Supplement to Wildlife Mitigation Plan for the Grassy Mountain Mine Project

Prepared for: Calico Resources USA Corp 665 Anderson Street Winnemucca, Nevada 89445









Prepared by:
Mason, Bruce & Girard, Inc.
707 SW Washington Street, Suite 1300
Portland, Oregon 97205
www.masonbruce.com

May 19, 2025

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Introduction

Calico Resources USA Corp. (Calico) proposes to construct, operate, reclaim, and close an underground mining and precious metal milling operation in Malheur County, Oregon called the Grassy Mountain Mine Project (Project). To support the permitting process, the project team prepared a Wildlife Mitigation Plan (WMP), and the most recent version from August 2023 was included in the Consolidated Permit Application (EMS & MB&G 2023). This document provides supplemental materials to the WMP including revised mitigation calculations and an update to the preferred compensatory mitigation options. Where relevant, this document cites back to the appropriate section and sub-section of the WMP for ease of reference.

WMP Section 4 Analysis of Potential Impacts

WMP Section 4.3.7 Habitat Quantification Tool Results

In late 2024, Oregon Department of Fish and Wildlife (ODFW) provided an updated greater sage-grouse Habitat Quantification Tool (HQT) assessment of indirect and direct impacts expected to result from the Project (G. Jackle, ODFW Interim Sage-Grouse Mitigation Coordinator, pers comm.). This version of the assessment accounted for minimization measures proposed for controlling raven nesting opportunities by installing nesting deterrent structures on power poles and other taller structures associated with the project. Reductions were based on the potential impact reduction percentages presented in Table 3.7 of the HQT Scientific Rationale (ODFW 2019). Results of the updated HQT are included in Attachment A. Based on the most recent update, Calico will need to obtain sufficient mitigation acreage to provide a total of 700.6 functional acres of GRSG habitat including 699.8 functional acres of upland habitat and 0.8 functional acres of mesic habitat.

WMP Section 5 Impact Minimization Measures

WMP Section 5.3 Reclamation

This section of the 2023 WMP addresses the requirement (OAR 635-420-0060 (5)) that Calico must ensure that reclamation efforts will result in a "self-sustaining ecosystem comparable to undamaged ecosystems in the study area upon completion of reclamation". The 2023 WMP notes objectives of the Reclamation Plan (Calico 2023) that are relevant to wildlife and wildlife habitat. This supplement documents the addition of a measure to the list presented in Section 5.3. Calico will further reduce the impacts of the Project on wildlife by removing the power infrastructure including the new 34.5kV distribution line and associated power poles during the reclamation phase of the Project.

In addition, Calico uses this supplement to add a reference to OAR 635-420-0110 (1) Certification of Self-Sustaining Ecosystem to the WMP. OAR 635-420-0110 requires Calico to "submit a report to the Department evaluating the success of habitat restoration against the quantitative measures of ecosystem utility and stability established in the wildlife mitigation plan pursuant to 635-420-0060". As further described in OAR 635-420-0110 (2), the evaluation of the success of habitat restoration will rely on a site investigation conducted following the methods that were used to collect the baseline data for the Project. Project-specific methods used to collect the baseline data were reported in the Wildlife Resources Baseline Report (EMS 2020). This Supplement confirms Calico will demonstrate compliance with OAR 635-420-0110 using the same methods as followed in the Wildlife Resources Baseline Report, or revised methods approved by ODFW.

WMP Section 6 Compensatory Mitigation Options

As described in the 2023 WMP, Calico intends to provide compensatory mitigation for impacts to wildlife and wildlife habitat that are otherwise not addressed by the minimization and avoidance measures presented in Section 5 of the WMP. Aside from the GRSG mitigation calculation, the compensatory mitigation needs remain the same as originally presented in Section 6 of the 2023 WMP, and they are summarized below in Tables 1 and 2.

Table 1. Summary of GRSG Compensatory Mitigation for the Project

Type of Impact	Functional Acres	
Direct and Indirect Impacts to GRSG Upland Habitat	699.8	
Direct and Indirect Impacts to GRSG Mesic Habitat	0.8	
Total Direct and Indirect Impacts to GRSG Habitats	700.6	

Table 2. Summary of Other Wildlife Compensatory Mitigation for the Project

Type of Impact	Habitat	Mitigation Acres
Direct Impacts to Other Wildlife Habitat		
	Riparian Association	1.38
	Sagebrush Shrubland	318.08
	Perennial Grassland	92.29
	Annual Introduced Grassland	38.54
Total Mitigation for Direct Impacts to Other Wildlife Habitat		450.3
Total Mitigation for Indirect Impacts to Mule Deer Winter Range		169.5

