



GRASSY MOUNTAIN MINE PROJECT

Inadvertent Discovery Plan

Submitted to:

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1. INTRODUCTION

Calico Resources USA Corp. proposes to construct, operate, reclaim, and close an underground mining and precious metal milling operation known as the Grassy Mountain Mine Project (Project). In general, the proposed mining and precious metal processing operations will consist of an underground mine and ore processing facilities, including a conventional mill and tailings storage facility (TSF), and a temporary waste rock storage facility (TWRSF), as well as other support facilities.

The Project will include the following major components:

- An underground mine, with Mine Portal, decline, and ventilation shaft;
- TSF with Tailings Embankment, Tailings Impoundment, and Reclaim Pond;
- TWRSF;
- Process Plant Area, which includes the Process Plant building, control room, crushing facilities, conveyors, ore bins, control rooms, CIL processing plant, reagent storage building (including chemical and reagent storage), gold room, and Collection Pond;
- Infrastructure and ancillary facilities that include Project site main gate and guard house, administration office and change house, assay laboratory and sample preparation area, truck workshop and warehouse, wash pads, Process Plant workshop and warehouse, meteorological station, explosive magazines, parking areas, ore stockpiles, solid and liquid hazardous waste storage, and fuel storage and dispensing area;
- Roads, including upgrades to the Twin Springs and Cow Hollow roads, and construction of the Mine access, internal access, and Mine haul roads;
- Yards and laydown areas;
- Growth Media Stockpiles;
- Water supply, including Production Wellfield, water pipeline, raw water storage tank, and Potable Water Treatment Plant;
- Power supply that includes a power substation, upgrades to the existing 69 and 12.5 kilovolt (kV) overland power transmission system, new 34.5 kV overland power transmission system, onsite powerlines, and generators;
- Permanent and temporary stormwater diversion channels;
- Other areas, including the exploration areas, septic system, and perimeter fence;
- Quarry; and
- Reclamation Borrow Areas.

The Inadvertent Discovery Plan (IDP) should be followed if paleontological and cultural materials, including human remains, are encountered during construction.

1.1 PURPOSE OF INADVERTENT DISCOVERY PLAN

Operations approved under the Plan of Operations may not knowingly disturb, alter, injure, or destroy important paleontological, historical, or archaeological resources (43 CFR 3809.420.b). The IDP covers possible paleontological materials or cultural materials (historical and archaeological), including human remains inadvertently discovered during construction activities. The following IDP protocols were

developed using Oregon State Historic Preservation Office (SHPO) templates and guidance and are intended to direct actions such that the Project maintains compliance with applicable State of Oregon and federal laws and regulations:

- Archaeological Resources Protection Act (ARPA) - 16 USC 470aa, and implementing regulations, 43 CFR 7 and ORS 358.905-955;
- Section 106 of the National Historic Preservation Act (16 U.S. Code [USC] 470) and its implementing regulations, 36 Code of Federal Regulations (CFR) 800, including regulations guiding Post-Review Discoveries Without Prior Planning – 36 CFR 800.13(a)(2)(b);
- Native American Graves Protection and Repatriation Act (NAGPRA) - 25 USC 3001, and its implementing regulations, 43 CFR 10 and ORS 97.740-97.760;
- Oregon Archaeological Objects and Sites – ORS 358.905 to 358.961; and
- Paleontological Resources Preservation Act of 2009 (PRPA) (16 USC § 470aaa 1-11).

2. PROTOCOL FOR COORDINATION IN THE EVENT OF INADVERTENT DISCOVERY

In the event of an inadvertent discovery of possible paleontological or cultural materials, including human remains, all work will stop immediately in the vicinity of the find. A 30-meter buffer shall be placed around the discovery with work being able to proceed outside of this buffered area unless additional cultural materials are encountered. The following bullets describe in detail all actions that must be taken. The contact information was developed at the time of preparing this report, and will need to be updated as the project develops.

