Grassy Mountain Project
Malheur County, Oregon
Agenda

1. Process Flowsheet
2. Process Description
3. Preliminary Layouts of Process Plant
4. Layout Key Points
Process Flowsheet

Crushing

Leach and Carbon Adsorption

Gold Recovery

Grinding

Gravity

Cyanide Detoxification
Process Description

• Plant throughput 750 tons/day

• Stage crush with ball mill

• Standard cyanide leach process with adsorption
  o Sodium cyanide for leaching and stripping
  o Lime for pH modification
  o Air or oxygen addition through blower system
  o Activated carbon for adsorption

• Gold recovery by standard carbon stripping process
  o Sodium cyanide
  o Sodium hydroxide
Process Description

• Thickening for water and cyanide recovery before detoxification

• Cyanide detoxification process treating tailings before disposal in TSF
  o Sodium metabisulfite as reducing agent
  o Copper sulfate as catalyst
  o Lime for pH modification

• Detoxification process will reduce weak acid dissociable cyanide (WAD CN) to below 30 ppm
Preliminary Plant Layout
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Preliminary Plant Layout
Layout Key Points

• Concrete containment of all wet areas of the plant

• Reagents mixing (e.g. sodium cyanide) in dedicated containment area

• Containment areas sized to contain 110% of largest tank volume

• Plant site run-off water is directed to a containment pond on eastern side. Water returned to the plant.

• Best practice design will be followed as per the International Cyanide Code

• Reagents stored in secure areas in close proximity to the mixing area to limit travel distance between storage and mixing.
Questions?
Grassy Mountain Project
Tailings Storage Facility
Malheur County, Oregon

Chris MacMahon, PE
Golder Associates Inc.
Tailings Civil Engineer

November 16, 2017
AGENDA

- Grassy Mountain Site Layout
- Oregon Administrative Rules (OAR)
- General Tailings Storage Facility (TSF) Overview
- Primary TSF Components
- Typical Operation and Fluid Management
- Questions
OREGON ADMINISTRATIVE RULES FOR TSFs

- TSFs are mine waste containment facilities and dams
  - Regulated under multiple OAR Divisions
    - Water Pollution Control – OAR 340, Division 43 – Chemical Mining. ODEQ
    - Dam Safety – OAR 690, Division 20 – Dam Safety. OWRD

- Division 43 defines minimum design and construction criteria relating to water pollution control
- Division 20 defines minimum criteria for dam embankments
  - Does not specifically address design concepts or characteristics uniquely specific to TSFs

All design concepts implemented for the Grassy Mountain TSF meet or exceed OAR Guidelines and industry standard of care
PRIMARY TSF COMPONENTS

- **Containment and Drainage**
  - Impoundment and dam continuously lined with dual containment lining system.
    - HDPE geomembrane above secondary containment layer providing equivalent of 36 inches of $1 \times 10^{-7}$ cm/sec hydraulic conductivity
  - Network of perforated pipes and drainage blanket above liner to minimum fluid pressure and drain tailings mass
  - Collected underflows are conveyed to downstream underdrain reclaim pond
Geotechnical Stability

- Dams are constructed in phases using downstream techniques
- Most stable dam configuration
- Allows for continuous liner on upstream slope
- Site specific seismic and faulting hazard assessment performed
Primary TSF Components

- Tailings delivery and deposition
  - Tailings are slurry (mixture of crushed ore and water)
  - Transported from mill in dual containment piping system
  - Deposited through evenly-spaced spigots around perimeter

- Supernatant Water Management
  - Supernatant water is pumped back to mill for recycle in a dual containment piping system
  - Freeboard (distance from highest impoundment surface and lowest dam crest elevation) is designed to account for:
    - Seasonal water level fluctuations
    - Peak design storm events (100-yr, 24-hr) and wave run-up do to wind
TYPICAL OPERATION

- Maximum mill throughput – 1,000 tons/day
- Prelim. Slurry Concentration – ~50% (w/w) solids
- Tailings are deposited from zones along the perimeter (spigots)
- As tailings are deposited, Tailings and water separate during deposition (supernatant pool)
- Impoundment surface segregates into three distinct area
  1. Wet beach (active deposition)
  2. Dry beach (area at rest)
  3. Supernatant pool
- Water released from bottom of tailings mass is collected in underdrains
- Underdrain and supernatant water are pumped back to mill for reuse
- Water lost due to evaporation and interstitial loss is made up from water well production
Calico Resources USA Corp.

Summary of Planned Environmental Compliance Activities During and Post–Mining, Grassy Mountain Mine

November 16, 2017
Portland, OR
NYSE MKT: PZG
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The Project will have to construct, operate, and closure while maintaining compliance with the permits issues under the above regulatory programs.
One underground mine;
One waste rock storage area;
One carbon-in-leach processing plant;
Three borrow pit areas;
One tailings storage facility;
Run-of-mine (ROM) ore stockpile;
One tailings storage facility (TSF) and one reclaim pond;
A water supply well field and pipeline, associated water delivery pipelines, power;
A power substation and distribution system;
Access and haul roads;
Ancillary facilities that include the following: haul, secondary, and exploration roads; truck workshop; warehouse; storm water diversions; sediment control basins; reagent and fuel storage; storage and laydown yards; explosive magazines; fresh water storage; monitoring wells; meteorological station, an administration/security building; borrow areas; landfill; growth media stockpiles; and solid and hazardous waste management facilities to manage wastes; and
Reclamation and closure, including the development of an evaporation (E) cell for potential long-term discharge from the TSF
Calico’s compliance with permit conditions will be maintained by the following:
- Constructing, operating and closing the project in a manner that is consistent with the permit applications and the permit conditions.
- Calico will have environmental staff at the project to monitor compliance with the permit conditions.
SUMMARY OF OPERATION PROTECTION MEASURES

- Operational Environmental Protection Measures
  - Air Emissions
  - Cultural Resources
  - Erosion and Sediment Control
  - Waters of the State
  - Hazardous Materials
  - Solid Waste
  - Monitoring
  - Growth Media and Cover Salvage and Storage
  - Wildlife and Migratory Birds
  - Protection of Survey Monuments
  - Noxious Weeds and Invasive Nonnative Species
  - Inadvertent Cultural Discoveries
  - Fire Protection Measures
  - Public Safety Measures
  - Quality Assurance Plan
SUMMARY OF RECLAMATION ACTIVITIES

- Plug to underground mine portal and vent raise
- Regrade the area used for waste rock storage
- Mill and Building dismantling and salvage
- Disaggregate foundations and bury
- Regrade all disturbed surfaces and apply growth media
  - Several roads will remain for post closure monitoring and private land access

- TSF Closure and Reclamation
  - Activity evaporate any remaining process solution in the supernatant pool
  - Place any remaining waste rock and construction fill on the tailings surface to establish the final grade
  - Place growth media on TSF surface and slopes

- Solution management
  - Use evaporators to reduce the area of the pool and allow the tails surface to dry
  - Once the pool is small enough pipe to the Reclaim Pond for continued active evaporation
  - Continue Reclaim Pond active evaporation until pool is gone and pond levels will allow passive solution management
  - Use passive evaporation until TSF drainage is eliminated.
SUMMARY OF POST-CLOSURE ACTIVITIES

- Monitoring of revegetation success conducted annual until the revegetation standards have been met
- Noxious weed monitoring and abatement
- Allow TSF drainage to evaporate in the Reclaim Pond
- Monitor TSF drainage flows and chemistry in the Reclaim Pond
- Monitor ground water quality