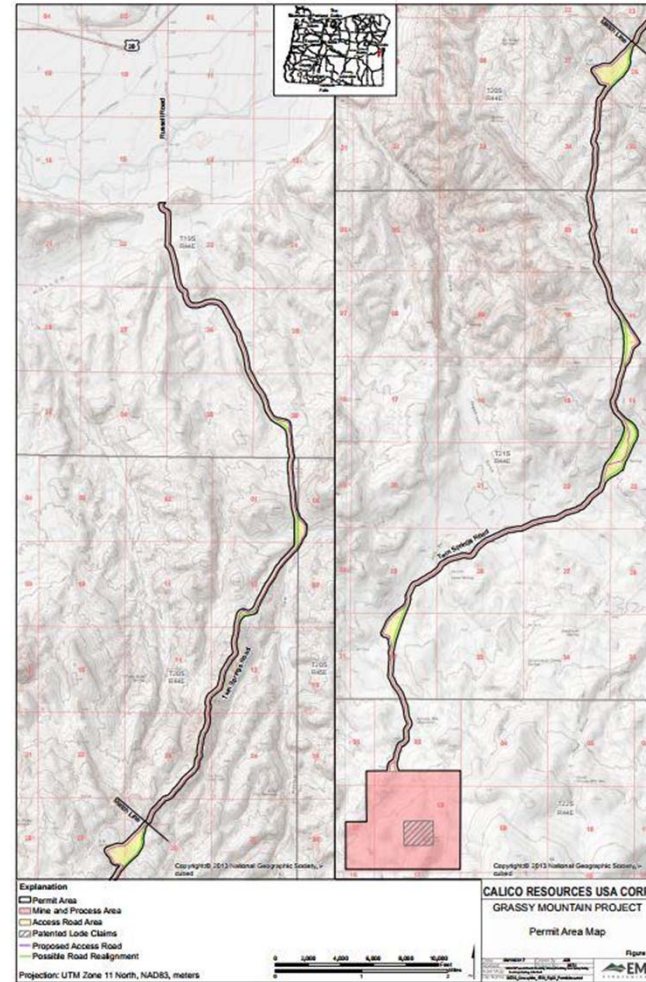
- Capital required to start production \$ 111 M
- ~ 363,000 oz of gold, ~\$469 M
- ~516,000 oz silver, ~\$8.1 M
- 27.6% IRR
- 2.51-year payback period

Employment

- 112 hourly and salaried employees (G&A, Mining, Process)
- Average salary \$80 K/year
- ~\$9 M annual payroll

