



**THIRD AMENDED NOTICE OF INTENT FOR PRE-APPLICATION PHASE OF A
PROPOSED MINING OPERATION
(February 28, 2017)**

**CALICO RESOURCES USA CORP.
GRASSY MOUNTAIN GOLD PROJECT**

1. Name and Location of the Proposed Mining Operation

Project Name: Grassy Mountain Gold Project

Location: The Grassy Mountain Gold Project is located in Malheur County, Oregon, approximately 22 miles south-southwest of the town of Vale.

Permit Area: The permit area that is the subject of this Third Amended Notice of Intent consists of two (2) parcels as described below:

- A) **Mine and Process Area:** The Mine and Process Area is located on three (3) patented lode mining claims and unpatented lode and mill site claims, all on public land managed by the U. S. Bureau of Land Management (BLM). This permit area parcel surrounds and includes the patented lode mining claims, and is located in all or portions of the following:

T22S, R44E (Willamette Meridian)
S ½ of SW ¼ of Section 5
S ½ of SE ¼ of Section 5
SE ¼ of SE ¼ of Section 6
SE ¼ of Section 7
S ½ of NE ¼ of Section 7
NE ¼ of NE ¼ of Section 7
NW ¼ of Section 8
NE ¼ of Section 8
SW ¼ of Section 8
SE ¼ of Section 8

- B) **Access Road Area:** The access road is situated on public land managed by the BLM and private land controlled by others. A majority of the access road is a Malheur County Road named Twin Springs Road. The access road extends north from the Mine and Process Area to Russell Road, a paved Malheur County Road. The width of the Access Road Area is 300 feet (150 feet on either side of the access road centerline). This width is used to accommodate possible minor widening or re-routing, and a potential powerline adjacent to the access road. There are several areas shown that are



significantly wider than 300 feet on the Permit Area map (Figure 3), which are areas where the final alignment has not yet been determined. The final engineering of the road will be consistent throughout, and within the Permit Area shown on Figure 3. The Access Road Area is located in portions of the following sections:

T22S, R44E (Willamette Meridian)
Section 5

T21S, R44E (Willamette Meridian)
Section 3
Section 10
Section 11
Section 14
Section 21
Section 22
Section 23
Section 28
Section 29
Section 32

T20S, R44E (Willamette Meridian)
Section 1
Section 12
Section 13
Section 14
Section 23
Section 26
Section 27
Section 34

T19S, R44E (Willamette Meridian)
Section 23
Section 26
Section 35
Section 36

The Permit Area is shown on the attached Location Map (Figure 1), Mine and Process Area Detail Map (Figure 2), and Permit Area Map (Figure 3). The approximate acreages of the two (2) parcels described above are as follows:



Mine and Process Area:	886 acres
Access Road Area:	876 acres
Total Permit Area:	1,762 acres
Anticipated Project Disturbance (excluding the access road):	400 acres

This Third Amended Notice of Intent relates to the "pre-application phase" as described in Oregon Administrative Rules (OAR) 632-037-0035 to 632-037-0040. The original Notice of Intent for this pre-application phase was filed February 8, 2012, and an amended notice was filed June 11, 2012. A Second Amended Notice of Intent was submitted July 17, 2015, to address a change in the proposed location of processing facilities, and elimination of the associated haul road. This Third Amended Notice of Intent addresses an expansion of the northern boundary of the Mine and Process Area by 1,500 feet (see Figure 2) on lands administered by the BLM in Sections 5 and 6, T22S, R44E (approximately 199 acre expansion), and includes the Access Road Area (approximately 876 acres) (see Figure 3).

2. Name, Mailing Address, and Phone Number of Prospective Applicant

Calico Resources USA Corp.
Nancy J. Wolverson, Permitting Coordinator
665 Anderson Street
Winnemucca, Nevada 89445
Mobile: (775) 770-4615
nancy@paramountnevada.com

3. Brief Description of the Proposed Mining Operation

Calico Resources USA Corp. (Calico Resources) plans to construct an underground mine and surface mill complex to develop the Grassy Mountain gold resource located approximately 22 miles south-southwest of Vale, Oregon, in Malheur County. This Third Amended Notice of Intent adds approximately 199 acres to the Mine and Process Area, and defines the Access Road Area portion of the Permit Area.

