



CANAGOLD



New Polaris Gold Mine Environmental Assessment Certificate Application

Chapter 1 – Project Overview

March 31, 2026

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1.0 Project Overview

1.1 Project Introduction

Canagold Resources Limited (Canagold) proposes to open the New Polaris Gold Mine (the Project), the redevelopment of an existing mine in northwest British Columbia (BC).

The Application for an Environmental Assessment Certificate (the Application) is supported by studies and assessments of the technical, environmental, and socio-economic aspects of the proposed Project. Through ongoing consultation and engagement, Canagold has informed Indigenous Nations, provincial government representatives and agencies, local and regional government representatives, community and economic organizations, adjacent permit/authorization holders, non-government organizations, local and regional businesses, and residents in the local and regional study areas about the Project and have considered their feedback throughout Project planning. Technical, environmental, and socio-economic studies, and engagement and consultation will continue throughout Project planning and development.

1.1.1 Type of Project

The Project is a redevelopment of a brownfield site and expansion of an underground mine, previously known as the Polaris Taku mine, that operated between 1937 and 1951. Polaris Taku's operations were prior to the permitting process under the BC *Mines Act*, RSBC 1996, c. 293, which came into effect in the mid-1960s. Therefore, although the Project is the redevelopment of an existing mine, it is considered a new mine from a regulatory perspective.

Canagold is planning to extract additional gold and antimony resources from the redeveloped mine. The Project will supply precious metals and antimony to markets for various uses including electronics and digital technology, health, automotive and aerospace sectors, and for other consumer and investment demands.

The ore deposit is a mesothermal lode-gold type, characterized by refractory gold finely disseminated in sulphides within quartz–carbonate veins. Recent exploration, including geological mapping and drilling, has advanced the geological understanding of the area and significantly improved delineation and definition of the mine's resources. A Mineral Resource Estimate (MRE) and a Preliminary Economic Assessment (PEA) on the Project was completed in 2007. The PEA was updated in 2009 and 2011, based on the same Mineral Resources Estimate from 2007, but with updated gold prices and capital and operating cost estimates. The MRE and PEA were updated in 2019, and the MRE was updated again in 2023. The most recent MRE update was completed in 2025 to incorporate study results for antimony, arsenic, and sulphur. The current Feasibility Study for the Project was completed in July 2025, and was conducted in accordance with the Canadian disclosure requirements of National Instrument (NI) 43-101 and the requirements of Form 43-101 F1.

The anticipated production rate of the Project is approximately 1,000 tonnes per day (tpd), or on average 365,000 tonnes per year (tpy), of ore from year-round mining and processing. Current estimates suggest that, following two years of construction, the mine will produce at this rate for 8.1 years. However, exploration is ongoing and the limits of the ore body are not fully defined, so for the purpose of the Application it is assumed that Project operations will last 10 years. Closure activities are expected to take two years and post closure an additional 10 years.

1.1.2 Objective of the Project

The purpose of the Project is to sustainably extract gold and antimony resources in line with the objectives stated in the Canadian Minerals and Metals Plan (Government of Canada 2019). While there are constant fluctuations in demand and price of gold, long term trends suggest the annual mined supply of gold does not meet the annual demand (Mills 2021; World Gold Council 2022). In addition to supplying precious metals to markets for various uses, and to help meet consumer and investment demand, the Project will support economic growth at local, regional, provincial, and national levels.

The Project continues the legacy of mining in the region, with the construction and operation of a modern underground mine, using clean energy, improving energy efficiency and providing improved health and safety for our personnel. The Project will contribute significantly to the economy by providing employment, capacity building and business opportunities, particularly to the local communities and the Taku River Tlingit (TRT), as well as on a regional, provincial, and national scale. The Project will also make positive contributions to federal and provincial governments through corporate taxation

Because the Project is a redevelopment of a historic mine, there is also the potential to address the existing environmental impacts from previous mining activities.

The Project is being designed and will be constructed, operated, and decommissioned to meet all applicable BC and Canadian environmental and safety standards and practices.

The Project has an estimated initial capital expenditure CAD\$250.4 million, with an operating expenditure estimated at CAD\$757 million. Much of this expenditure will be in Northern BC, employing local and Indigenous contractors and employees. Canagold will continue to operate in a manner that ensures local benefit from the exploration, construction and operation of the mine.

1.1.3 General Project Location

The Project is located in the eastern flank of the Coast Range Mountains, approximately 100 km south of Atlin, BC, and 60 km northeast of Juneau, Alaska, on the west bank of the Taaltsuxéi Héen (Tulsequah River). It is approximately 10 km from the Canada-United States of America (USA) border and 150 km south of the BC-Yukon boundary (**Figure 1-1**).