**Based on 2018 Pre-feasibility Study *Metal prices as of 1/14/19*

Permit Area and Associated Road Improvements



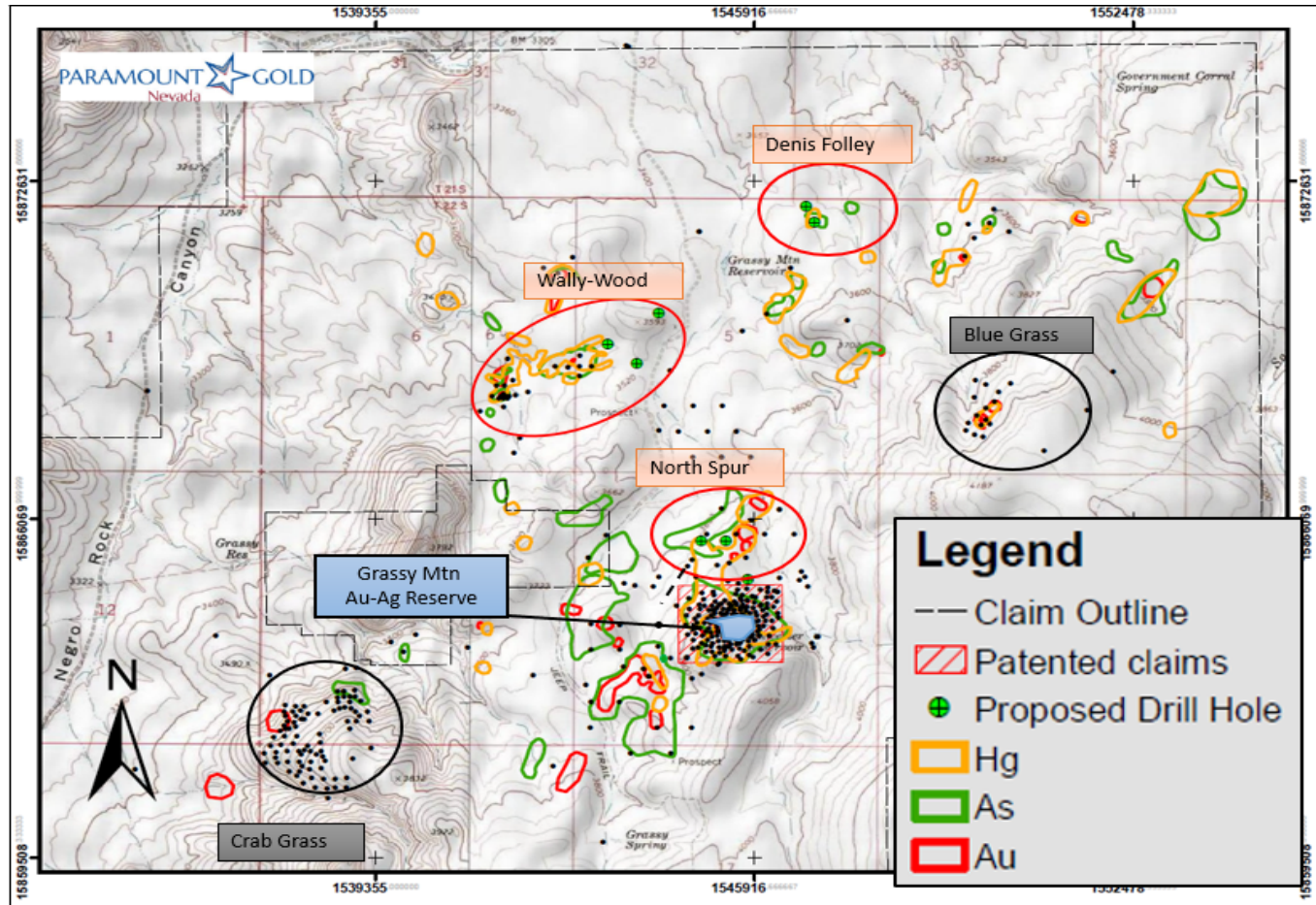
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Aerial View of Permit Area