The potential mining site includes three (3) patented lode mining claims that cover an estimated 62 acres. The three (3) patented lode mining claims are part of a larger land position that includes: 419 unpatented lode mining claims on BLM land, and nine (9) mill site claims. The total land package currently controlled by Calico Resources is generally described as located in portions of the following sections (Willamette Meridian):

T21S, R43E - Section 36
T21S, R44E - Sections 31, 32, 33, and 34
T22S, R43E - Sections 1, 11, 12, 13, 14, 15, and 24
T22S, R44E - Sections 3, 4, 5, 6, 7, 8, 9, 10, 16, 17, 18, 19 and 20



The beneficiation process as currently envisioned falls within the definition of "chemical process mining" under OAR 632-037-010(3). Calico Resources intends to conduct underground mining operations with associated processing facilities. Calico Resources plans to mine the gold bearing ore by constructing underground access through either vertical excavations (shafts) or ramp excavations (declines). Additional excavations for ventilation could also connect the underground workings with the surface. Horizontal access tunnels (drifts) would be constructed off the shafts and/or declines in order to access the areas of mineralization (ore zone). Ore extraction is expected to be accomplished using cut and fill mining methods to remove the gold bearing ore. The resulting void would be filled with a mixture of waste rock (rock outside the ore zone that has been excavated as the mine is developed), tailings (processed ore), aggregate, and cement. Ore may be extracted simultaneously from numerous working areas in the ore zone. Ore and waste rock excavation is expected to be accomplished using conventional drill and blast techniques.

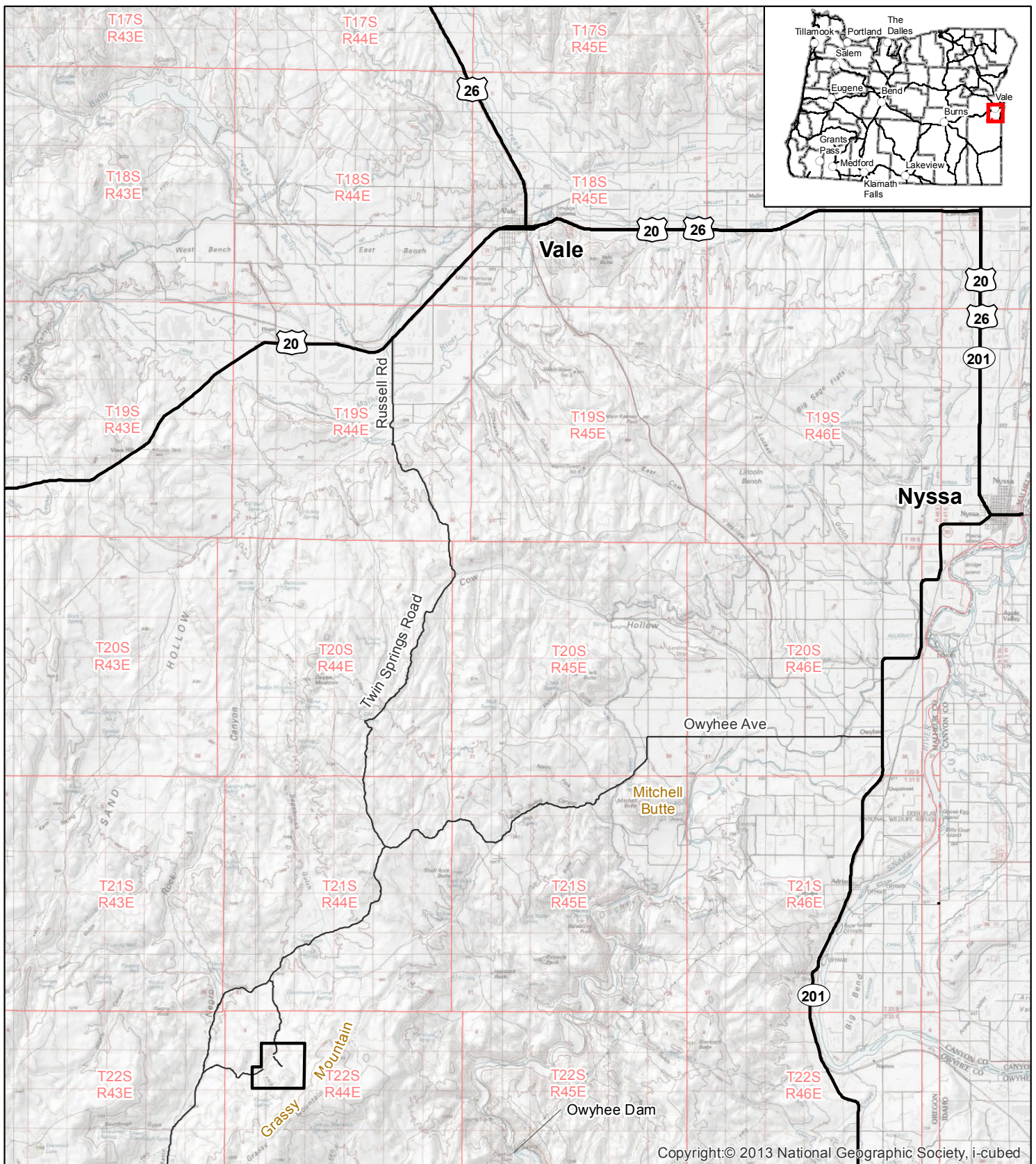
Metals would be recovered by crushing, grinding, and processing the ore through a conventional "closed circuit" extraction process. The metal recovery process as currently envisioned will include crushing and grinding circuits followed by gravity concentration. The residual material will be further treated using a "cyanide-in-leach" (CIL) process. Under a closed circuit (zero discharge) processing technique, all inputs and discharges would be controlled within vessels, tanks, and piping that would be surrounded by secondary spill containment with leak detection capabilities.