Project Location



Legend

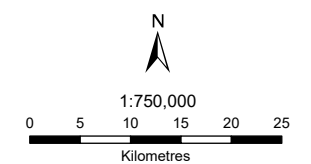
- Mine Location
- ★ Town of Atlin
- ★ Populated Place
- International Border

Notes

1. All mapped features are approximate and should be used for discussion purposes only.
2. This map is not intended to be a "stand-alone" document, but a visual aid of the information contained within the referenced Report. It is intended to be used in conjunction with the scope of services and limitations described therein.

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1.1.4 Relevant Project History

The historic development of the site began in 1923 by the Timmins Group (GLL 2007) and the site has seen development since prospectors discovered gold in the area in 1929. The first mine was built in 1938 by Polaris Taku Mines and operated until 1941 (see **Image 1-1**) when operations ceased due to World War II. The mine was restarted in 1946 and closed again in early 1951. Tulsequah Mines Ltd. (owned by Cominco) leased the mill from 1952 to 1957 to process ores mined from the nearby Tulsequah Chief and Big Bull deposits (see **Image 1-1**), after which the site was dormant for 30 years until exploration was resumed from 1988 to 1997 by Canarc (now Canagold).



Image 1-1 Historic Mining Activity at the Project Site

More recent exploration by Canagold from 2003 to 2006, and in 2021 and 2022, better defined the continuity and grade of the ore, resulting in the discovery of sufficient gold resources below and beyond the previously mined areas to warrant progressing the Project. As a result, Canagold has advanced Project planning since 2023, including technical and financial feasibility studies, environmental studies and engagement with Indigenous Nations and stakeholders to support the Application.

1.2 Proponent Description

The mineral tenure and claims are owned and held by New Polaris Gold Mines Ltd., a wholly owned subsidiary of Canagold Resources Ltd (Canagold). Canagold, the Project proponent, is a Canadian mining and exploration company that has been in business for more than 35 years. It is managed by an experienced team of mining professionals with demonstrated success building and operating underground gold mines. The names and contact information for Canagold representatives are provided in **Table 1-1**.

Table 1-1 Proponent Information

Proponent	Canagold Resources Ltd.
Head Office	#1250 - 625 Howe Street Vancouver, British Columbia Canada V6C 2T6
Phone Number	1-604-685-9700
Company Website	https://www.canagoldresources.com/
Project Website	https://canagoldresources.com/Projects/new-polaris/snapshot/
CEO	Catalin Kilofliski Catalin@canagoldresources.com
Primary Proponent Contact	Garry Biles, President & COO garry@canagoldresources.com
Primary Contact for Environmental Assessment	Collen Middleton, Vice President Permitting & Compliance collen@canagoldresources.com

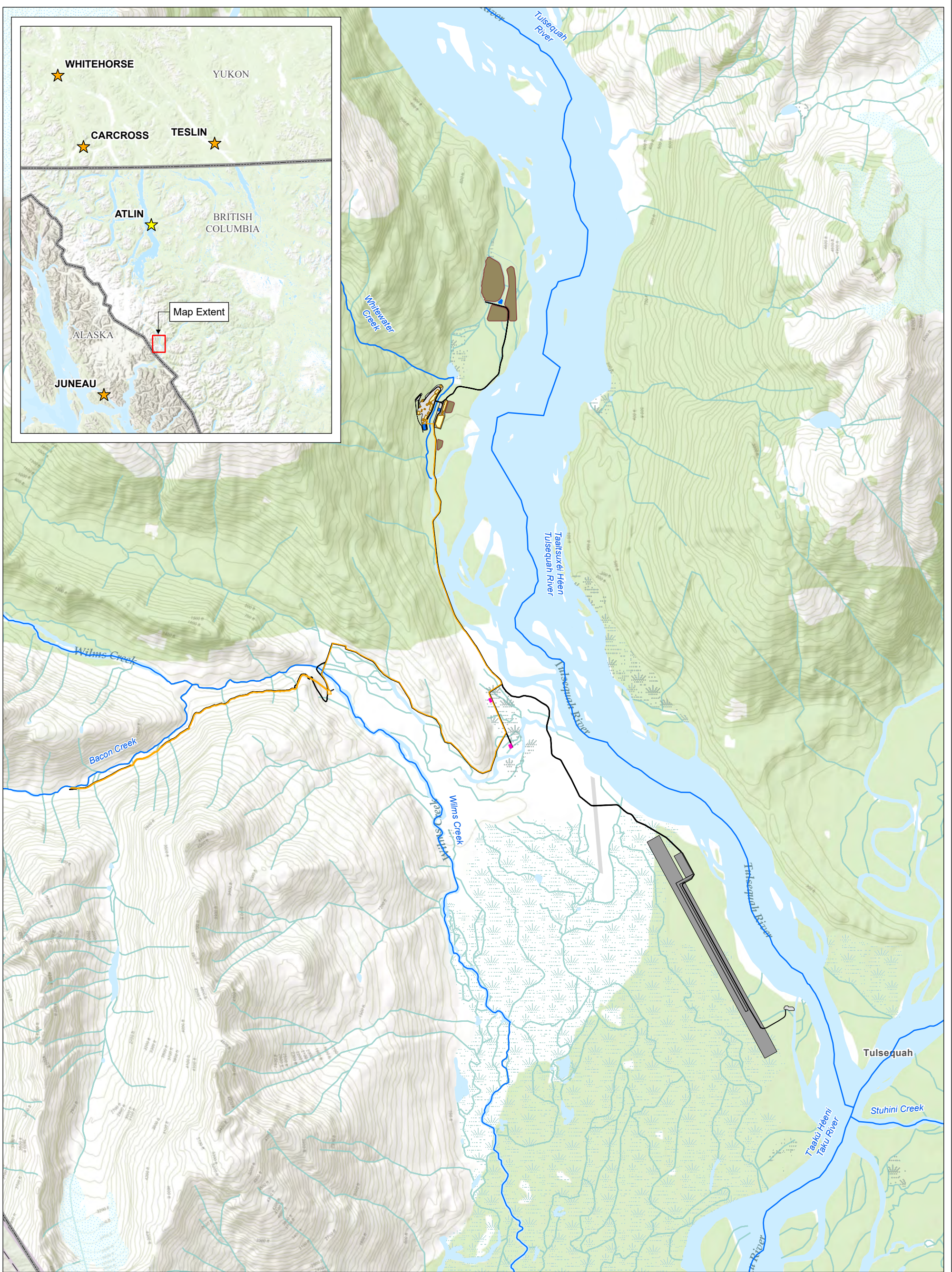
Canagold’s corporate governance is captured in our Code of Business Conduct and Ethics Policy. It covers such areas as compliance with all laws and regulations, acting at all times in an ethical manner, and treating people with honesty, respect and fairness.

