



GRASSY MOUNTAIN MINE PROJECT

Interim Management Plan

Submitted to:

Department of Geology and Mineral Industries
229 Broadalbin St. SW
Albany, Oregon 97321 USA

Prepared by:

Calico Resources USA Corp.
665 Anderson Street
Winnemucca, Nevada 89445

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1. INTRODUCTION

Calico Resources USA Corp. (Calico) proposes to construct, operate, reclaim, and close an underground mining and precious metal milling operation known as the Grassy Mountain Mine Project (Project). The Project, as proposed, is located in Township 19 South, Range 44 East (T19S, R44E); T20S, R44E; T20S, R45E; T21S, R44E; and T22S, R44E, Willamette Base & Meridian (WB&M), Malheur County, Oregon (Map 1). The Project consists of two areas – the Mine and Process Plant Area, which includes the significant mining facilities, and the Project Access Area, which includes the powerline and improvements to existing county roads (Map 2). The two areas comprise the Permit Area. A general arrangement of the Mine and Process Plant Area is provided in Map 3.

The Project is located in Malheur County, Oregon, approximately 22 miles south-southwest of Vale, Oregon, and consists of two areas: the Mine and Process Plant Area and the Project Access Area (Permit Area) (Map 1 through Map 3). The Permit Area shown in all maps and text shows and describes the boundary of the proposed Project. The Mine and Process Plant Area extends north to the Water Supply Wells where the Project Access Area extends north along the Malheur County Road named Dripping Springs Road to the Malheur County Road named Cow Hollow Road and north to the Malheur County Road named Russell Road.

1.1 REGULATORY REQUIREMENTS

Temporary and interim closure activities are managed by the BLM, the Oregon Department of Geology and Mineral Industries (DOGAMI), and the Oregon Department of Environmental Quality (ODEQ). Both federal and state requirements necessitate that the Project develop an IMP to address specific conditions and activities. This IMP is necessarily general due to cover potential closure scenarios. All necessary permits for the operation of the Project will be maintained during period of planned or unplanned closure.

1.1.1 FEDERAL REGULATIONS (43 CFR 3809.401)

The Interim Management Plan (IMP) requires the following items be addressed:

- Measures to stabilize excavations and workings;
- Measures to isolate or control toxic or deleterious materials;
- Provisions for the storage or removal of equipment, supplies, and structures;
- Measures to maintain the Permit Area in a safe and clean condition;
- Plans for monitoring site conditions during periods of non-operations; and
- A schedule of anticipated periods of temporary closure during which the Project personnel would implement the IMP, including provisions for notifying agencies of unplanned or extended temporary closures.

1.1.2 STATE REGULATIONS (ORS 517.971)

The Oregon Revised Statute (ORS) 517.971 applies directly to the operating plan for chemical mining operations in Oregon and specifically the Consolidated Permit Process (CP). The CP is further defined under Oregon Administrative Rule (OAR) 632-037 (Division 37), where the seasonal or temporary closure procedures are specified under OAR 632-037-0060(6). Additional requirements for chemical mining operations are defined under OAR 340-043 (Division 43). The following are listed under OAR 632-037-0060(6) as including but not limited to:

- Target seasonal or temporary storage volumes;
- Total system storage capacity;
- Procedures to handle volumes of water in excess of seasonal or temporary storage capacities;
- Estimated schedule for closure; and
- Monitoring and reporting programs, including but not limited to:
 - Surface and groundwater monitoring systems within and outside of the permit area and reporting frequency;
 - Water balance of the process system and leak detection systems and reporting frequency;
 - Biological monitoring and reporting procedures and frequency; and
 - Fish and wildlife injury and mortality monitoring and reporting frequency developed according to standards adopted by the Department of Fish and Wildlife.

