



**MEETING SUMMARY
TECHNICAL REVIEW TEAM
GRASSY MOUNTAIN GOLD MINE PROJECT**

May 15, 2018

1:00 pm

Teleconference/Public Access at DOGAMI Albany Office

Attendance:

Committee Members

- Randy Jones, Oregon Department of Geology and Mineral Industries (DOGAMI)
- Larry Knudsen, Oregon Department of Environmental Quality (DEQ)
- Jim Billings, DEQ
- John Dadoly, DEQ
- Doug Welch, DEQ
- Bob Brinkmann, DOGAMI
- Matt Diederich, State Historic Preservation Office (SHPO)
- Bethany Harrington, Oregon Department of State Lands (DSL)
- Philip Milburn, Oregon Department of Fish and Wildlife (ODFW)
- Tom Segal, ODFW
- Jon Jinings, Oregon Department of Land Conservation and Development (DLCD)

Others in Attendance

- Nancy Wolverson, Calico Resources (Calico)
- Rich DeLong, EM Strategies
- Jason Thompson, SPF Water Engineering (SPF)
- Terry Scanlan, SPF
- Larry Meyer, Argus Observer
- Peggy Lynch, League of Women Voters of Oregon
- ReNeea Lofton, DOGAMI
- Diane Lloyd, Oregon Department of Justice
- Janet Gillaspie, Environmental Strategies

1. Introductions

The Technical Review Team (TRT) meeting was chaired by Randy Jones, DOGAMI. He asked the group to introduce themselves.

Jones stated the meeting was a public meeting and was being recorded. The public was provided access to the meeting by phone and at the DOGAMI Albany Offices.

Jones asked everyone to keep their phones on mute and to leave the call rather than put the call on hold and then call back in.

2. Review of Agenda and Additional Items to Add

Jones recommended that the TRT create a Wildlife Subcommittee and stated that this topic would be discussed at the end of the meeting.

3. Final Recommendation of Water Resources Subcommittee on the Work Plan Adjustment for Grassy Mountain Monitoring Wells

Jones said DOGAMI received a request from Calico and its water resources consultant, SPF Water Engineering, to adjust the approved baseline data monitoring methodologies for water resources. The request was dated March 22, 2018 and has been distributed to the TRT.

The current drilling plan— underway at this time — is to install upgradient and downgradient monitoring wells at the site; both upgradient and downgradient wells would be installed in deep and shallow well pairs.

The Calico request is to eliminate the installation of the upgradient shallow well, if no water is encountered at shallow depths, as the upgradient deep well is installed. As of late last week, water was not encountered in drilling the deep well, which is currently below 500 feet.

The TRT – Water Resources Subcommittee (WRS) met by phone on May 7, 2018 to consider the request and develop a recommendation to the full TRT. SPF Calico participated in the call, along with members of the public and media.

There were technical difficulties prior to reaching a final recommendation. The TRT – WRS will now continue its discussion to finalize a recommendation.

The TRT – WRS members that participated in the call were present. Jones asked the TRT – WRS if there were additional questions. There were none.

Jones asked SPF to provide additional information on the drilling program.

Jason Thompson with SPF provided additional information. For the deep well, a 12-inch casing will be installed to 355 feet. The driller has now reached 670 feet with no indication of water at the surface, as of May 10, 2018. The drilling resumed on May 11, 2018 and the hole had caved back to 630 feet; the driller had to drill out of the hole. As they were drilling out, the foam was more wet than usual, but no water was encountered. The fact that the hole caved may indicate water; the damp drill foam, also suggests there may be water. The driller is now trying to get a 10-inch casing to 670 feet to see if water can be encountered.

The drilling conditions are difficult. Terry Scanlan with SPF added that if there is water at 670, it is about 200 feet deeper than water encountered in the shallow zone. Additional information will be gathered. The driller is trying to get a static water level.

Bob Brinkmann with DOGAMI confirmed that the well is at about 600 feet, several hundred feet below where the occurrence of water was anticipated. The water may be deeper than expected; additional information will be gathered.

Brinkmann asked about Figure 1 in the March 22, 2018 submittal; the deeper well is currently being drilled at an anticipated depth of 900 or 950 feet.

John Dadoly, DEQ, confirmed that SPF was anticipating encountering water at around 600 feet.

There were no additional questions from the TRT – WRS on the Calico request.

Jones read a draft proposed recommendation from the Subcommittee, including:

“The Water Resources Subcommittee of the Calico Grassy Mountain Gold Project Technical Review Team recommends the proposed “Work Plan Adjustment for Grassy Mountain Monitoring Wells” as submitted by SPF Water Engineering on March 22, 2018, be approved by the TRT at its next scheduled meeting on May 15, 2018.”

Jones asked for questions or concerns from members:

- DEQ – no concerns
- Oregon Water Resources Department (WRD) – Jones said that Phil Marcy was in the field and not accessible by cell phone. Jones read a statement stating that Marcy agrees with the recommendation read above.
- DOGAMI – no concerns

Jones re-read the motion; Knudsen seconded the motion. There was no discussion.

Hearing no objection, the motion was adopted.

4. Review of Proposed Adjustment to Approved Methodology for Monitoring Wells Drilling Program

Jones said that the full TRT will need to review and agree on the proposed amendment. Jones asked Calico and SPF if they had additional items to add.