WMP Section 6.5 Compensatory Mitigation Options

As described in Section 6.5 of the 2023 WMP, and detailed using examples in Section 6.6, Calico proposed a combination of methods to provide compensatory mitigation for the Project including:

- 1. Permittee implemented mitigation: Habitat Mitigation Area (HMA)
- 2. ODFW In-Lieu Fee Program for Greater Sage Grouse
- 3. Third party payment-to-provide: Wildlife Habitat Management and Greater Sage-Grouse Mitigation Bank

Following completion of the 2023 WMP, Calico continued to develop its compensatory mitigation approach for the Project drawing from a mix of mitigation methods, including permittee implemented mitigation and third party payment-to-provide. Currently, Calico intends to satisfy the entire compensatory mitigation requirements using a third party payment-to-provide option by engaging with a mitigation bank.

Third party payment-to-provide

Calico continues to engage with TerraWest Conservancy to arrange purchase of credits from the Northern Great Basin Conservation Bank or other properties under their control, as a means to provide the compensatory mitigation needed

for the Project. This would include purchasing credits sufficient to satisfy the 700.6 functional acres for greater sage-grouse, 169.5 acres of mule deer winter range as well as approximately 450 acres of other wildlife habitat. The detailed proposal provided by TerraWest to fully satisfy the mitigation needs of the Project is further described in Attachment B.

This mitigation package demonstrates Calico can meet the compensatory mitigation requirements of ODFW's Fish and Wildlife Habitat Mitigation Policy (OAR 635-415-0000 through OAR 635-415-0025) for impacts to wildlife and habitats, and the compensatory mitigation requirements specific to greater sage-grouse as described in OAR 635-140-0000 through 635-140-0025.

Other Options

While purchasing credits from the bank is Calico's preferred option, Calico reserves the ability to consider other compensatory mitigation opportunities that may develop prior to the initiation of Project-related ground disturbing activities.

Literature Cited

Calico Resources USA Corp. 2023b. Grassy Mountain Mine Project Reclamation Plan. Revised August 2023.

EM Strategies (EMS). 2020. Wildlife Resources Baseline Report for the Calico Resources USA Corp. Grassy Mountain Mine Project, Malheur County, Oregon, Revised October 2020.

EM Strategies (EMS) and Mason, Bruce & Girard, Inc. (MB&G). 2023. Calico Resources USA Corp. Grassy Mountain Mine Project, Malheur County, Oregon, Wildlife Mitigation Plan, Revised August 2023.

Jackle, G. ODFW Interim Sage-Grouse Mitigation Coordinator. Personal communication via email with W. Wente, MB&G Ecologist, December 3, 2024.



Attachment A

Updated HQT Results for the Project

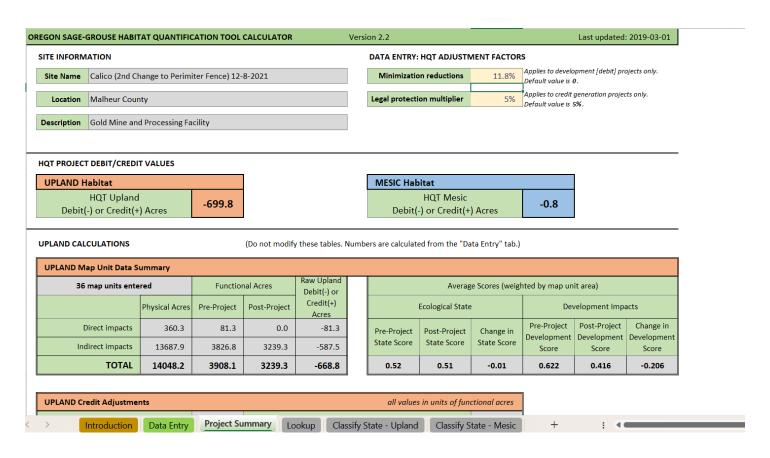
UPLAND CALCULATIONS

(Do not modify these tables. Numbers are calculated from the "Data Entry" tab.)