- The area will be secured and protected.
- The Calico Project Manager / Point of Contact will be notified. The Project Manager will immediately notify the Bureau of Land Management (BLM) Malheur Field Office Manager (Field Manager) and the appropriated authorized official (more information is presented below) (43 CFR 3809.420 (b)(8)).
- Project Manager / Point of Contact: Glen van Treek, 775-770-4615
- BLM Field Manager: Thomas Patrick “Pat” Ryan, 541-473-6277, tlryan@blm.gov
- If cultural resources are discovered, the Project Manager will immediately contact the SHPO and the BLM Archaeologist via telephone and with a written confirmation. Work will not resume until 1) consultation with SHPO and the Tribes has occurred, 2) a professional archaeologist meeting the Secretary of the Interior qualifications and is capable of holding or holds a permit to work in Oregon assesses the discovery, and 3) the BLM Field Manager and Project Manager have provided written authorization to commence activities in the affected area.
- If possible human remains are encountered, the Oregon State Police, Commission on Indian Services (CIS), SHPO, and appropriate Tribes will also be notified, as required by state law (ORS 97.745[4]). All opportunities will be provided for a Tribal osteologist to examine the discovery in situ with other professionals that might be consulted, such as coroners, and other osteologists (43 CFR 3809.401[c][1-2], 43 CFR 3809.420[b][8][i-iii]).

Oregon State Police: Lt. Craig Heuberger: 503-508-0779

CIS: Patrick Flanagan, Executive Director, 503-986-1067

Appropriate Tribes: As designated by CIS

SHPO: John Pouley, State Archaeologist, 503-480-9164 or Jamie French, Assistant State Archaeologist, 503-979-7580

BLM: Michael Wanzenried, 541-473-6348

- No work may resume until consultation with the SHPO has occurred and a professional archaeologist is able to assess the discovery.
- If human remains are encountered, do not disturb them or any cultural and other resources found with them in any way. A 100-foot protection buffer will be established around the discovery. Do not call 911. Do not speak with the media. Secure the location. Do not take photos. The location shall be secured, and work will not resume in the area of discovery until all parties involved agree upon a course of action.
- A professional archaeologist will be needed to assess the discovery. The professional archaeologist, in coordination with the BLM, will assist in consultation with SHPO and appropriate Tribal Governments to determine an appropriate course of action.
- Archaeological excavations may be required. This is handled on a case-by-case basis by the professional archaeologist and Project Manager, in consultation with SHPO and appropriate Tribes.
- If paleontological remains are encountered, do not disturb them in any way. Resources will be left intact, and a professional paleontologist will be needed to assess the discovery. The discoveries will be evaluated by the professional paleontologist in coordination with the BLM. BLM directed actions will be taken to protect or remove the resource before operations are allowed to resume (43 CFR 3809.420(b)(8)(i-iii)).

Once BLM receives written confirmation of the notification of a discovery, the BLM will certify receipt of notification within three days. The BLM will also take any additional necessary steps to secure and protect the inadvertent discoveries, notify any lineal descendants whose ancestors the discoveries are likely associated, initiate consultation on the inadvertent discovery, and follow procedures in 43 CFR 10.3, 10.5, and 10.6, as needed. Consultation following 43 CFR 10 does not replace other required consultation efforts. Federal agencies cannot allow human remains, burial goods, or potentially NRHP eligible sites to be knowingly adversely affected without properly consulting (per 36 CFR 79; 36 CFR 800.5-800.7 and 25 USC 3001-3013) other parties and establishing agreements to mitigate those effects. 3809.420(b)(8).

2.1 WHEN TO STOP WORK

Construction work may uncover previously unidentified Native American or Euro-American artifacts. This may occur for a variety of reasons, but may be associated with deeply buried cultural material, access restrictions during project development, or if the area contains impervious surfaces throughout most of the project area which would have prevented standard archaeological site discovery methods.