Canagold’s Environment, Health and Safety and Community Engagement Policy commits to responsible and sustainable execution of the Project. Canagold will follow the framework of the Responsible Gold Mining Principles (RPMGs) as they apply to company activities.

Canagold retained Ausenco Sustainability ULC (Ausenco) to manage and prepare aspects of this Application. Ausenco’s key contributors to the Application, and Ausenco’s subcontractors, including roles and qualifications, are listed in Appendix 16.3 Authorship.

1.3 Project Location

The Project is located approximately 100 km south of Atlin, BC and 60 km northeast of Juneau, Alaska. The layout of the components of the Project is shown in **Figure 1-2**. The coordinates of the Mine Site are 58°42’3.68”N by 133°37’45.04”W.

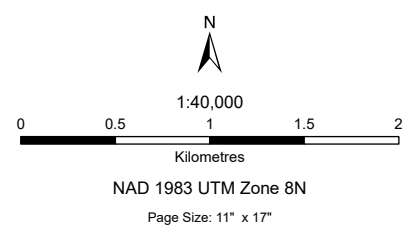


Legend

Combined Storage Facility (CSF)	Town of Atlin
Explosives Storage	Populated Place
Mine Site Facilities	International Border
Power Infrastructure	Watercourse
Transportation	
Water Management Structures	
Clearing Limit	

Sources

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Notes

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New Polaris Project
British Columbia, Canada