UPLAND Map Unit Data S	ummary						
36 map units ente	36 map units entered		Functional Acres		Average S		
	Physical Acres	Pre-Project	Post-Project	Credit(+) Acres		Ecological State	
Direct impacts	360.3	81.3	0.0	-81.3	Pre-Project	Post-Project	
Indirect impacts	13687.9	3826.8	3239.3	-587.5	State Score	State Score	S
TOTAL	14048.2	3908.1	3239.3	-668.8	0.52	0.51	

Average Scores (weighted by map unit area)						
Ecological State			ogical State Development Impacts			
Pre-Project State Score	Post-Project State Score	Change in State Score	Pre-Project Development Score	Post-Project Development Score	Change in Development Score	
0.52	0.51	-0.01	0.622	0.416	-0.206	

UPLAND Credit Adjustments all values in units of functional acres					ctional acres
Raw upland habitat credit value	-668.8	Credit value after minimization -599.			-599.5
Total post-project functional acres eligib	Total post-project functional acres eligible for legal protection credit		ection credit 0 Legal protection credit		
Debit projects are required to achieve a	net conservatio	on benefit	15% Net conservation benefit		
		HQT Upland Debit(-) or Credit(+) Acres		-699.8	



Attachment B

Terra West Environmental Impact Mitigation Proposal

ENVIRONMENTAL IMPACT MITIGATION PROPOSAL

FOR THE

GRASSY MOUNTAIN GOLD PROJECT CALICO RESOURCES

PROVIDED BY

Northern Great Basin Conservation Bank



ENVIRONMENTAL IMPACT MITIGATION PROPOSAL for the GRASSY MOUNTAIN GOLD PROJECT CALICO RESOURCES USA Corp.

INTRODUCTION

The Northern Great Basin Conservation Bank (NGBCB) provides perpetual, compensatory mitigation offsets for development actions that impact fish and wildlife habitats as outlined in state mitigation policies (OAR 635-415-0000 through 0025 and OAR 635-140-0000 through 0025). NGBCB is being established through extensive coordination with the Oregon Department of Fish and Wildlife (ODFW), administrator of Oregon mitigation policies, and an inter-agency review team (IRT) comprised of other state and federal agencies (Department of State Lands, Department of Land Conservation and Development, Bureau of Land Management, and United States Fish & Wildlife Service) with relevant expertise in state policy and/or management and conservation of fish and wildlife habitats¹.

NGBCB is located in Baker and Malheur Counties, Oregon, and contains approximately 40,000 acres of deeded land (Figure 1). NGBCB's properties are comprised of sagebrush steppe, grassland and meadows, Douglas fir/pine forests, high elevation juniper, and mesic/riparian habitat types that provide year-round and seasonal conditions that support greater sage-grouse (*Centrocercus urophasianus*), elk (*Cervus elaphus*), mule deer (*Odocoileus hemionus*), pronghorn (*Antilocapra americana*), and black bear (*Ursus americanus*), which have been documented using NGBCB properties. Other notable species of conservation concern for Oregon observed on the NGBCB's properties include loggerhead shrike (*Lanius ludovicianus*), burrowing owl (*Athene cunicularia*), and Columbia spotted frog (*Rana luteiventris*). In addition to known habitats and species' use on the bank, NGBCB is strategically situated between two ODFW-identified Conservation Opportunity Areas (COAs) (Bully Creek Area and Willow/Birch Creek Area), which may help facilitate movement between these important areas. This is further justified through the Oregon Connectivity Assessment and Mapping Project (OCAMP), which identifies several potential connector corridors and regional use areas on NGBCB that may also facilitate wildlife movements.

Through NGBCB's establishment process, ODFW has agreed that NGBCB can supply credits to development actions that need compensatory mitigation offsets to comply with the State of Oregon mitigation policies. NGBCB provides appropriate levels of habitat uplift, conservation protections, long-term stewardship, and robust risk assessment that are consistent with the principles and standards for both the sage-grouse mitigation program and policy (SGMP) and habitat mitigation policy (HMP). Specific to sage-grouse, NGBCB is largely located within core habitat (Cow Valley Priority Area of Concern) and can meet sage-grouse credit needs from development actions located anywhere within the Northern Great Basin sage-grouse service area (Figure 2). For HMP, NGBCB can provide mitigation credit consistent with 'in-kind' and 'in-proximity' requirements for habitat categories 2 through 6 for development impacts to specific habitat types (i.e., sagebrush steppe, forest, grassland, riparian, etc.). NGBCB's mitigation credits for HMP are directly tied to proximity of the mitigation actions and development impacts and requires ODFW approval on a case-by-case basis to ensure NGBCB credits are sufficient to offset specific development impacts to fish and wildlife habitats.

¹ "Regulatory agencies now generally prefer conservation banks ... due to a number of advantages over traditional permitteeresponsible compensatory mitigation; Banks are more likely to achieve desired long-term outcomes and to create mitigation sites that are protected in perpetuity by organizations dedicated to resource conservation ... and assemble and apply extensive financial resource planning and scientific expertise, and enable efficient use of limited agency resources in the review and compliance monitoring of compensatory mitigation projects" (fhwa.dot.gov; epa.gov.).