For purposes of this proposed IMP the following are considered examples of both planned and unplanned closure:

- Seasonal closures because of normal weather cycles;
- Interruptions in the active beneficiation processes to provide planned periods of quiescence for metallurgical or operating reasons;
- Any other planned process condition which will interrupt the active beneficiation process;
- A closure because of unforeseen weather events;
- A failure in a major system component or a process failure which causes the fluid management system or a portion thereof to shut down; and
- The discontinuation of a facility's operations because of litigation.

2. RECLAMATION PLAN

2.1 SCHEDULE OF ANTICIPATED PERIODS OF TEMPORARY CLOSURE

The standard operating schedules for the Project will be 24 hours a day, seven days a week for the processing circuits and 24 hours a day, 4 days a week for the mining activities. No temporary or seasonal closures of the facility are planned in the Mine operation schedule. However, it is possible that due to mechanical or technical difficulties, unfavorable economic conditions, litigation or other unforeseen events, mining and processing facilities may have to be temporarily closed. In the event of an unplanned temporary closure, the following actions will be initiated by Calico:

- Calico will notify DOGAMI, ODEQ, and BLM, within 30 days of the temporary closure of the precious metal recovery processing activities. This notification will include a description of the procedures and controls that have been, or will be, initiated in order to maintain and control process components and process fluids during the temporary closure period.
- Calico will provide DOGAMI, ODEQ, and BLM with a list of supervisory personnel whose responsibility it will be to oversee the Project during a temporary closure period. This list also will include the number of support staff which will be required in each department to maintain the Project during the closure period. Standard security procedures will remain in place for the duration of any temporary closure period.
- If the interim closure period exceeds 180 days, Calico will petition DOGAMI, ODEQ, and BLM for an extension to delay permanent closure or initiate procedures to permanently close process components. Any delay to permanent closure will be coordinated with Calico, DOGAMI, ODEQ, and BLM.

2.2 MEASURES TO STABILIZE EXCAVATIONS AND WORKINGS

The underground workings will be monitored according to the plan submitted to the BLM, DOGAMI, and ODEQ with the notification of temporary closure. The portal will be blocked from access except by authorized personnel. This will be achieved by the construction of a steel gate with a locking door. Underground workings will be inspected on a regular basis to evaluate the overall condition and safety of the Mine. Interim reclamation procedures will be implemented, as necessary, to stabilize any disturbed areas during the temporary closure period. These procedures will be coordinated with Calico, BLM, DOGAMI, and ODEQ.

Pursuant to OAR-037-0060(6), adequate storage capacity will be maintained for all process components to accommodate any stormwater runoff resulting from any 100-year, 24-hour storm event.

2.3 MEASURES TO ISOLATE OR CONTROL TOXIC OR DELETERIOUS MATERIALS

Calico will continue to follow management plans as they are described in the BLM Plan of Operations, DOGAMI CP (Division 37) and the ODEQ Water Pollution Control Facility (WPCF) permit (Division 43), during unplanned temporary closure including:

- [Stormwater Pollution Control Plan](#)
- [Waste Management Plan](#)
- [Monitoring Proposal for Groundwater and Facilities](#)
- [Cyanide Management Plan](#)
- [Tailings Chemical Management Plan](#)
- [Wildlife Mitigation Plan](#)
- [Wildlife Protection Plan](#)
- [Noxious Weed Monitoring and Control Plan](#)

Water generated from the Tailings Storage Facility (TSF) and the Temporary Waste Rock Storage Facility (TWRSF) will continue to be collected by the Reclaim Pond and will be pumped to the surface of the TSF resulting in a closed loop. Water captured within the Collection Pond located at the Process Plant will be managed within the Collection Pond.

Explosives and other hazardous substances will continue to be stored, secured, and handled according to federal and state regulations. Any hazardous materials will continue to be stored, secured, handled, and disposed of according to federal and state regulations.

Any drums and containers of regulated wastes will be scheduled for removal and disposal at an appropriately permitted off-site facility. Any drums of material remaining on site, which are not identified with proper labeling, will be placed within the hazardous waste storage for sampling. As soon as these materials are identified, they will be either returned to a secured location as products or shipped off site for disposal.