Project Layout

105451-05	Production Date: Mar 26, 2026	Figure 1-2
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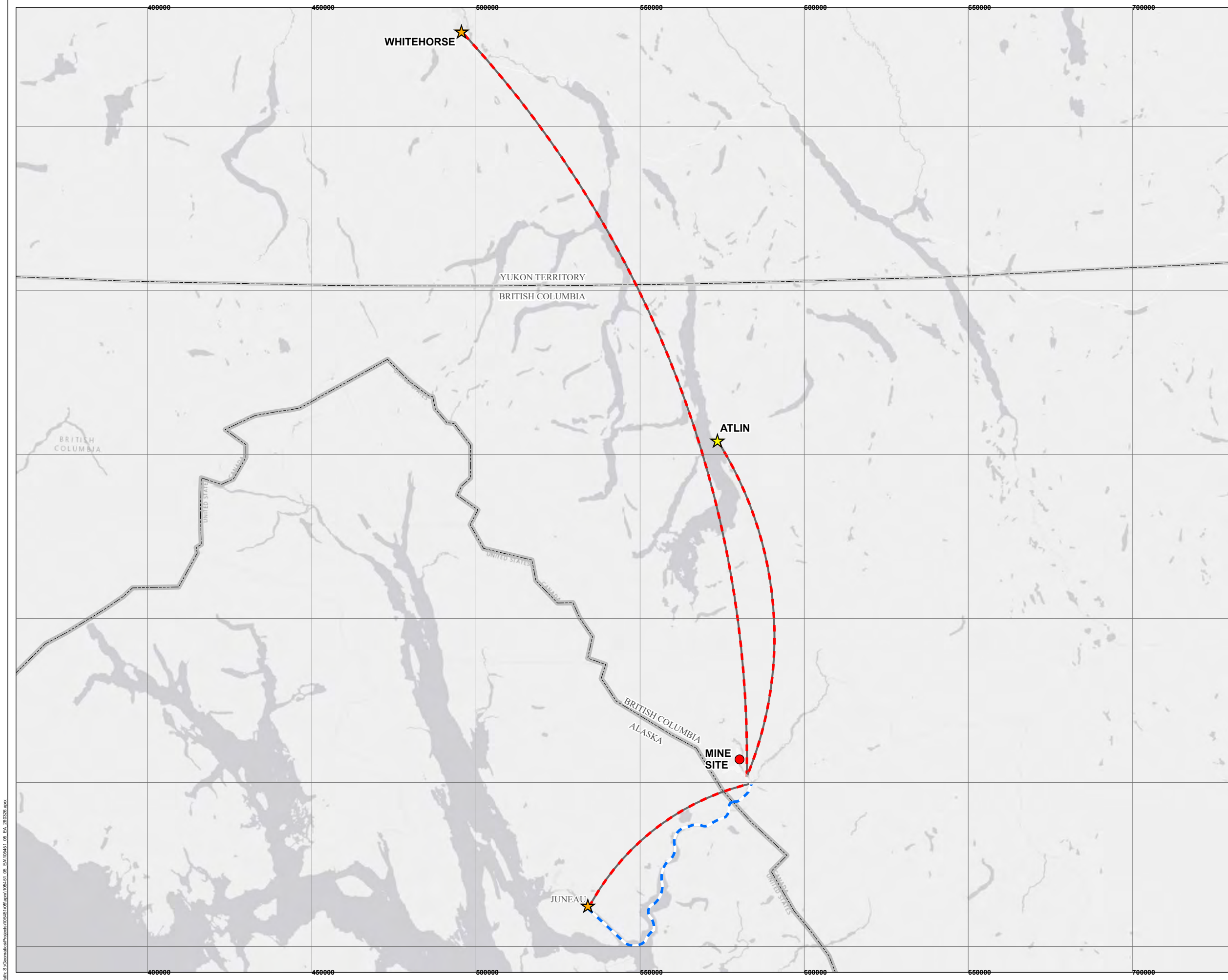
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The Project site is not accessible by road. The nearest roads terminate about 20 km south of Atlin and 10 km southeast of Juneau. Currently, access to the site is by light aircraft using a small airstrip located on the property. The airstrip is suitable for use during initial Project activities, but will be replaced by a larger airstrip to allow for suitable private charter flights carrying personnel, supplies and concentrate to and from Whitehorse, Yukon Territory (YT), Atlin, or Juneau (see **Figure 1-3**).

In the past, shallow draft barges used the T'aakú Héeni (Taku River) from Juneau to transport workers, bulk supplies and heavy equipment to and from the site, and flotation concentrate from the mine. This 70 km route from the mouth of the Taku to the confluence of the Taaltsuxéi Héén (Tulsequah River) (**Figure 1-3**) will also be used by the Project to transport bulk supplies and heavy equipment during the construction period and occasionally during operations for non-hazardous items that cannot be transported by the available aircraft.

The Project property consists of 61 contiguous Crown-granted mineral claims and one modified grid claim covering 1,108 hectares (ha) (see Figure 1-3). Sufficient land is available within the mineral tenure for installations such as the process plant and related mine infrastructure. Surface rights for the areas to be occupied by the co-storage facility (CSF), the roads to the airstrip and river transport landing site, and the airstrip and river transport landing sites (see **Section 1.4**) lie with the Crown, and land use permits will need to be obtained from the Province.

**Air and Marine Transportation Routes
to Project Site**



Legend

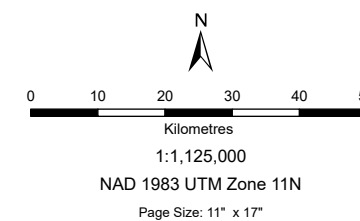
- Mine Location
- ★ Town of Atlin
- ★ Populated Place
- International Border
- Provincial Boundary
- Transportation Corridors**
- Air Transport Route
- Water Transport Route