As a final processing step, the tailings would be treated to neutralize any residual reagents or chemicals. In addition, the tailings would be stored in the tailings facility or would be further processed to lower the water content to a point where the material could be mixed with waste rock/aggregate and cement for backfill in the active mining areas.

Post mining reclamation is expected to include backfilling and sealing shafts and/or declines as much as is practicable, removal of all man-made surface structures, re-contouring disturbed areas, topsoil replacement, and re-seeding of reclaimed surfaces. Post reclamation monitoring of ground and surface waters, air, vegetation and wildlife will continue as required by permit conditions and until final bond release.

A handwritten signature in black ink, appearing to read 'Nancy J. Wolverson', is written over a horizontal line.

Nancy J. Wolverson
Permitting Coordinator
Calico Resources USA Corp.
Dated: February 28, 2017



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Explanation

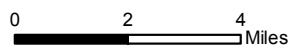
- Mine and Process Area
- Existing Road

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GRASSY MOUNTAIN PROJECT

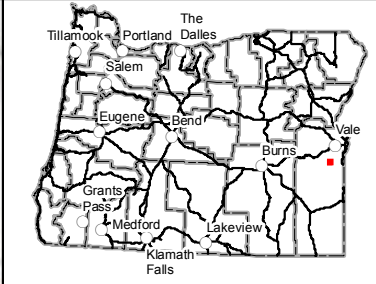
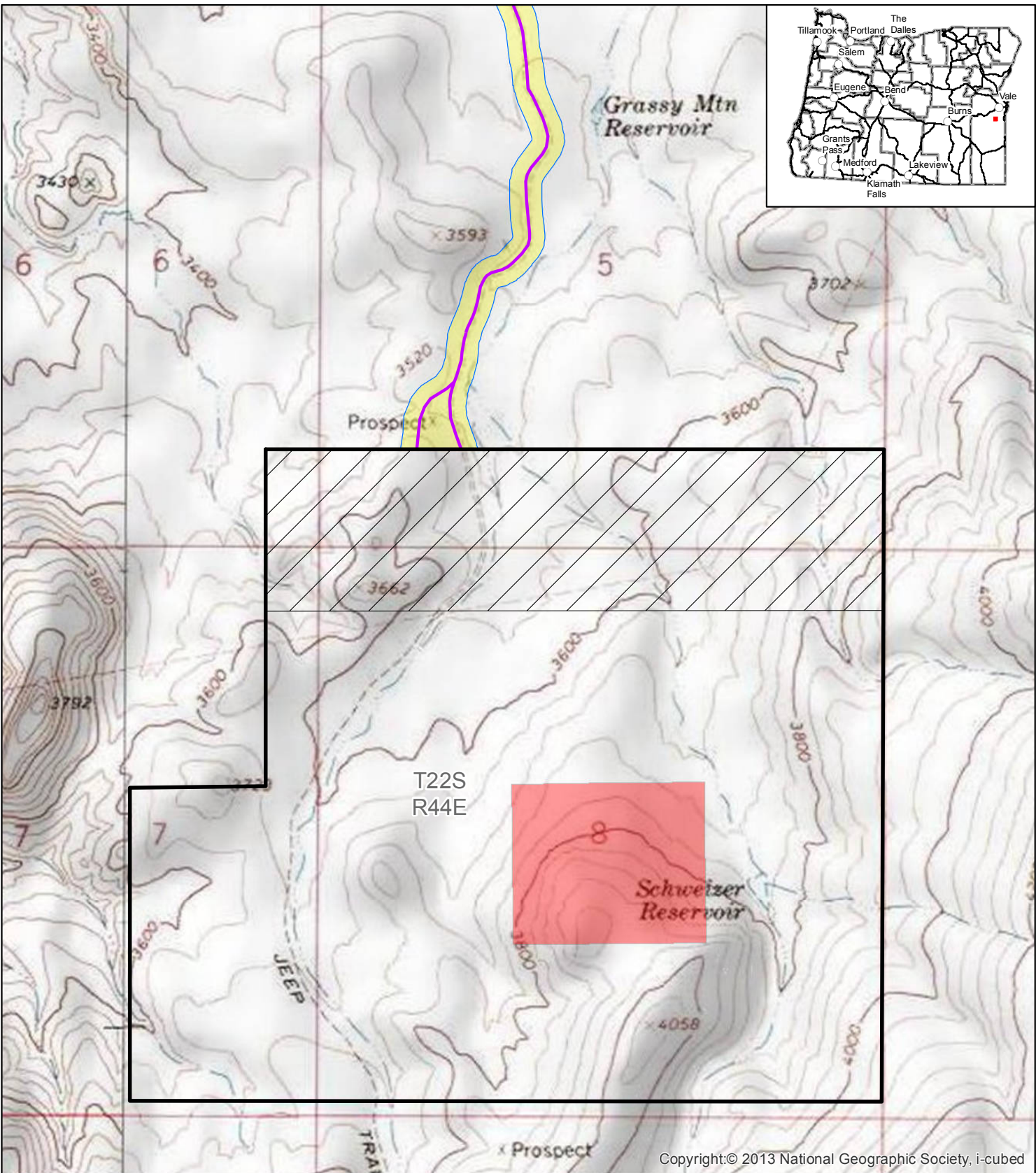
Location Map

Figure 1








Date: 02/27/2017	Drawn By: JDB
Revised:	Project No.: 3676
Base Map: USGS 100K quads: Boise, Brogan, Vale, Weiser	
File Name: 3676G_GrassyMountain_Fig1_Location.mxd	





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Explanation

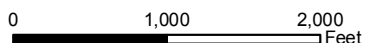
-  Mine and Process Area
-  Expanded Portion of Mine and Process Area
-  Patented Lode Claims
-  Proposed Access Road
-  Access Road Area

