



**MEETING SUMMARY – PROJECT COORDINATING COMMITTEE  
GRASSY MOUNTAIN GOLD MINE PROJECT**

**August 21, 2018**

**1:00 pm**

**Four Rivers Cultural Center, Ontario, Oregon with phone access**

**Attendance:**

Committee Members

- Randy Jones, Oregon Department of Geology and Mineral Industries (DOGAMI)
- Larry Knudsen, Oregon Department of Environmental Quality (DEQ)
- Trevor Watson, Oregon Department of Fish and Wildlife (ODFW)
- Philip Milburn, ODFW
- Jim Maret, Nyssa City Manager
- Shauna Everett, US Fish & Wildlife Service (USFWS)
- Jonathan Westfall, US Bureau of Land Management (BLM)
- Pat Ryan, BLM

Others in Attendance

- Glen Van Treek, Paramount Gold Nevada/Calico Resources
- Nancy Wolverson, Calico
- Michael McGinnis, Calico
- Peggy Lynch, League of Women Voters of Oregon
- Adam Bonin, Cardno
- Adele Pozzuto, Cardno
- Jesse Ratcliffe, Oregon Department of Justice
- Larry Meyer, Argus Observer
- Janet Gillaspie, Environmental Strategies
- Andy Bentz, Bentz Solutions
- Christine Whittaker
- Mike Murray, HDR
- Sheriff Brian Wolfe, Malheur County
- Mike Niehuser, Scarsdale Equities
- J.D. Sater, Office of Senator Cliff Bentz
- Larisa Bogardus, BLM – Vale District Office
- Dirk De Boer
- Dayn Hardie, Owyhee Basin Stewardship Coalition/Our Land, Our Voice
- Kit Kamo, Snake River Economic Development Alliance
- Ken Hart, Saint Alphonsus Medical Center
- Ken Poole, Campo & Poole District

## **1. Introductions**

The meeting was chaired by Randy Jones of DOGAMI. He asked the members of the group to introduce themselves. Jones stated that the meeting was a public meeting and was being recorded.

Jones asked that those attending the meeting by phone access keep their phones on mute and not place the call on hold, but leave the call and call back in. Web access was provided to the meeting.

## **2. Review of Agenda and Additional Items to Add**

Jones said that Pat Ryan with the BLM would be discussing the federal/state relationship.

## **3. Overview of Oregon Chemical Mining Law and Regulations and PCC Responsibilities**

Jones and Larry Knudsen, DEQ, provided an overview of the Oregon Chemical Mining law and regulations. The law and rules have been in place since the early 1990s, yet there has not been a chemical mine permitted in Oregon, to date. The Oregon permitting system uses a consolidated permit for all state permits necessary for the project; the process engages both local, state, and federal agencies.

DOGAMI is the 'facilitating agency' in the process; there are also 'permitting agencies' and 'cooperating agencies', said Jones. Additional chemical process mining state regulations are included in the regulations for DOGAMI, DEQ, ODFW, and Water Resources Department (WRD).

Jones indicated the Oregon law has strict timelines for permit issuance.

Knudsen continued to discuss the reasons for a special process for permitting chemical process mining. He discussed the history of the Grassy Mountain deposit and the environmental concerns of state regulators related to chemical process mining. The state concluded early on that its regulatory basis was inadequate and also knew the federal government had exempted mines from some key federal environmental laws, such as the Clean Water Act and the Resources Conservation and Recovery Act (RCRA).

There was discussion around prohibition vs. regulatory requirements at the time, said Knudsen. At the time when they were adopted, the Oregon chemical process regulations were recognized as the most stringent in the nation, he said. Since then, other states and the federal government have increased environmental regulations of chemical process mines.

Jones reviewed the organizational chart for the project, including the membership of the Project Coordinating Committee and Technical Review Team.

A copy of the DOGAMI-DEQ presentation is posted on the DOGAMI web site at:

[http://www.oregongeology.org/mlrr/chemicalprocess\\_Calico-GrassyMtn.htm](http://www.oregongeology.org/mlrr/chemicalprocess_Calico-GrassyMtn.htm)

## **4. Calico Grassy Mountain – Project Update and Pre-Feasibility Study Review**

Glen Van Treek, Paramount Gold Nevada/Calico Resources, provided a presentation on the project and Pre-Feasibility Study results. Paramount owns 100% of Calico; it also owns the Sleeper Mine in Nevada.