Work must stop when the following types of artifacts and/or features are encountered:

Native American artifacts may include (but are not limited to):

- Flaked stone tools (arrowheads, knives scrapers etc.);
- Waste flakes that resulted from the construction of flaked stone tools;
- Ground stone tools like mortars and pestles;
- Layers (strata) of discolored earth resulting from fire hearths. May be black, red or mottled brown and often contain discolored cracked rocks or dark soil with broken shell;
- Human remains;
- Structural remains- wooden beams, post holes, fish weirs.

Euro-American artifacts may include (but are not limited to):

- Glass (from bottles, vessels, windows etc.);
- Ceramic (from dinnerware, vessels etc.);
- Metal (nails, drink/food cans, tobacco tins, industrial parts etc.);
- Building materials (bricks, shingles etc.);
- Building remains (foundations, architectural components etc.);
- Old Wooden Posts, pilings, or planks (these may be encountered above or below water);
- Remains of ships or sea-going vessels, marine hardware etc.;
- Old farm equipment may indicate historic resources in the area;
- Even what looks to be old garbage could very well be an important archaeological resource.

Paleontological Resources may include (but are not limited to):

- Fossilized bone;
- Fossilized wood;
- Footprints, leaves, or other fossilized imprints in the earth's crust;
- Other traces of once living organisms.

When in doubt, call it in!

2.2 TREATMENT OF INADVERTENTLY DISCOVERED RESOURCES

Inadvertent discoveries should be protected and left in place and a 100-foot protection buffer placed around a discovery. Federal and state laws prohibit the sale or exchange of cultural items, including human remains. Damage to archaeological sites, sites of cultural patrimony, or paleontological resources are also prohibited by law. Unless authorized under an archaeological excavation (ORS 390.235, 16 USC 470), these resources are protected on state, federal, tribal, and private lands; and prohibited actions, punishable by criminal penalties (Oregon Administrative Rules [OAR] 736-051-0080 to 0090, ORS 97.740 to 97.760, 16 USC 470aaa, 16 USC 470ee to 470hh, 16 USC 470ee to 470hh, and 18 USC 1170).

Do not collect, keep, or move discovered artifacts or features!

Do not cause damage to cultural or paleontological resources!

2.3 PROCEEDING WITH CONSTRUCTION

Construction activities, if otherwise lawful, can proceed only after the proper archaeological inspections have occurred, environmental clearances are obtained, and necessary agreements between the federal agency and tribal entity or entities are executed. This requires close coordination with SHPO and the Tribes.

43 CFR 10 provides the federal agency 30 days after certification of the written confirmation to consult and coordinate with the affiliate Indian tribes and execute an agreement for a recovery plan to treat, excavate, or remove human remains, funerary objects, sacred objects, or objects of cultural patrimony.

If needed, paleontological inspections will be conducted under the direction of a professional paleontologist. Prior to commencing inspections on federal lands, a paleontological collection permit (16 CFR 470), land use authorizations, or other permits, as needed will be obtained.

If needed, archaeological inspections will be conducted under the direction of an archaeologist meeting the Secretary of the Interior's Professional Qualifications in archaeology, as described in 36 CFR 61, and meet the definition of a Professional Archaeologist as defined by ORS 390.325(6)(b) and applied by ORS 97.740(6) for ORS 97.740 to 97.760. Prior to commencing archaeological inspections, the archaeologist will obtain permits, such as, State of Oregon Archaeological Permit, Permit for Archaeological Investigations on federal lands, tribal authorizations, land use authorizations, or other permits, as needed.

After an inadvertent discovery, some areas may be specified for close monitoring or 'no work zones.' Any such areas will be identified by the professional archaeologist to the Project Manager, and appropriate Contractor personnel.

Archaeological monitoring, as needed, will be conducted by an archaeologist who meets the Secretary of the Interior's Professional Qualifications in archaeology and meeting the State of Oregon's definition of Professional Archaeologist.

In coordination with the SHPO, BLM, and affiliated tribal official, the Project Manager will verify these identified areas and be sure that the areas are clearly demarcated in the field, as needed.