A - CALICO GRASSY MOUNTAIN GOLD MINE PROJECT MITIGATION

Table 1 identifies Grassy Mountain Gold Project (GMGP) compensatory mitigation requirements as provided by Calico Resources USA Corp. (Calico). NGBCB has been coordinating with ODFW to correlate habitats on NGBCB with impacted habitats from GMGP to ensure available credits are viable mitigation offsets under the in-kind and in-proximity mitigation policy requirements. It has been determined that NGBCB will be able to satisfy all GMGP's mitigation requirements for sage-grouse and HMP (Figure 2). A comprehensive crosswalk of GMGP mitigation debits and proposed aligned NGBCB credits has been compiled and is available upon request.

Table 1. Mitigation needed for the GMGP and	proposed credits available from NGBCB.

Mitigation Type	Category / Description	Mitigation Need	Mitigation Available
		(Functional Acres/Acres)	from NGBCB
Greater Sage-Grouse –	_	699.8	100%
Upland			
Habitat Mitigation	Category 2: Mule Deer	169.5	100%
Program	Winter Range		
Habitat Mitigation	Category 2 - 5 Vegetation	450.3	100%
Program			
Greater Sage-Grouse -	_	0.8	100%
Mesic			

B - CREDIT APPROVAL TIMELINE

Full NGBCB approval is anticipated in Q2 of 2025. The NGBCB document package has been reviewed by ODFW program staff and state Department of Justice and has been forwarded to ODFW leadership for approval signatures. While NGBCB is currently in the pre-entitlement phase, ODFW has authorized credit sales, and NGBCB has executed credit transactions for both Greater Sage-Grouse and HMP offsets. For an overview of the entire project timeline, please see Attachment A hereto.

C - MEETING ODFW'S MITIGATION REQUIREMENTS

NGBCB is managed as an operational cattle ranch and mitigation bank that complies with all necessary components of the SGMP, HMP, and other state policy, as applicable, to provide satisfactory mitigation offsets for development actions that impact important fish and wildlife habitats. The Bank encompasses habitat uplift actions, thorough management plans with adaptive considerations, monitoring of habitat and wildlife populations, site durability, long-term stewardship, and ample risk assessment, all of which meet or exceed policy conditions. The requisite actions are location specific, derived in coordination with ODFW, and are packaged such that successful mitigation is achieved prior to development actions being implemented. This provides significant benefit to developers and the state of Oregon because it offers a mitigation option that streamlines portions of the development permitting process and provides mitigation actions that are realized and functional on the landscape prior to habitat loss or degradation.

D - COW VALLEY FIRE

In July 2024, the Cow Valley Fire started west of the NGBCB properties and expanded rapidly, encompassing a portion of NGBCB's properties. The NGBCB team coordinated with ODFW and other agencies to quickly assess impacts on the properties and developed an aggressive rehabilitation plan based on pre-fire habitat condition, burn severity, and other factors. In Fall 2024, the NGBCB team implemented invasive annual grass and

vegetation planting treatments within the fire perimeter to stabilize the landscape and existing habitat and to implement a quick response to reduce any negative effects of the fire. The NGBCB team continues to work closely with ODFW to finalize credit release criteria across the unburned and burned portions of the NGBCB's properties and is confident in meeting GMGP's credit needs.

E - NEXT STEPS & FOLLOW UP: CALICO RESOURCES CONFIRMATION AND RESERVATION AGREEMENT

In summary, NGBCB is able to satisfy all of the mitigation requirements that Calico stated are currently required for GMGP. However, NGBCB's credits are currently being marketed for sale and, absent any immediate action, may not be available at the time at which GMGP is required to acquire these credits for mitigation offsets in order to commence development. As such, the NGBCB team proposes that it negotiate a credit purchase Reservation Agreement (RA) with Calico to ensure that the necessary credits are held in reserve to offset GMGP mitigation requirements. The RA also provides ODFW with assurance that these credits are available and allocated to Calico for mitigation offsets, which can help project permitting move forward. An RA requires a reserve payment for each category of mitigation and will set the price of each credit (which may otherwise change due to market conditions prior to actual purchase). This reserve payment will be due and payable upon RA execution (or a later date negotiated by the parties) and will be applied to the total cost of mitigation credits at the time of purchase. The balance of the credit cost will be due and payable upon consummation of the credit purchase, as set out in the Reservation Agreement. A draft Reservation Agreement form can be provided for Calico's review.

The NGBCB team is pleased to offer this document about NGBCB and its ability to supply mitigation credits to Calico to completely cover GMGP mitigation needs. The NGBCB team looks forward to further coordination with Calico to review and confirm the key aspects of this document and to further discuss a mitigation credit reservation and transition.