Jones asked SPF to summarize the monitoring well drilling program. SPF is looking for water in the deep well. The planned additional drilling includes getting the 10-inch casing to the bottom of the well at 670 feet; currently the well is cased to 440 feet. The drilling program will focus on locating any water. After that, the drilling will continue, moving to an open hole if possible. The monitoring well casing is targeted for around 950 feet. Once the well is constructed, it will be test pumped, water quality samples will be gathered, and additional information will be gathered.

Jones asked for questions specifically from the agencies that are not on the Water Resources Subcommittee.

- DSL – no questions
- ODFW – no questions
- Oregon Department of Agriculture (ODA) – no representative
- SHPO – no questions
- DLCD – no questions
- Bureau of Land Management (BLM) – no representative

5. Review of Procedures or Reviewing Adjustments to the Approved Environmental Baseline Data Work Plans Methodologies

Jones said that the Oregon Department of Justice has advised DOGAMI that the TRT has the latitude to consider requested revisions to the approved baseline data methodologies. TRT

meetings and subcommittee meetings are subject to the Oregon Public Meetings Law, requiring proper public notice and public accessibility to all meetings discussing revisions to the baseline data, which has been done.

Historically, the TRT has used a consensus basis for acting on baseline data methodologies, and the TRT will want to hear from or document the input from each TRT member agency.

Jones asked if there were any questions regarding the next steps. There were no questions from TRT members regarding next steps.

6. Review of TRT – WRS Recommendation

Jones reviewed the recommendation, which included:

“The Water Resources Subcommittee of the Calico Grassy Mountain Gold Project Technical Review Team recommends the proposed "Work Plan Adjustment for Grassy Mountain Monitoring Wells" as submitted by SPF Water Engineering on March 22, 2018, be approved by the TRT at its next scheduled meeting on May 15, 2018.”

7. Discussion

Jones asked if there was any discussion; there was none.

8. Disposition of TRT to Accept WRS Recommendation

Jones asked the TRT members if there were questions or concerns regarding the TRT – Water Resources Subcommittee recommendation:

- DEQ – Larry Knudsen; no questions.
- WRD – Phil Marcy provided his support for the recommendation via e-mail earlier, per Randy Jones
- ODFW – Philip Milburn; no questions.
- ODA – No representative
- DSL – Bethany Harrington; no questions
- DLCDC – Jon Jinings; no questions
- SHPO – Matt Diederich; no questions
- DOGAMI – Bob Brinkmann; no questions
- BLM (ex-officio member) – No representative

Jones moved by unanimous consent that the TRT accept motion, including:

“The Water Resources Subcommittee of the Calico Grassy Mountain Gold Project Technical Review Team recommends the proposed "Work Plan Adjustment for Grassy Mountain Monitoring Wells" as submitted by SPF Water Engineering on March 22, 2018, be approved by the TRT at its next scheduled meeting on May 15, 2018. The TRT also authorizes DOGAMI to send a letter to Calico Resources reflecting the recommendations of the TRT in adjusting the approved baseline data methodologies.

The motion was adopted by unanimous consent.

9. Additional Agenda Item – Wildlife Subcommittee

Jones indicated that DOGAMI is the facilitating agency for the Oregon Chemical Mine Process regulations. The wildlife standards, set in both DOGAMI's Division 37 and ODFW regulations including Division 420 relating specifically to chemical process mining, are very strong. In the pre-application phase of the project, there must be careful consideration of the wildlife baseline and the wildlife mitigation requirements for the project.

Jones said that ODFW, BLM, DLCD, DSL, and DOGAMI should all be members of a TRT – Wildlife Subcommittee.

Jones moved that the TRT establish a Wildlife Subcommittee and asked for discussion; there was no discussion.

Knudsen seconded the motion. Phil Milburn added that ODFW may be adding some additional members, with some additional areas of expertise, to the TRT. Jones remarked that the TRT navigates and moves efficiently when it uses subcommittees. Jones reminded the group that subcommittee meetings are public meetings and involving Calico and its consultants adds depth and detail to the subcommittee discussions.

Jones asked TRT members for concerns:

- DEQ – Larry Knudsen; no concerns
- WRD– Phil Marcy provided his support for the recommendation via e-mail earlier, per Randy Jones
- ODFW – Philip Milburn; no concerns
- ODA – No representative
- DSL – Bethany Harrington; no concerns
- DLCD – Jon Jinings; no concerns
- SHPO – Matt Diederich; no concerns
- DOGAMI – Bob Brinkmann; no concerns
- BLM (ex-officio member) – No representative

There were no objections and the motion was adopted.

Jones thanked SPF Water Engineering for the good information provided to the TRT and its Water Resources Subcommittee.

He thanked the Water Resources Subcommittee for its thoughtful review of the Calico request.

10. Necessary Follow Up and Next Steps

Jones indicated that the TRT would be polled to determine the agencies interested in participating in the Wildlife Subcommittee and a meeting will be scheduled.

Jones said the Pre-Feasibility Study for the proposed mine will likely be finalized in the next few weeks. The public release of the Pre-Feasibility Study will provide many details regarding the proposed project.

The meeting was adjourned at 1:53 pm (Pacific).