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GRASSY MOUNTAIN PROJECT

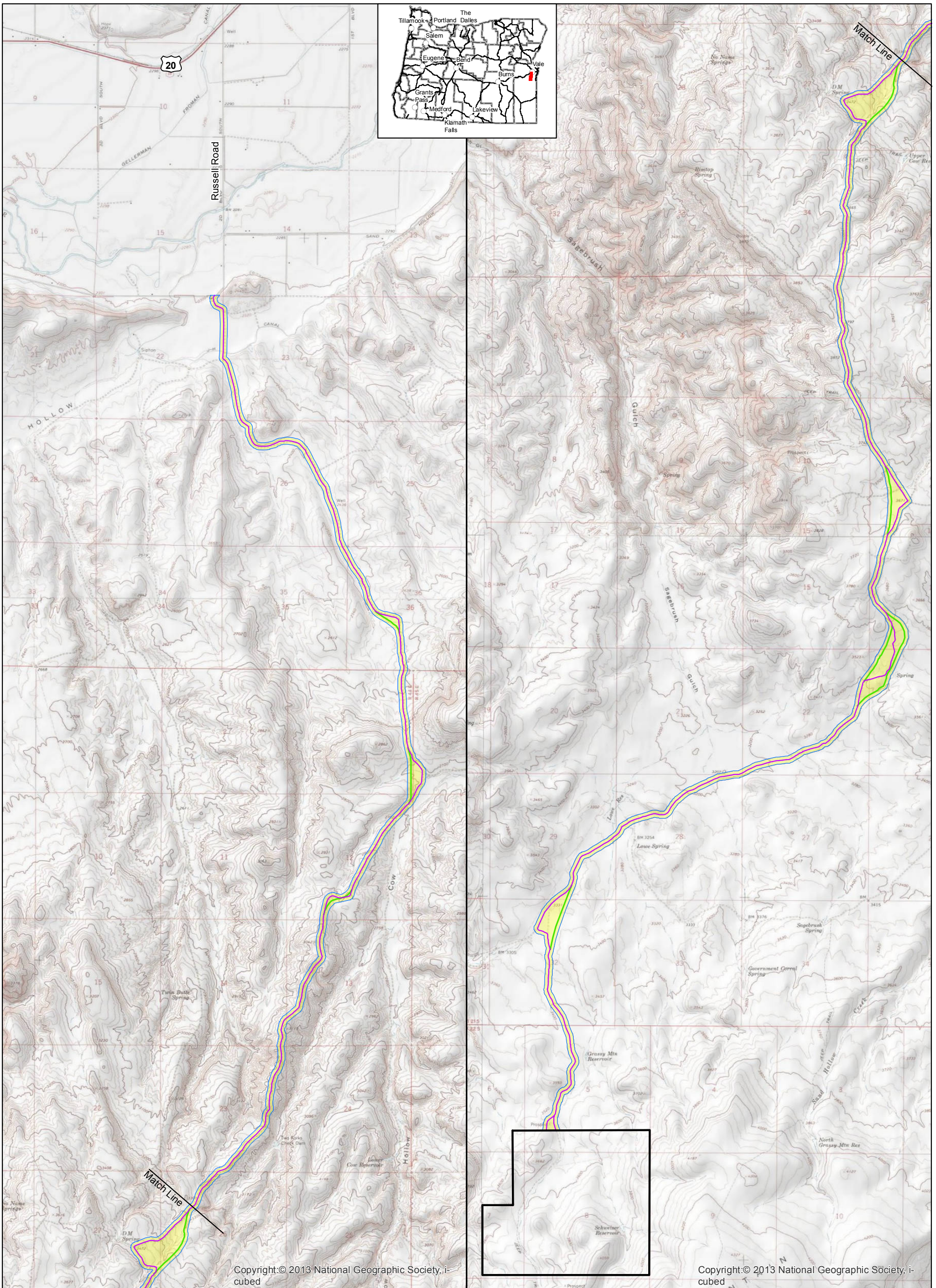
Mine and Process Area

Figure 2



Date:	02/27/2017	Drawn By:	JDB/GSL
Revised:		Project No.:	3676
Base Map:	USGS 7.5' quads: Grassy Mountain, Sourdough Spring		
File Name:	3676G_GrassyMountain_Fig2_ProjectArea.mxd		





- Explanation**
- Mine and Process Area
 - Proposed Access Road
 - Possible Road Realignment
 - Access Road Area

CALICO RESOURCES USA CORP.
GRASSY MOUNTAIN PROJECT
 Permit Area Map



Date: 02/27/2017 Drawn By: JDB
 Revised: Project No.: 3676
 Base Map: USGS 7.5 quads Double Mountain, Grassy Mountain, Vale West
 File Name: 3676G_GrassyMountain_Fig3_Realignment.mxd



Figure 3