Notes

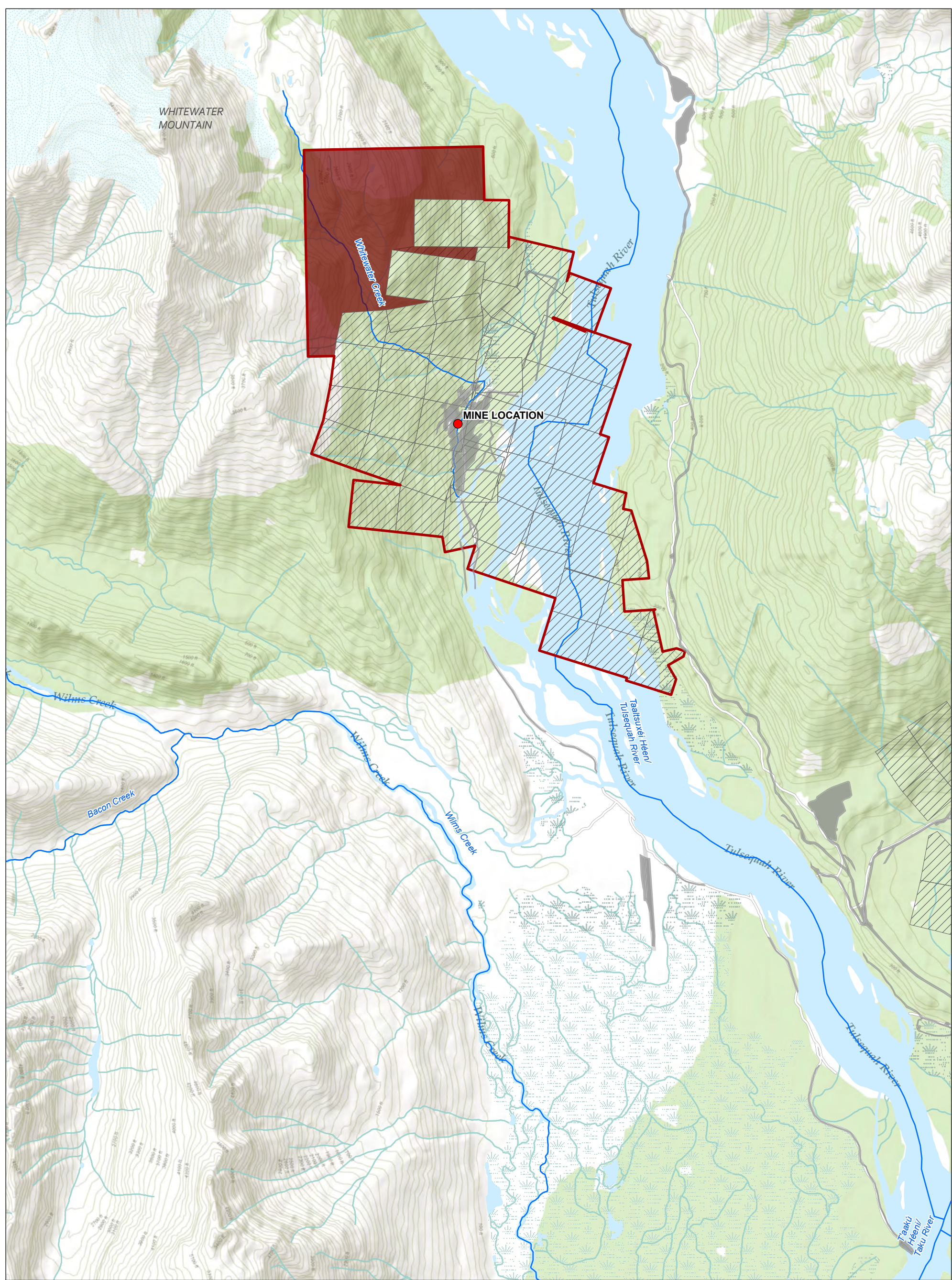
1. Transportation routes are conceptual and should be used for discussion purposes only.
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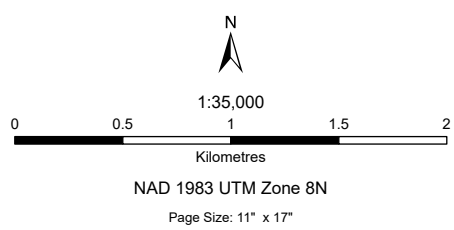
- Legend**
- Mine Location
 - Watercourse
 - Historically Disturbed Area
 - Mineral Tenures**
 - Mineral Tenure
 - Canagold Crown Granted Tenure
 - New Polaris Mineral Tenures

Notes

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New Polaris Project
British Columbia, Canada

Mineral Tenure and Claims

105451-05	Production Date: Mar 26, 2026	Figure 1-4
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The Project footprint is shown in **Figure 1-5**. The operational footprint of the Project will be 92.1 ha. The Project's maximum disturbance footprint, in surface area, is 150.3 ha. This maximum disturbance footprint represents the maximum spatial extent of the Project, which considers temporary workspaces that may be used during construction of the Project infrastructure. These temporary workspaces will be progressively reclaimed during operations. Reclamation and Closure activities may again extend into the Project's maximum disturbance footprint.