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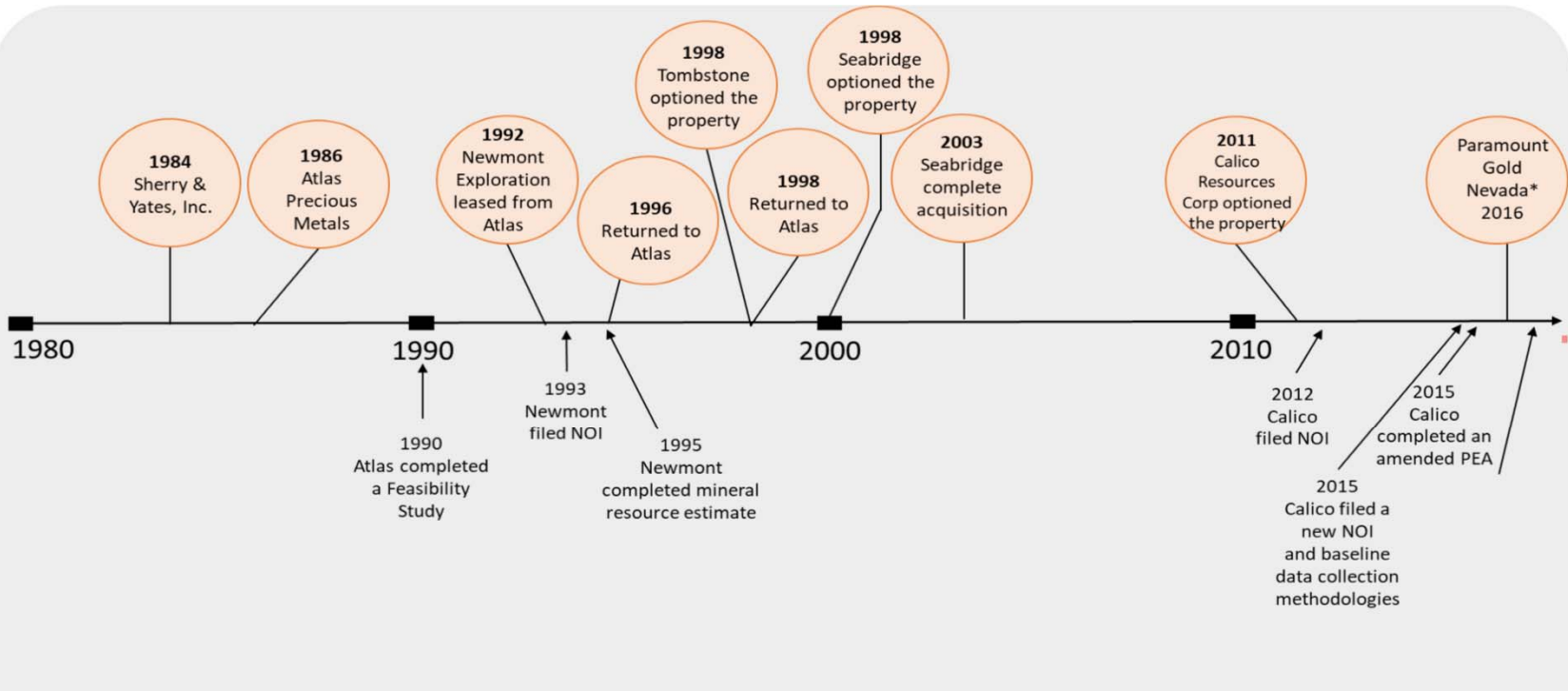
Other Areas of Mineral Exploration in the Vicinity



Source: Paramount Gold Nevada, Fall 2018



History of Exploration at Grassy Mountain



1983-1984:
Mapping & sampling

1986 to 1991:
Mapping, sampling, and drilling (403 drill holes)

1993-1994: Mapping, sampling, geophysical and drilling programs (15 drill holes)

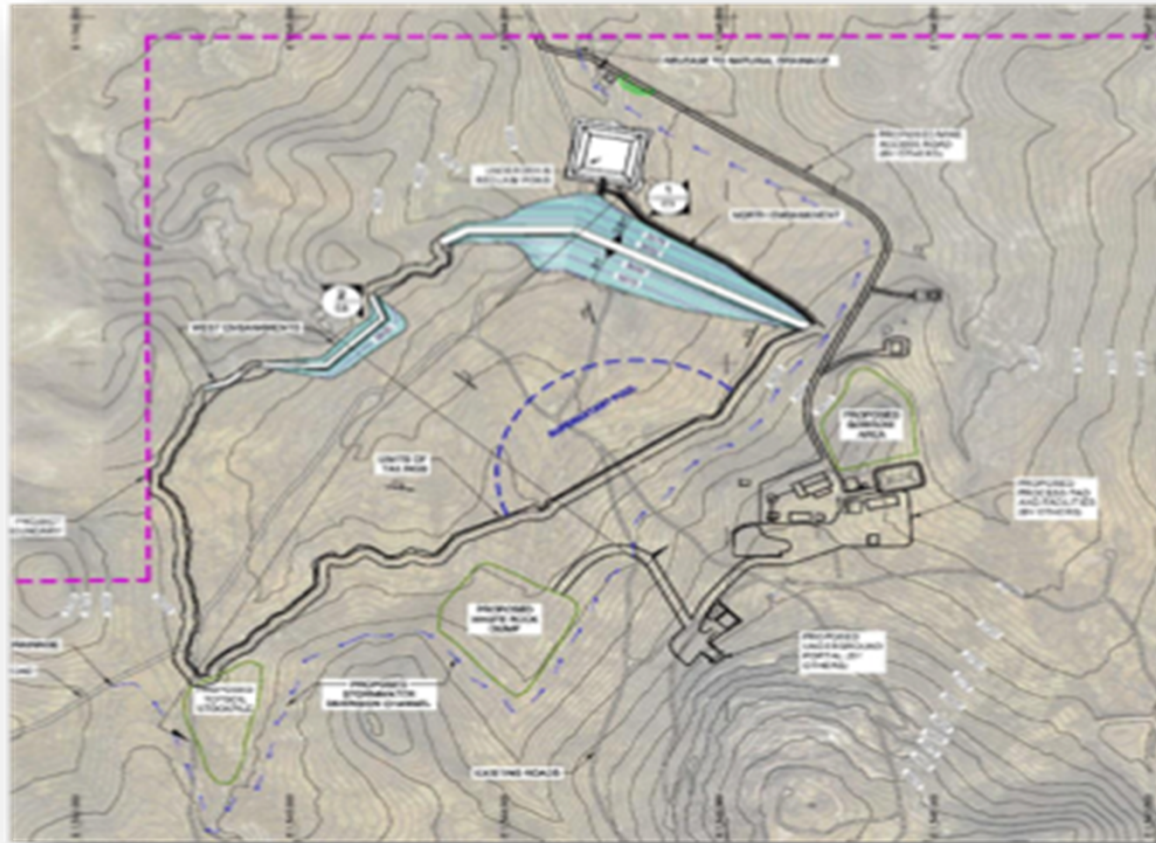
1998:
Drilling program (10 drill holes)