He provided background information on the local community, highlighting the anticipated positive economic impact to Malheur County.

Van Treek highlighted mine development activities, including:

- Road access improvement from the end of Russell Road
- Power provided to the site with an overhead power line along the access road (upgrade to the Hope Substation in collaboration with Idaho Power)
- Operational Highlights
  - Underground mine extracting about 1200 – 1400 tons per day
  - Mill processing 75 tons per day
  - Gravity concentration followed by Carbon-in-Leach recovery
  - Yearly production of 47,000 ounces of gold and 50,000 ounces of silver
  - Total initial capital expenditures of \$110 million
  - Mine life of 9 years, including construction time

He provided a diagram of the mine outline; the mine tailings storage facility will be constructed in phases, over the life of the project, he said.

He described the mining methodology with a mine decline, and mining from the bottom up. About 35 different levels will be mined and then backfilled with rock fill and cemented fill.

Mining will be conducted 4 days a week; the mill will operate 7 days a week. He continued to discuss mine safety techniques, including the use of bolts, steel net, and shotcrete.

He described the milling process; the rock is crushed. A small amount of gold will be recovered by gravity. The majority of the gold will be recovered in the carbon-in-leach processing to produce the gold dore.

The waste product will be placed in a lined tailings disposal facility, after a detoxification process. The processing is a 'closed' system until the tailings are placed in the tailings pond, he said.

He continued to discuss the costs of the project; about 50% of the costs are salaries, the remaining are fixed costs and materials. He shared an outline of the mine personnel; about 112 full-time employees will work at the mine in these areas:

- a. Miners
- b. Processing area
- c. General accounting
- d. Safety, environmental, and community affairs

The total cost, over the life of the mine, is about \$300 million.

He summarized the economic analysis included in the Pre-Feasibility Study. He said that Paramount/Calico intends to explore for additional gold reserves in the area of the Grassy Mountain mine.

A copy of the Paramount presentation is available on the DOGAMI web site at:  
[http://www.oregongeology.org/mlrr/chemicalprocess\\_Calico-GrassyMtn.htm](http://www.oregongeology.org/mlrr/chemicalprocess_Calico-GrassyMtn.htm)

## Overview of Oregon Chemical Mining Law & Regulations & PCC Responsibilities (cont.)

Jones and Knudsen continued their presentation on the overview of the chemical mining law regulations in Oregon.

Jones said the key steps in the Consolidated Permit Process, include:

- Pre-Application Process
  - Notice of Intent filed
  - State and applicant agree to baseline data methodologies
  - Baseline data submitted to the State
  - State permitting requirements identified
  - Local land use approval
- Application Process
  - Consolidated Application submitted
    - Many requirements in DOGAMI regulations
    - A number of additional State permits are required
    - Must include local land use compatibility statement
    - Public engagement
  - 90-day review time for State agencies
  - DOGAMI issues Notice to Proceed when applications are completed
- Permit Development
  - Follows Notice to Proceed
  - Time limited
  - Environmental Evaluation to be completed
  - Socioeconomic Impact Analysis to be completed
  - Draft permits issued
    - Permit conditions must be coordinated across State Agencies
  - Public review and comment on draft permits
  - Final permits issued
    - Subjected to expedited judicial review

Knudsen added that each stage has public engagement and transparency requirements.

### 5. Coordination of State and Federal Permitting Requirements

Pat Ryan, with BLM, joined Jones to discuss coordination of state and federal permitting requirements. The project includes both private land (patented claim) and federal lands managed by the BLM.

Jones said that the Oregon regulations require minimizing duplication with BLM. DOGAMI and BLM have a Memorandum of Understanding related to the Calico Grassy Mountain project.

Ryan continued by providing a table that compared the federal and state permitting processes. He complimented Calico and its contractor on their cooperation to date.

There is a Notice of Intent with the federal permitting process also, said Ryan; BLM is currently examining the baseline data.

DOGAMI and State Agency coordination should be focused on issues such as joint bonding, said Ryan. Inspections should also be coordinated across State and Federal agencies.