Questions and scheduling queries may be coordinated through TerraWest Consulting.

Figure 1. Overview of NGBCB properties.

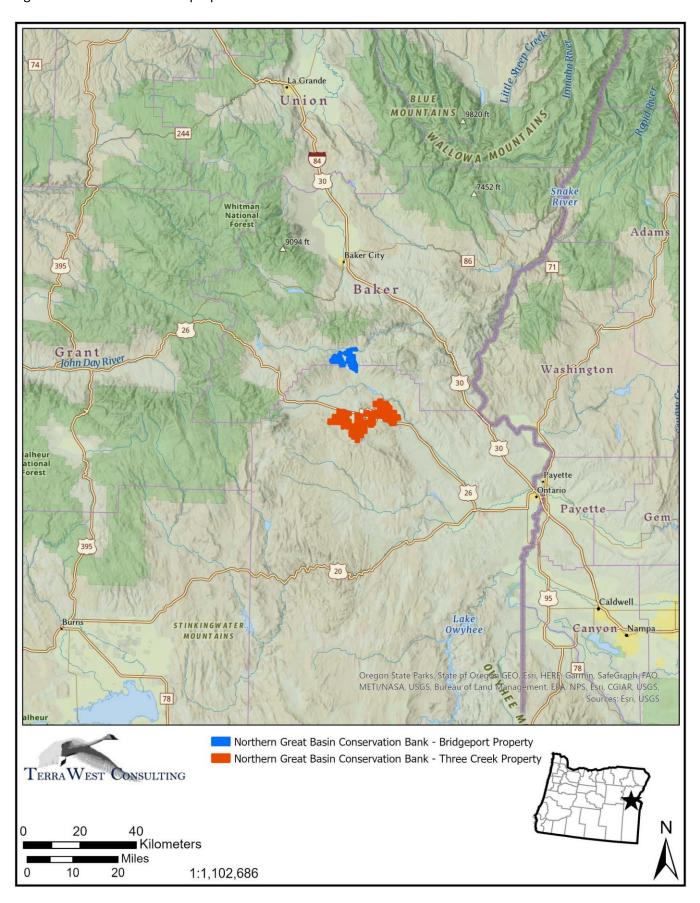
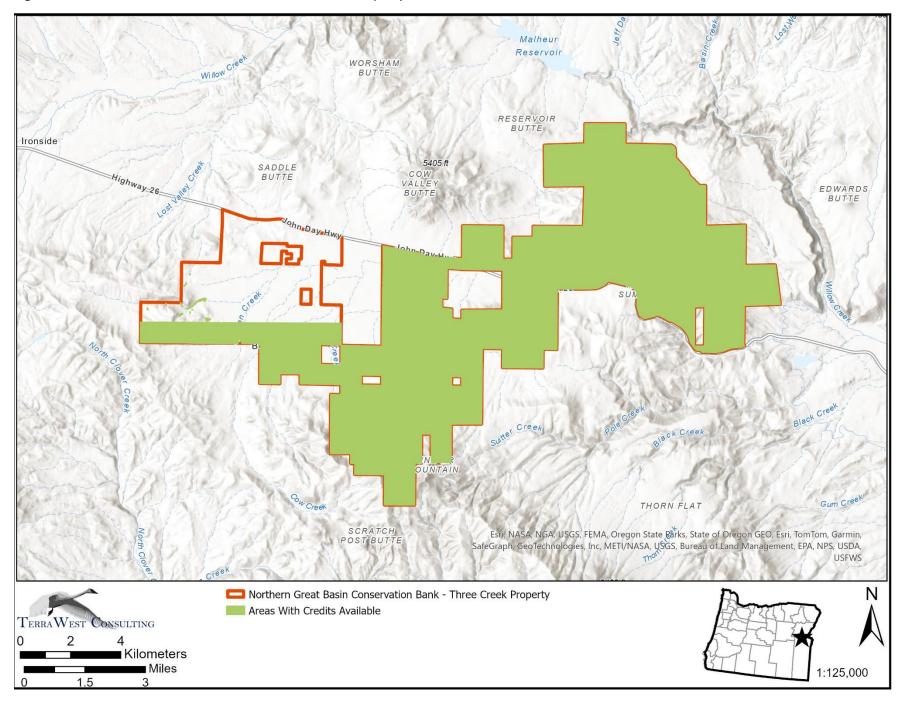


Figure 2. Areas with credits available on the Three Creek Property of the Northern Great Basin Conservation Bank.



ATTACHMENT A NGBCB Project Timeline

NORTHERN GREAT BASIN