2011-2012:
Drilling program (17 drill holes)

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Conceptual Location of Mine and Facilities

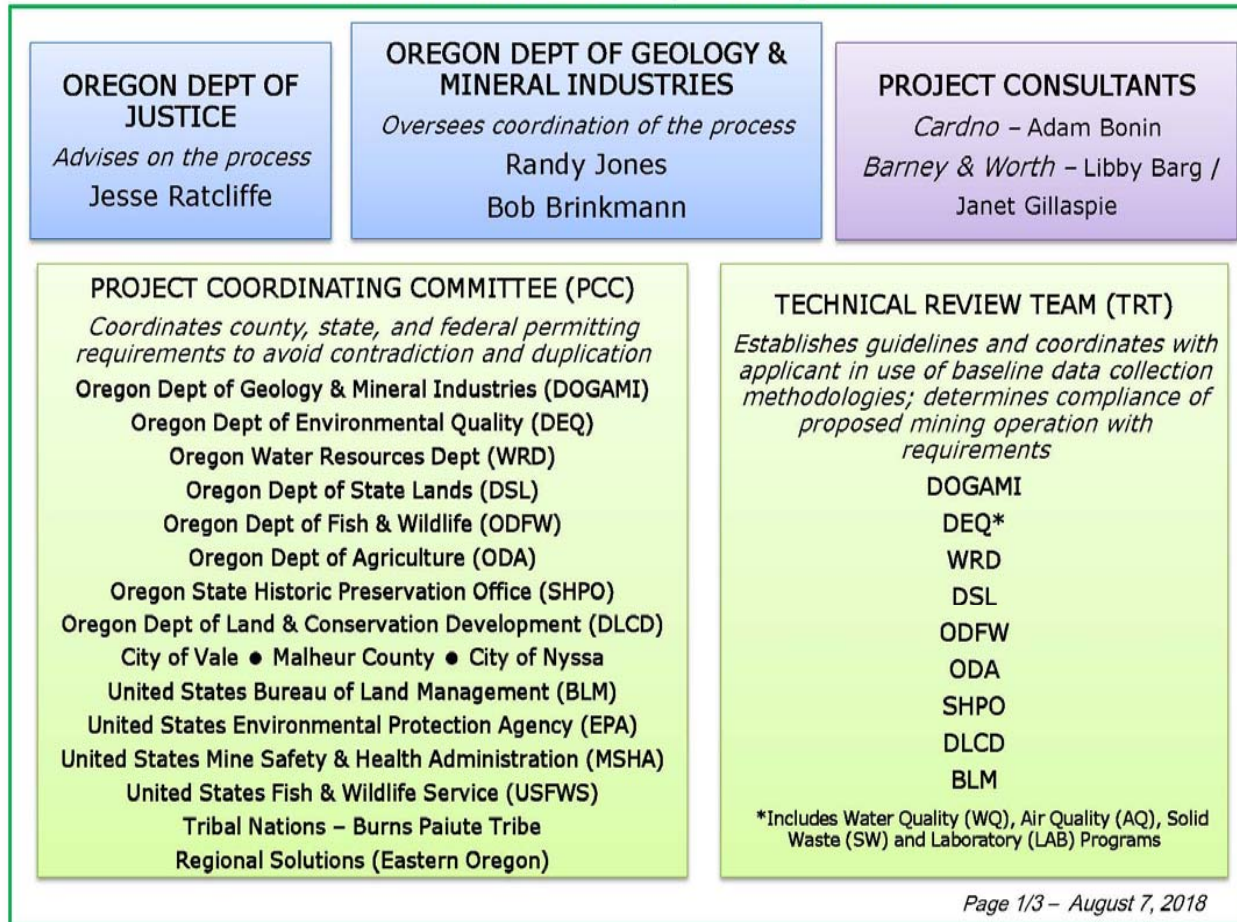


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Consolidated Permit Process - Overview

- Required for metal mines using chemical processing
 - Does not regulate conventional place mines
- Single application for all required Oregon State permits
- Mechanisms for coordinating permitting requirements
 - Avoid inconsistent requirements and/or processes
- Strict timeline for permit issuance
- Robust public notice, environmental evaluation, and economic impact analysis provisions