Calico Grassy Mountain is a priority project for the BLM Vale District office for 2019, he stated.

Jon Westfall, BLM, added that a draft Plan of Operations was received from Calico. BLM responded with a series of questions and request for additional information. The federal regulations also include a requirement for baseline data, he said.

Jones discussed the Communications and Public Involvement plan developed for DOGAMI by Barney & Worth, a consultant to DOGAMI.

A copy of the DOGAMI-BLM presentation is available on the DOGAMI web site at:

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## **6. Environmental Evaluation/Socioeconomic Analysis – Developing a Draft Table of Contents**

Jones explained that Cardno would be developing an Environmental Evaluation and Socioeconomic Analysis. There are specific requirements in the Oregon regulations for these two documents.

Adam Bonin and Adele Pozzuto of Cardno joined the discussion to explain development of these two documents.

Bonin explained Cardno's responsibilities under its contract with DOGAMI, including preparing the Environmental Evaluation and Socioeconomic Analysis. The presentation reviewed the responsibilities of the State agencies:

- DOGAMI – facilitating agency
- Oregon Department of Agriculture – cooperating agency
- State Historic Preservation Office – cooperating agency
- ODFW – cooperating agency

Permitting agencies include:

- DOGAMI
- DEQ
- WRD
- Malheur County (land use)

Bonin continued to discuss the Environmental Evaluation and its requirements, including the scope, including:

- Existing conditions
- Alternative analysis
- Impact analysis
- Cumulative impact analysis
- Mitigation

Bonin said that defining what is 'significant' is an important policy question.

He outlined the current preliminary draft outline of the Environmental Evaluation. The technical appendices will include cyanide chemistry, along with the credible accident evaluation.

For the Socioeconomic Analysis, Bonin reviewed the draft outline of the report and presented an overview of its content.

He described the stakeholder interviews that are being conducted by Barney & Worth. A variety of local officials with knowledge of Malheur County, public interest groups, community leaders, and economic interest groups have been interviewed.

The primary environmental issues that have been mentioned to date include:

- Water resources
- Cyanide management
- Wildlife impacts
- Wildfire and air quality risks
- Mine restoration and long-term monitoring

The primary socioeconomic issues that have been mentioned to date include:

- Project implications for local government services
- Direct and indirect economic benefits and effects
- Transportation infrastructure and worker housing needs
- Potential for ‘boom and bust’ cycle
- Emergency response (all kinds)

Bonin discussed the need for State and Federal coordination.

Jones asked PCC members for additional thoughts and suggestions on the Environmental Evaluation and Socioeconomic Analysis.

Additional suggestions for the Socioeconomic Analysis included:

- Housing with a focus on affordability
- Overall emergency management
- Considering “What if...” type questions

Copies of the Cardno presentations are available on the DOGAMI web site at:

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## **7. Public Comments**

Jones opened the meeting for public comments. The responses included:

- *Sheriff Brian Wolfe, Malheur County*

Sheriff Wolfe remarked that the process was a ‘slow boat’. He said that Malheur County is in desperate need for livable wage jobs. Many Malheur County graduates are required to leave the County to make a living and County residents would like young people to stay in the area. There may be challenges in providing housing and other things – those are good challenges, he

said. The new Planning Director in Malheur County is excited about facilitating the permitting of new buildings in the County. The other business in Malheur County and the region will be impacted also. The mine employees will need to do business locally and in the region .

He continued that the schools have low enrollment and are seeking new students.

The dollar 'rolls over' about 7 times when invested in eastern Oregon, he said.

The road improvement will help on search and rescue incidents and will also improve the experience for those that enjoy the Owyhee Desert. BLM does a good job in maintaining the road, but an improved road would be a benefit. The cattle ranches in the Twin Springs area will benefit from an improved road, also.

He said there is a risk from a new mining project. Mining must be treated with respect for nature and the environment, and he supports that. His observation of Calico is that the firm is environmentally sound and responsible. The state and federal agency oversight leads him to have very little fear.

Emergency management is under the direction of the Sheriff, and he will continue to focus on that. He sees no reason the project should not proceed and be permitted.