As the Project is a redevelopment and expansion of an existing mine there are areas of existing disturbance and existing infrastructure at the site. The surface area of the existing disturbance is 112.5 ha, of which 11.2 ha will be redeveloped by the Project. The Project will optimize the use of this existing disturbance, including reuse and upgrading of existing roads and work areas where feasible, but will not reuse existing buildings or equipment. The planned management of existing infrastructure and facilities, and historical mine wastes, including legacy tailings and waste rock, is described in **Section 1.3.6**.

1.3.1 Environmental Characteristics of the Area

The Project is in the eastern flank of the steep, rugged, Coast Range Mountains that have elevations ranging from sea level to 2,600 metres above sea level (m asl). The regional climate is typified by heavy rainfall during the late summer and fall months, and comparatively heavy snowfall interspersed with rain during the winter. The annual precipitation is approximately 1.5 m, of which 0.7 m occurs as rainfall. The snow seldom accumulates to a depth greater than 1.5 m. Winter temperatures are not severe and rarely fall below –15 degrees Celsius (°C). Summer temperatures, in July, average 10°C with daytime temperatures reaching the high 20s (°C) on occasion. The vegetation is typical of northern temperate rain forest, mainly fir, hemlock, spruce, and cedar forest on the hillsides, with aspen and alder groves in the river valley.

Extensive glaciation is the dominant factor in topographic development in the region. The T'aakú Héeni (Taku River) and Taaltsuxéi Héén (Tulsequah River) are the most prominent topographic features within broad valleys bounded by steep mountains. Numerous tributary streams flow from valleys filled with glaciers. Most of the glaciers are fingers branching from the extensive Muir ice cap that lies northwest of the T'aakú Héeni. The Tulsequah glacier terminates in the Taaltsuxéi Héén valley approximately 16 km north of the Project site and is the largest glacier in the area. Historically, the glacier forms a temporary ice dam, forming what is known as Lake No-Lake in a tributary valley. The dam eventually releases during the latter periods of spring thaw every year, increasing flows in the T'aakú Héeni and Taaltsuxéi Héén for three to five days.

The Taaltsuxéi Héén flows south along a wide floodplain to its confluence with the T'aakú Héeni approximately 10 km downstream from the Project site. The T'aakú Héeni flows west into Alaska and to the Pacific Ocean approximately 25 km downstream of the Canada–US border. The primary surface waterbody intersecting the Project footprint is Whitewater Creek, which has a catchment of approximately 250 km² and is a tributary of the Taaltsuxéi Héén. Large wetland complexes are present within the floodplain of the Taaltsuxéi Héén, including Flannigan Slough at the confluence of the Taaltsuxéi Héén and T'aakú Héeni, and Kitchen Slough immediately upstream from the existing Mine Site. These wetlands are regularly inundated during freshet and glacial outburst events.

1.3.2 Environmentally Sensitive Areas

The Project is not in federal or provincial parks, ecological reserves, or marine protected areas. There are two provincial parks near the Atlin area: Atlin/a Téix'gi Aan Tlein Provincial Park and Tarahne Park, which are approximately 51 km away from the Project (**Figure 1-6**).

Sensitive Ecosystems Areas (SEA) are defined within the Atlin-Taku planning area as “regionally or provincially uncommon and/or ecologically fragile ecosystems that require special consideration when determining levels of risk” (TRTFN and BC 2011). SEAs in the Project area are the Flannigan Slough, Taaltsuxéi Héén/Shazah Creek and T'aakú Héeni/Kwashona Mountain. Wetland ecosystems including fen, swamp, shallow open water, and marsh occur predominantly within lower elevations in the area of the Project. No legal or non-legal Old Growth Management Areas or Old Growth Deferral Areas, or ungulate winter range, are within the Project area.