**Oregon Chemical Process Mine Consolidated Permitting Organizational Chart
Calico Resources USA Corp – Grassy Mountain**



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Pre-Application Process

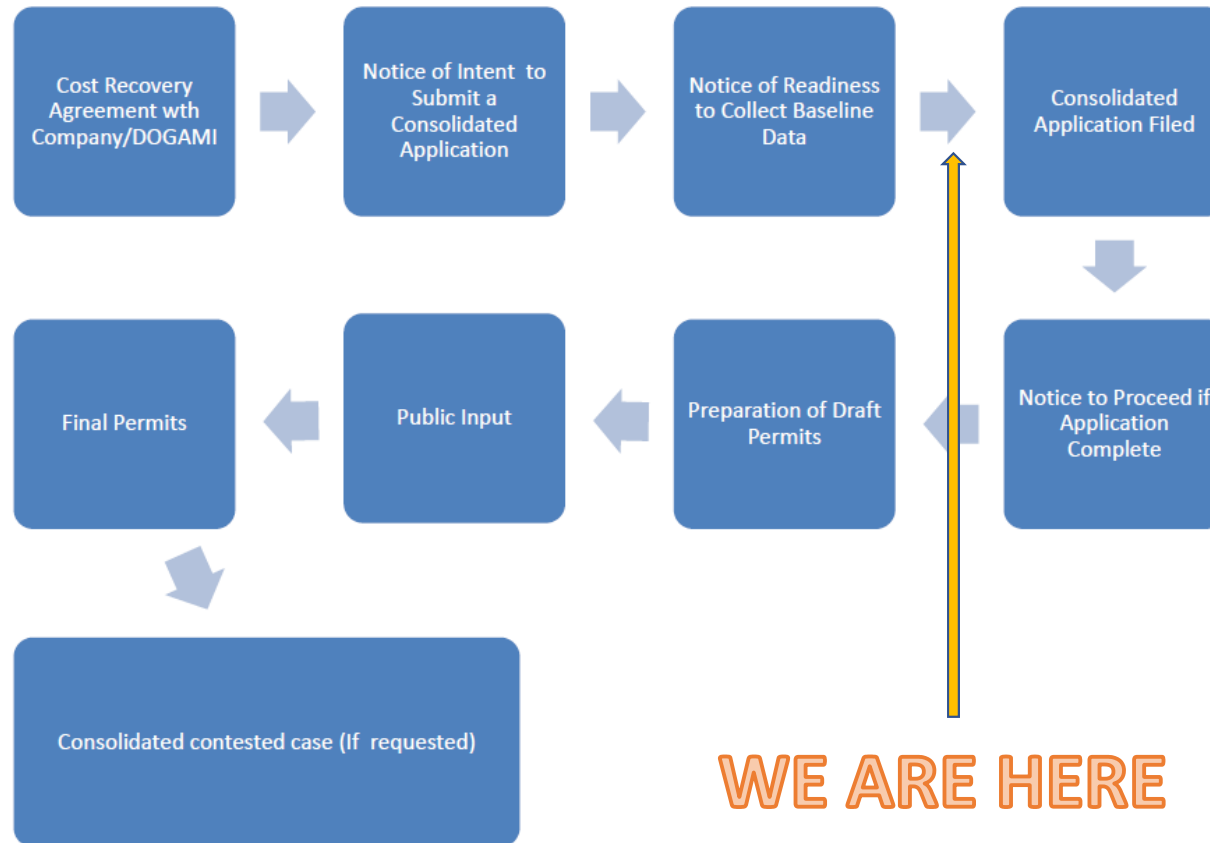
- **Notice of Intent** to file an application (Feb. 2017)
- **Baseline Data Collection** (existing conditions)
 - TRT approves baseline data collection methodologies
 - Applicant collects baseline data
 - TRT verifies data collected as required by methodologies
 - 18 of 20 now accepted
- **Permit Requirements** identified along with any additional information needed
- Local **Land Use** approval