2.4 STORAGE OR REMOVAL OF EQUIPMENT, SUPPLIES, AND STRUCTURES

In the event of a temporary closure, Calico will not remove supplies, and structures will not be removed or placed into storage. Additionally, the Perimeter Fence will remain in place, including gates and cattle guards, to secure the site. Some mobile equipment or bulk commodities may be relocated into buildings or covered with tarps (where feasible) to remove them from the weather, depending on the anticipated duration of the temporary closure. In addition, Calico will initiate the following actions:

- Additional reagents will not be introduced into any process component during the temporary unplanned closure period. Process piping and pumps will be drained when the process circuits are shut down. Stored equipment will be clearly identified as having contained process solutions.
- Any mine equipment remaining in operation during the temporary closure, including haul trucks, loaders, drills, and personal vehicles will be stored in existing buildings where feasible

and on the Parking Lot. All equipment remaining onsite during the temporary closure will continue to be maintained according to standard company procedure.

- Following any temporary closure period, the fluid management system will be evaluated prior to start-up. Solution tanks, pumps, piping, and ponds will be inspected and repaired as necessary. The mineral processing circuit will be charged with process solution and visually inspected for any evidence of leaks, which includes, but is not limited to the following: piping; secondary containment conditions for cracks; deterioration; torn liners; leak detection ports; tank integrity; meters and gauges; and pumps. All mine equipment will be inspected for compliance with appropriate federal and state mining regulations before mining activities re-commence.