- *Dayn Hardie, Owyhee Basin Stewardship Coalition/Our Land, Our Voice*

The Owyhee Basin Stewardship Coalition/Our Land, Our Voice offered its support for the project. It is focused on protecting lands and focus on using public land resources; its mission is a healthy, working landscape in Malheur County.

Grassy Mountain is an opportunity to add mining to the economic base of the County. The federal and state agencies will minimize any negative impacts. The project will be an economic boon to the local community.

There is precedent for responsible mining operations in the County, he said.

- *Kit Kamo, Snake River Economic Development Alliance*

The region faces many economic challenges and the Snake River Economic Alliance works as a private/public partnership to tackle these issues. There is a need for more living wage jobs and growing the economy.

The Calico Grassy Mountain gold mine could have a significant positive impact on Malheur County and the State. This will allow new jobs and may allow area residents to return home for new jobs. Rural communities will be able to add new businesses and services.

She recommended that the Environmental Evaluation and Socioeconomic Analysis be completed efficiently and stated her organization is glad to assist. She provided information on the commute patterns in Malheur County.

- *Ken Hart, Saint Alphonsus Medical Center*

Hart is a 14-year resident of Ontario. He is the President of the Saint Alphonsus Hospital in Malheur County.

He is also involved in the 'Poverty-to-Prosperty' group focused on growing economic opportunities in the area, along with the Board of Northwest Health Foundation.

Hart supports the project for:

- Economic development – Malheur County is one of the poorer counties in the State. Saint Alphonsus has invested in the community to provide health care to attract more business investment in the community.
- Health care and social determinants of health – Being more pro-active in providing better access to housing and to 'bend the cost-curve' for health care outcomes by increasing wages is important.

Hart worked for Senator Hatfield – Senator Hatfield taught him that these projects should be done in Oregon, where we ensure the environment is protected; let's use our resources reasonably, he said.

There was a break to see if additional members of the public were interested in speaking.

- Ken Poole, Ontario businessman

He grew up in Ontario and has been in the family business for the last 35 years. He was on the Chamber Board of Directors when the Grassy Mountain project was being proposed by Newmont Mining. He went on a tour of about 50 people to Elko, NV to tour a Newmont mine.

That was about 26 years ago, and there remains substantial interest in the Grassy Mountain project but little activity. 26 years is too long for evaluation, he said. He is a proponent of the mine. He provides goods and services to the mining industry. A mine would be a big boost to the local economy, which is depressed.

Government agencies should be able to make their mind up in less than 26 years, he said.

- Shawna Peterson, Eastern Oregon Border Economic Development Region Board

The focus of the group is on work force development in the 'border area' between Oregon and Idaho. The group has reviewed the summary information regarding the Calico Grassy Mountain project and the Board supports the project and plans to write and file a letter of support.

She indicated that the Board supports the project because:

- It provides diversity to the natural resources economy
- It provides positive economic impacts to the area and impacts on non-mining businesses

## **8. Next Meeting and Inventory of Upcoming Items**

The PCC members did not have any specific needs for upcoming meetings.

Jones asked PCC members for any additional thoughts:

- Milburn – nothing to add



- Maret – how can this permitting process be expedited? Can the PCC expedite the process, he asked?
- Knudsen – suggested that the next meeting be scheduled just before/just after the Consolidated Application is filed. If that is the case, issues to be discussed could include land use, specifics regarding the required permits and their associated conditions, and financial security. He suggested that the PCC should be considering that the process is as efficient as possible to reduce permitting times.

He remarked that the Newmont project was a very different type of mining operation.

In the state and federal processes, the Company remains in the ‘drivers seat’ regarding the schedule. The PCC can focus on removing stumbling blocks in the permitting system. The Technical Review Team is critical in keeping the process moving.

- Jones – suggested that key issues might be financial security and joint bonding, along with the tailings storage facility design. A PCC meeting before Thanksgiving might be appropriate timing, he said.
- Westfall – responded to concerns about the length of time regarding permitting. The regulations must be followed, as quickly as possible, and decisions should be made efficiently.
- Ryan - No additional comments.

Jones stated that the baseline data is almost complete.

Jones thanked Calico for its presentation, PCC members for their time, and members of the public for their interest.

The meeting was adjourned at 4:15 pm.