Consolidated Permitting

Engagement Snapshot

- Nine (9) State Agencies
- Four (4) Federal Agencies
- Burns Paiute Tribe
- Environmental Justice Task Force
- Sage Conservation Partnership (Oregon Solutions)
- Malheur County
- Four (4) Incorporated Cities
- Six (6)+ NGO Interest Groups
- One (1) partner State agency (Nevada DEP, MRR)

The Consolidated Application



WE ARE HERE

Permit Development

- Consolidated Permit Application submitted
- Completeness Determination
- Notice to Proceed
- Financial Security Requirements Environmental Evaluation
- Socioeconomic Impact Analysis
- Environmental Justice Review
- Draft permits
- Public review and comment Final Permits
- Final Public Review

DEQ Permits

- Division 43 Chemical Mining combined WQ/LQ Permit
 - Process wastewater recycling
 - Tailing disposal facility
 - Waste rock storage
 - Mine dewatering
 - On-site stormwater
- AQ Construction ACDP, with Title V compliance requirements
 - Includes review and possible compliance requirements under CAO program
- Construction stormwater general permit coverage for off site road improvements and power line construction
- Onsite sewage disposal system WPCF permit

Other State Permits and Approvals

- DOGAMI Chemical Process Operating Permit
- WRD Permits for water rights and transfers of existing water rights
- WRD Review for dam safety issues relating to tailings disposal facility
- ODFW wildlife avoidance, minimization, and mitigation plan requirements
 - Becomes part of DOGAMI operating permit and DEQ division 43 permit
- SHPO review and possible requirements
 - Becomes part DOGAMI operating permit
- Possible Oregon Health Authority approval for potable water system
- Local Land Use Permitting through Malheur County

Coordination with Federal Agencies

- The consolidated permitting statutes and DOGAMI rules provide for the coordination of state and federal permitting processes.
- Areas where we are working on coordination include:
 - Baseline Data Collection and EIS/NEPA coverage
 - State *Consolidated Permitting* and federal *Plan of Operations*
 - State EE/SEIA with federal EIS
 - Public Hearings
 - Sage Grouse and wildlife habitat mitigation measures
 - Oversight and monitoring
 - Financial Security Requirements

Tribal Outreach

- Seventeen (17) tribal contacts in DOGAMI Grassy Mountain Master Mailing List
 - *Kootenai, Coeur D'Alene, CTUIR, Cow Creek Band of Umpqua, Klamath, CTWSIR, Burns Paiute, CT of the Coos Lower Umpqua & Siuslaw, Grande Ronde, Fort McDermitt Paiute-Shoshone, Coquille, Nez Perce, Colville, Shoshone-Bannock, CT and Bands of the Yakima*
- Burns Paiute Tribe is on Project Coordinating Committee
- DOGAMI works closely with Burns Paiute Natural Resources staff

Environmental Justice

- EJ Baseline Data methodologies and reporting required to document existing conditions
- TRT has reviewed EJ Baseline Data Report
- Presentation made to EJTF, September 2018
- EJ Community assessment is a key aspect of the required Socioeconomic Impact Analysis

Questions?

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