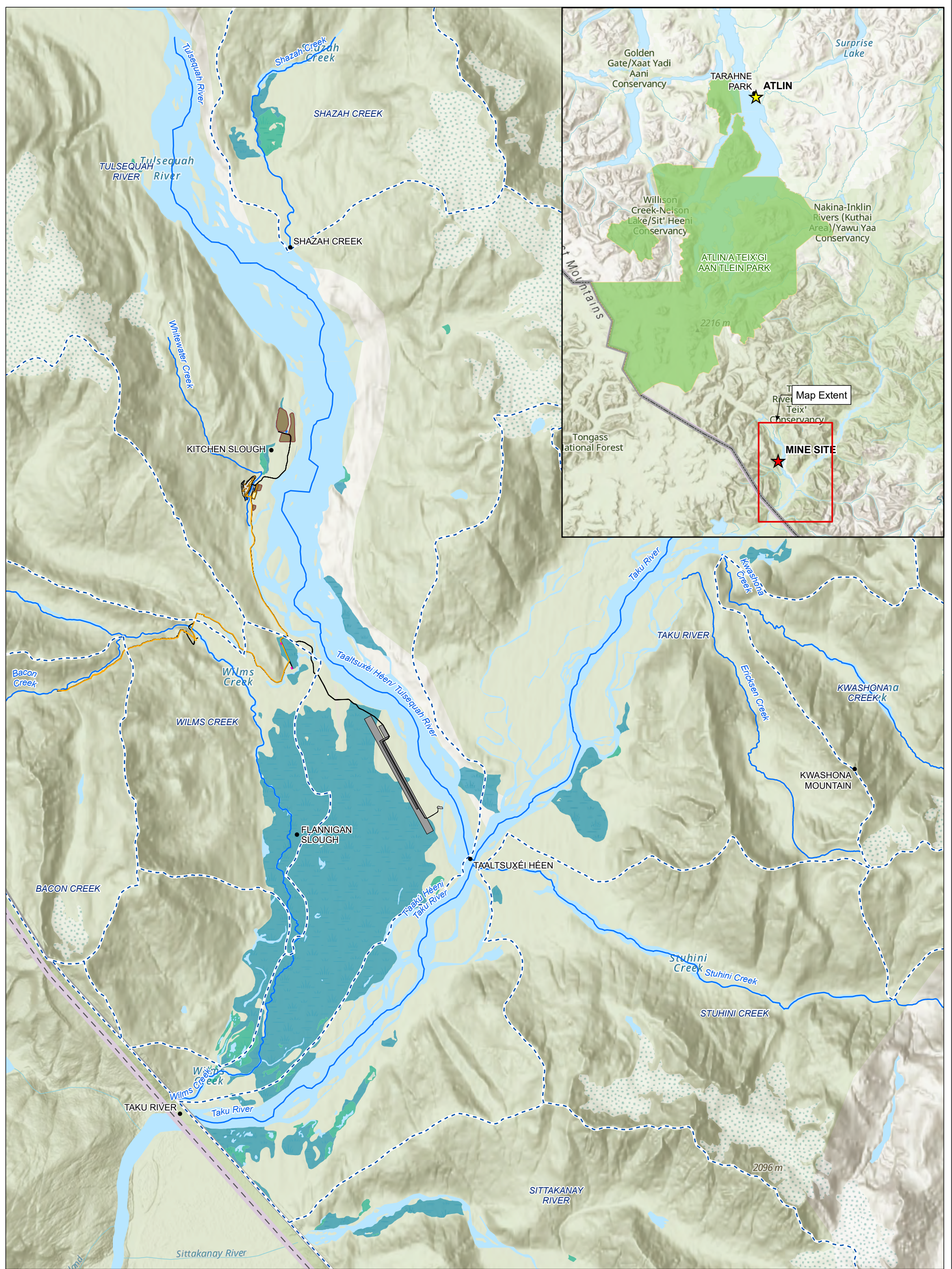
Approximately 33 ha of wetlands are within the Project’s maximum footprint (see section 7.6 Soil and Vegetation). Information regarding habitats of provincially or federally protected Species at Risk (SAR) is described in Sections 7.5 (Aquatic and Marine Resources), 7.6 (Soil and Vegetation), and 7.7 (Wildlife).

The Project is in the Taaltsuxéi Héen Valley/Tass Teiyi Hééini Resource Management Area, as described in the Wóoshtin Wudidaa Atlin Taku Land Use Plan (ATLUP), as described in **Section 1.3.4.1**.

The southern limit of the proposed airstrip is located within management and protection areas proposed by the TRTFN in 2023, known as the T’akú Tlatsini Indigenous Protected and Conserved Area (Takú IPCA), as described in **Section 1.3.4.1**. The Project’s exclusion from the Taku IPCA will need to be achieved through a process initiated upon consent for the Project.

The T’aakú Héeni/T’akú Téix’ Conservancy lies approximately 10 km south of the Project site and encompasses the BC portion of the T’aakú Héeni mainstem from the Alaska border to the confluence of the Nakina and Inklin Rivers. There are no proposed infrastructure or mining activities planned within the Conservancy; however, site access via the T’aakú Héeni does pass through the Conservancy.

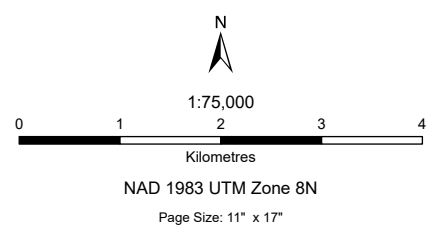
The Tass Teiyi Hééini Resource Management Area, Takú IPCA, and T’akú Téix’ Conservancy, in relation to the Project footprint, are shown in **Figure 1-7**.



