



August 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: Revised Submittal – August 2023 Response to Category 1 Comment 163, Comments for the Consolidated Permit Application, Grassy Mountain Mine Project

Dear Mr. Doucet:

This submittal provides Calico's revised response to Category 1 Comment 163 in the October 20, 2022, Comments for the Consolidated Permit Application and pursuant to additional DEQ comments received in July 2023 pertaining to the Portal Design Report (CPA Appendix C2) excavation material tonnage.

In addition, the revised *Grassy Mountain Project Stability Analysis of the Portal Design* (GMS, 2023) was uploaded to DOGAMI's file share system today as a supplemental document in response to Comment 163. This revision aligns with the Portal Design Report (GMS, 2022), which was uploaded to DOGAMI on March 10, 2023.

The comment response record for the above-referenced comment is attached. Please see the "Response (August 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', 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 Response Record

**Attachment
Document Response Record**

Comment Number: 163

Comment Number: 163		Category: 1	Status: B
Topic: Tailings and Waste Rock		CPA Reference: Section 3.1, page 106, Section 3.3.2, page 132, Section 3.3.4, page 139 and 140, Appendix C, Section 2.3, page 7, and Section 7, page 27	
Commentor: DEQ			
Comment: Waste rock volume and storage issues. Throughout much of the CPA, the waste rock volume appears to be consistently estimated to be 200,000 tons and the Waste Rock Dump (WRD) is designed to hold that volume. However, Appendix S of the CPA (Stability Analysis of the Portal Design) states that “The portal will have a waste rock excavation volume of 2,283,146 tons.”			
Proposed Resolution: Applicant should provide information regarding this apparent large discrepancy in waste rock volume and the effect on the waste rock dump size and volume.			
Applicant should provide information showing how the waste rock volume was calculated.			
Applicant should provide information concerning where and how the additional 2,000,000 tons of waste rock material be stored, how it will be treated to preclude acid generation and metals leaching, and the ultimate disposition of the material.			
Initial Response to Comment: There is an error with former Appendix S that was corrected for the submittal of the CPA.			
Stantec – Comment Addressed as Indicated? No. Appendix S – Portal Design Report (August 2019) appears to be the same version submitted with the November 2019 CPA, which maintains the waste rock excavation volume of >2 MT.	Stantec – Preliminary Assessment – Sufficient Response? No	TRT Response: This comment has not been sufficiently addressed. No "Appendix S" found in CPA documents.	
Preliminary Response to Comment: On revisiting this issue, the 2.283 million tons quoted in Appendix S is correct, but it is not "waste rock" as that term is used everywhere else in the CPA. The 2.283 million tons is the spoils from excavation of the Portal. As shown in Figure 6-1 of Appendix S, the material being excavated consists of colluvium, arkose, and siltstone, and it is all above the sinter that generally represents the top of the mineralized zone where the rock is potentially acid-generating.			
There are no corrections or clarifications necessary regarding this issue. <i>[Note from Calico on July 31, 2023: This response was prepared by SLR based on incomplete information and is incorrect. The Portal Design Report (Appendix S of the CPA) was updated in November 2022 with corrected information. See July 2023 response below.]</i>			
Agency Comments (July 2023): We have reviewed the document provided by Calico concerning Comment #163 (volume discrepancy of waste rock in CPA). Calico’s latest response to comment 163 points to the final “Portal Design Report” dated November 2022 as containing the correct volumes and stated the 2.283 million tons in Appendix S is correct, but the material is not acid generating.			

Comment Number: 163	Category: 1	Status: B
The Portal Design Report identifies a total of 1,347,895 cu ft of material will be removed for the portal. This document includes an additional 39,629 cu ft of material movement for the roads and rainwater ditch. Using the stated bulk density of siltstone (2.49 ton/m³) for all material identified as being excavated in the Portal design Report (both the portal as well as roads and ditch) indicates a potential maximum of 97,047 tons of material being excavated. Using the maximum density and volumes stated in the Portal Design Report still provides a total tonnage significantly below the stated total 2.283 million tons. DEQ recognizes there is a low likelihood of the material to be excavated for the portal to be acid generating, however with the significant discrepancy in the stated tonnage raises question of what material Calico will be excavating to meet the stated 2.283 million tons and how much of that will be acid generating. DEQ considers Comment #163 as unresolved at this time.		
Response to Comment (August 2023): The CPA and all its appendices have been updated to be consistent in the estimated tonnage and volume of waste rock that will be generated by the Project. The total estimate for waste rock is 272,000 tons through the life of mine. This estimate is listed in the Design Criteria for the TWRSF (Table 4 in the <i>Detailed Design, Tailings Storage Facility and Temporary Waste Rock Storage Facility</i> [Golder, October 2021; CPA Appendix C4]). The reference provided by Golder in the Design Criteria table for the waste rock tonnage is the Feasibility Study issued September 2020 with Ausenco as the principal author. Table 16-26 of the Feasibility Study provides the schedule for generation of waste rock and lists 127,000 tons of waste rock generated during years -1 (construction) and 1 (first year of production), which includes the waste rock generated by construction of the Portal described in the November 2022 version of the Portal Design Report¹ (Appendix C2 in the updated CPA). The most recent version of the CPA submitted to the TRT (December 2021) included the 2019 <i>Grassy Mountain Project Stability Analysis of the Portal Design</i> report as Appendix C2 (presented as Appendix S² in the 2019 CPA). The 2019 Stability Analysis² had an error in the waste rock volume being excavated during portal construction. The revised Portal Design Report¹ provides the corrected waste rock volume as presented in the revised Portal Stability Analysis³. The revised Portal Design Report¹ was uploaded to the DOGAMI file share system on March 10, 2023. The revised Portal Design Report will be included as Appendix C2 of the updated CPA, and the updated CPA will be issued by Calico during the second semester of 2023.		

¹ Geotechnical Mine Solutions (GMS). 2022. *Grassy Mountain Project Final Portal Design and Construction Plan*. Rev2. November.

² GMS. 2019. *Grassy Mountain Mine Project Stability Analysis of the Portal Design*. Rev3. August.

³ GMS. 2023. *Grassy Mountain Mine Project Stability Analysis of the Portal Design*. Rev5. July.