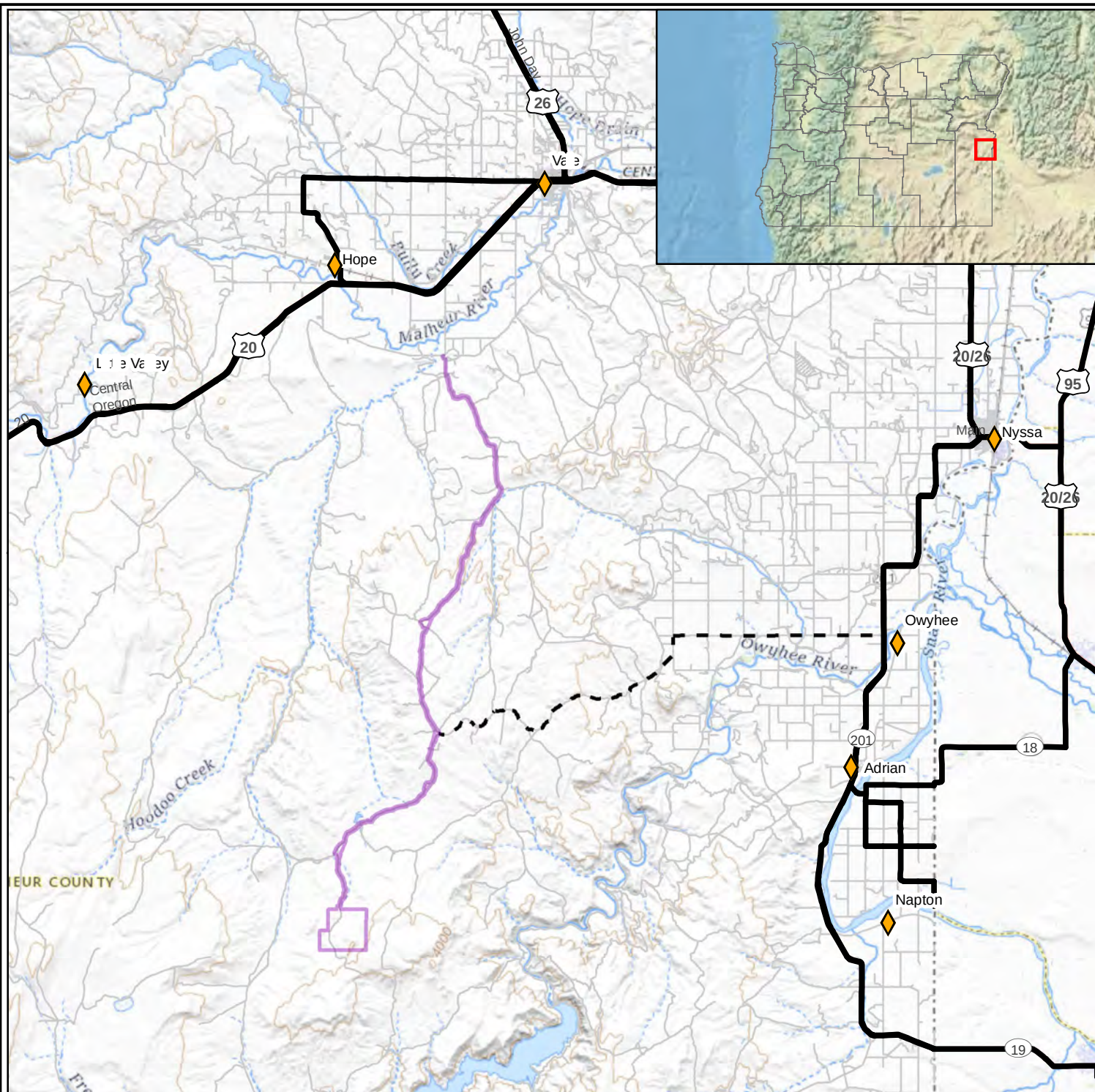
2.5 MONITORING DURING PERIODS OF NON-OPERATION

Calico will adhere to all provisions included in the WPCF permit, this IMP, and other regulatory requirements, which may be required during the temporary closure period. Calico will continue to follow management plans as they are described in the BLM Plan of Operations, DOGAMI CP (Division 37) and the ODEQ Water Pollution Control Facility (WPCF) permit (Division 43), during unplanned temporary closure including:

- Stormwater Pollution Control Plan
- Waste Management Plan
- Monitoring Proposal for Groundwater and Facilities
- Cyanide Management Plan
- Tailings Chemical Management Plan
- Wildlife Mitigation Plan
- Wildlife Protection Plan
- Noxious Weed Monitoring and Control Plan

Additional monitoring will be conducted of the production wellfield, the Perimeter Fence, and other facilities that remain during the temporary closure period. Provisions will be made to ensure that reporting continues including operational controls, monitoring, reporting, and notifications including all monitoring, notifications, and report submittals.

MAPS



Legend

- PoO Boundary
- Emergency Access Road
- Roads

1"=4 Miles

0 1 2 4Miles

Scale as shown when plotted at 8.5"x11".



Notes:

1. Figure references 1983 UTM zone 11N datum.
2. Road and highway system were referenced from the Bureau of land Management.

Site/Report:

Calico Resources USA Corp. Grassy Mountain Mine Interim Management Plan

Figure:

