



April 3, 2023

Mr. Dayne Doucet
Consolidated Mining Permit Lead
Oregon Department of Geology and Mineral Industries
Mineral Land Regulation & Reclamation
229 Broadalbin St SW
Albany, Oregon 97321

**RE: Submittal of Documents in Response to Comment 174 in October 20, 2022,
Comments for the Consolidated Permit Application, Grassy Mountain Mine Project**

Dear Mr. Doucet:

This letter accompanies the submittal of the document listed below in response to Comment 174 in the October 20, 2022, Comments for the Consolidated Permit Application.

- *Tailings Chemical Monitoring Plan* (March 2023, CPA Appendix D2)

The document submittal record for Comment 174 is attached. Please see the “Response (Apr 2023)” information for your consideration.

Please contact me at (775) 625-3600, glen@paramountnevada.com if you have questions or need clarification.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Glen van Treek', is written over a horizontal line.

Glen van Treek
President

Calico Resources USA Corp./Paramount Gold Nevada Corp.
(775) 625-3600
glen@paramountnevada.com

Att: Document Submittal Record

Attachment
Document Submittal Record

Comment Number: 174

Comment Number: 174		Category: 3	Status: B (Not Resolved)
Topic: Tailings and Waste Rock		CPA Reference: 4.6.2, pg. 227	
Commentor: DOGAMI Comment: It states that 200,000 tons of WR will be placed on the TSF along w/ lime amendment. There needs to be a description of pH testing following amendment and potential for metals leaching prior to placement in the TSF. Proposed Resolution: Provide a fully detailed plan for sampling and analysis of the WR prior to placement in the TSF.			
Initial Response (Dec 2021): Please see the Tailing Chemical Monitoring Plan provided as Appendix D2.			
Stantec – Comment Addressed as Indicated? Yes	Stantec – Preliminary Assessment – Sufficient Response? Yes	TRT Response (Oct 2022): Inadequate. There’s no reference to WR or the TWRSF for pH testing or metals analyses in D2.	
Preliminary Response to Comment (Nov 2022): There won't be any waste rock monitoring prior to placement in the TSF.			
Agency Comment (Jan 2023): [Bob Brinkman via email]: Per our discussion, comment #174 is related/directed at the superseded CPA (11-'19) and the current CPA does not contain the language that raised this issue. However, in Sect. 2.6.2.4 (pg. 25) under Cemented Rock Fill of the current CPA it states “Based on the waste rock characterization program described herein, the majority of the waste rock associated with the Project has a potential to generate acid and leach metals.” It also states that add'l testing is being performed to determine the geochemical characteristics of CRF made w/ WR. It further indicates that if the WR is not placed UG that it will be stored “in an engineered disposal cell on the surface.”, which I suppose means the TSF. Additionally, in Appendix D2 (Tailings Chemical Monitoring Plan) Table 1 provides a summary of the media and analyses to be run on the tailings prior to their disposal in the TSF. However, there is no mention of the WR or similar profiling of the WR if it is to ultimately end up in the TSF. It is this discrepancy that needs to be resolved. It is stated in the CPA under Sect. 2.6.2.1 (pg. 24) that “The characterization results for the ore grade material are comparable to the waste rock material.” Hence the inconsistency of profiling the tails which are derived from the ore and not the WR.			
Response (Feb 2023):			
Response (Apr 2023): Calico submitted the report of results for geochemical characterization of cemented rock fill made with waste rock, basalt and binder to the TRT. The results indicate that the neutralization capacity contributed by the binders in the proportions planned is sufficient to make the mine backfill non-acid generating. Therefore, all the waste rock will likely be used as backfill to the underground and waste rock will only be stored temporarily in the TWRSF. The closure plan states that if there is any waste rock in the TWRSF at the end of mining, the residual will be taken to the backfill plant and use as backfill in the mine. The TWRSF will then be clean closed. On chemical monitoring of the waste rock, we will have added waste rock testing to the Tailings Chemical monitoring program, and the waste rock would be tested like the tailings solids (i.e., acid-base accounting tests and testing of leachate from the TWRSF). The testing would be performed weekly for the first six months of operation. After the first six months, the results of monitoring results will be reviewed to determine if an adjustment to testing frequency is appropriate. Less frequent testing would be proposed (e.g., monthly, quarterly, or annually) based on the variability of parameter values in the first six months of monitoring data. In addition, Section 1.3, Cyanide Detoxification, and Table 1 have been updated to demonstrate that WAD cyanide levels in the process plant will be continuously monitored and equipment details are provided. The revised <i>Tailings Chemical Monitoring Plan</i> (CPA Appendix D2) was uploaded to DOGAMI on April 3, 2023.			