

OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

Vicki S. McConnell, State Geologist



NEWS RELEASE: March 11, 2013

State approves proposed Grassy Mountain gold mine baseline data collection methodologies

Portland, Oregon: The State Technical Review Team (TRT) has approved the Calico Resources USA Corporation's (Calico) baseline data collection methodologies to study the pre-mine conditions for environmental, economic, and cultural resources at a proposed gold mine site in Malheur County.

"This is a significant milestone in the Oregon chemical process mine permitting regulations, and Calico is the first company in Oregon to proceed this far in the Oregon permitting process," said Gary Lynch, DOGAMI Assistant Director of Regulation, Mineral Land Regulation and Reclamation Program.

The TRT is an interdisciplinary team of representative state agencies that reviews all technical aspects of the application and develops consolidated permit conditions that conform to Oregon regulations. DOGAMI serves as the facilitating agency for the TRT.

The proposed Grassy Mountain Gold Mine Project is located in Malheur County, Oregon, approximately 25 miles south-southwest of Vale, Oregon. The project area includes patented and unpatented lode mining claims, as well as private land currently under lease for mineral exploration and development. The proposed underground mine, mill, and ancillary facilities are all located on patented mining claims or private fee land controlled by Calico Resources. The areas are linked by a road on federal land managed by the Bureau of Land Management. Calico is considering constructing an underground mine and surface mill complex to develop the Grassy Mountain gold resource.

Baseline data collection methodologies will be used by Calico to characterize the pre-mine environment and to provide necessary information for DOGAMI and other State agencies to evaluate a consolidated application for a proposed chemical process mine.

For some areas of baseline study, one year of data will be needed to assemble a consolidated application. During the one-year period of baseline data collection, Calico Resources will also develop the project's operating plan, reclamation and closure plan, alternatives evaluation, and financial security analysis for all reclamation and post-closure monitoring program costs, all of which are required under Oregon law to support the project's consolidated permit application.

A copy of the approved work plan for baseline data collection methodologies (March, 2013) is available on the DOGAMI web site at

http://www.oregongeology.org/mlrr/chemicalprocess_Calico-GrassyMtn.htm

DOGAMI's mission is to provide earth science information and regulation to make Oregon safe and prosperous.

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A copy of the approved work plan for baseline data collection methodologies (March, 2013) is available for review and copying at the DOGAMI offices in Albany (229 Broadalbin St. SW, Albany, OR 97321, Mon. – Fri. 8 am – 5 pm), at the DOGAMI office in Portland – Nature of the NW (800 NE Oregon Street, Suite 965, Portland, OR 97232, Mon. – Fri. 9:00 am - 12:30 pm; 1 pm – 4 pm). State agency offices are closed on state holidays and furlough days. Photocopy charges may apply.

A copy is also available at the Vale City Library (150 A Street, Vale) and the Ontario Community Library (388 S.W. 2nd Avenue, Ontario).

Routine Information

Interested individuals can routinely receive information on the proposed project by US mail or electronically:

- **US Mail**

To receive information regarding the project by US mail, send \$5 to DOGAMI, attn: Calico/Grassy Mt project, 229 Broadalbin St. SW, Albany, OR 97321. The fee is to cover mailing costs.

- **Electronically**

To receive information regarding the project electronically, e-mail calicoinformation@mlrr.oregongeology.com (insert "Grassy Mt list" in re: line) or by US mail to DOGAMI, 229 Broadalbin St. SW, Albany, OR 97321. There is no fee to be kept informed electronically.

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The Oregon Department of Geology and Mineral Industries is an independent agency of the State and has a broad responsibility in developing a geologic understanding of natural hazards. We then make this information available to communities and individuals to help reduce the risks from earthquakes, tsunamis, landslides, floods and volcanic eruptions. We assist in the formulation of state policy where an understanding of geologic materials, geologic resources, processes, and hazards is key to decision-making. The Department is also the lead state regulatory agency for mining, oil, gas and geothermal exploration, production and reclamation.

Learn more about Oregon's geology online:

<http://www.OregonGeology.org>



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