Location Map



Date: December, 2021

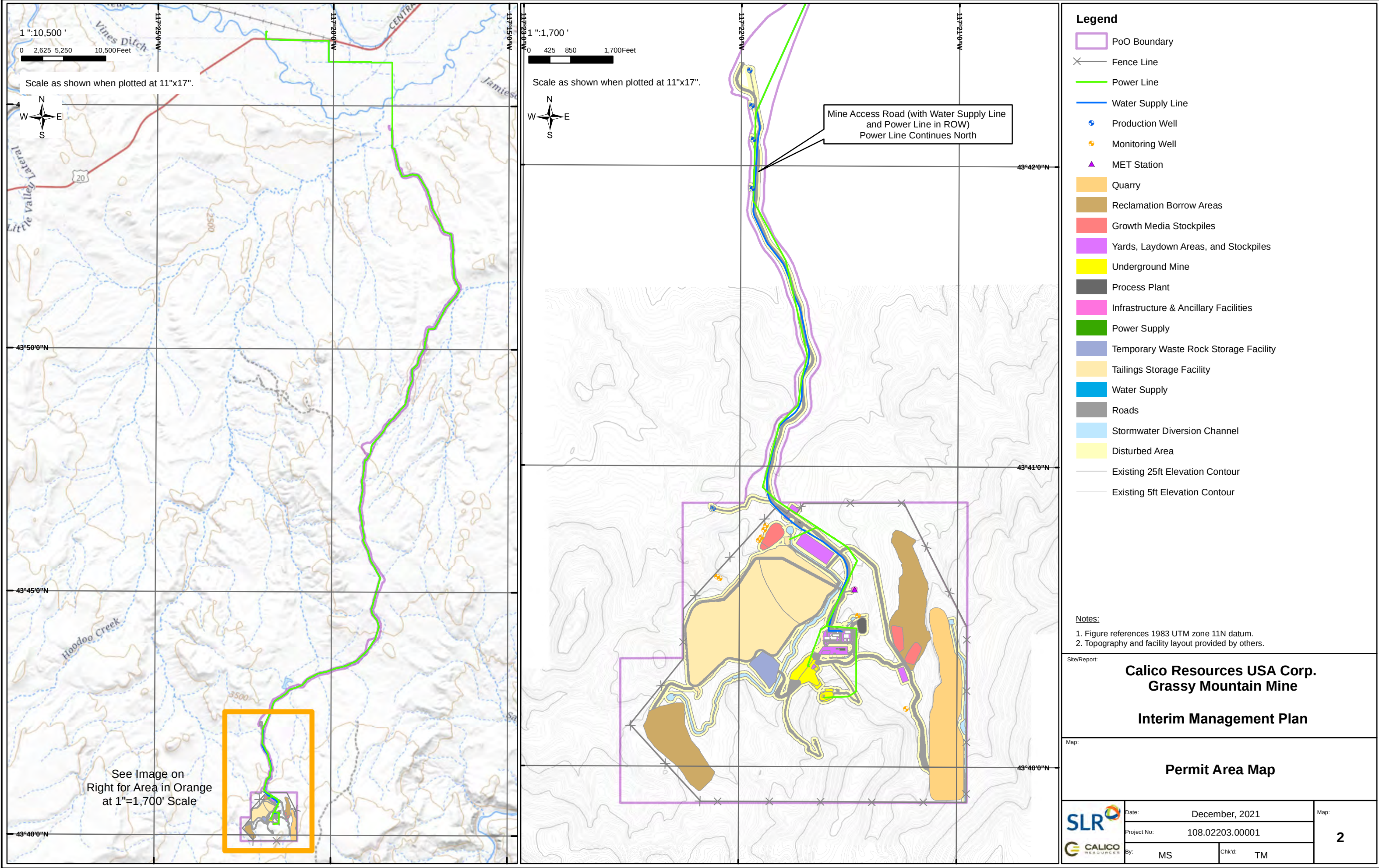
Project No: 108.02203.00001

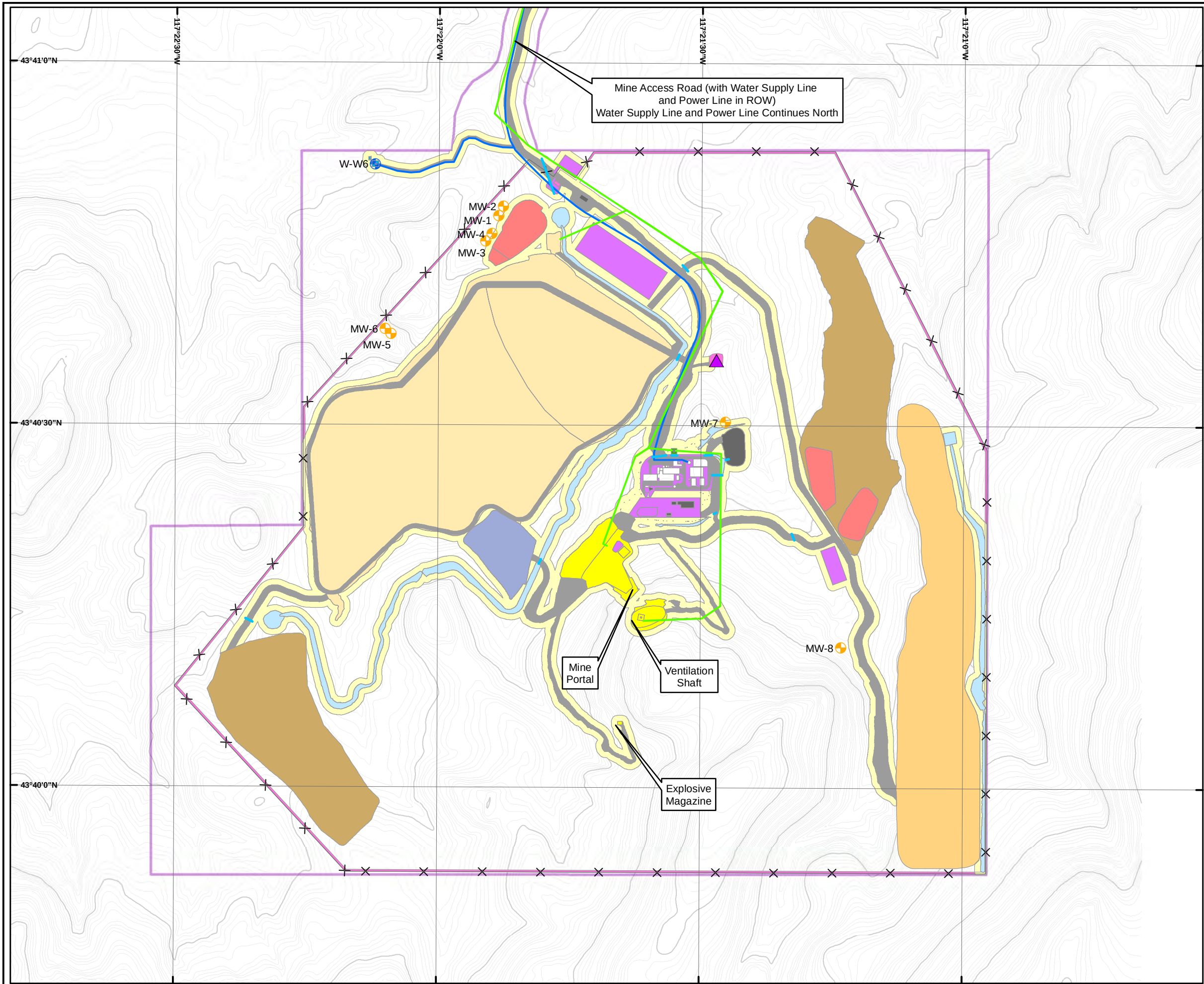
By: MS

Chk'd: TM

Figure:

1





Legend

- PoO Boundary
- Fence Line
- Culvert
- Power Line
- Water Supply Line
- Production Well
- Monitoring Well
- MET Station
- Quarry
- Reclamation Borrow Areas
- Growth Media Stockpiles
- Yards, Laydown Areas, and Stockpiles
- Underground Mine
- Process Plant
- Infrastructure & Ancillary Facilities
- Power Supply
- Temporary Waste Rock Storage Facility
- Tailings Storage Facility
- Water Supply
- Roads
- Stormwater Diversion Channel
- Disturbed Area
- Existing 25ft Elevation Contour
- Existing 5ft Elevation Contour

1"=800'
0 200 400 800 Feet
Scale as shown when plotted at 11"x17".



- Notes:**
- Figure references 1983 UTM zone 11N datum.
 - Topography and facility layout provided by others.

Site/Report: **Calico Resources USA Corp.
Grassy Mountain Mine**

Map: **General Arrangement**

 	Date: December, 2021	Map: 3
	Project No: 108.02203.00001	
	By: MS Chk'd: TM	