Legend		
★ Atlin	■ Mine Site Facilities	— Watercourse
★ Mine Site	■ Power Infrastructure	■ Provincial Park
● Sensitive Ecosystem Area	■ Transportation	--- Watershed
Project Infrastructure	■ Water Management Structures	Freshwater Atlas Wetlands
■ Combined Storage Facility (CSF)	■ Clearing Limit	■ Marsh
■ Explosives Storage	Basemap Data	■ Swamp
	■ International Border	■ Flooded Land - Inundated

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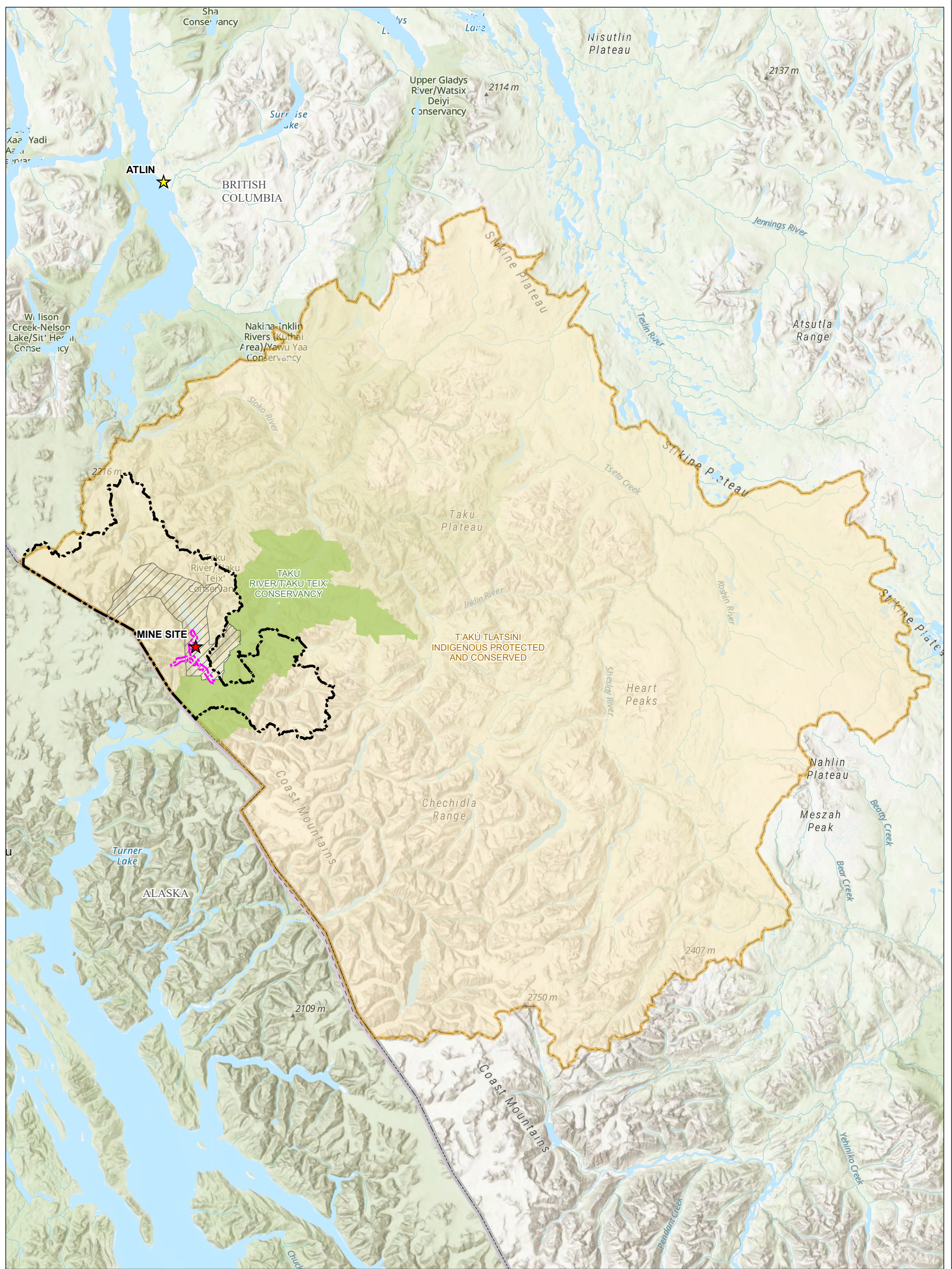
New Polaris Project
British Columbia, Canada

Environmentally Sensitive Areas

105451-05 | Production Date: Mar 30, 2026 | Figure 1-6



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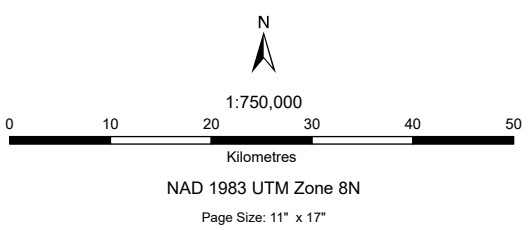


- Legend**
- Town of Atlin
 - Mine Site
 - International Border
 - Local Assessment Area
 - Regional Assessment Area
 - Conservancy Areas
 - Tulsequah Valley / Tass Teiyi Héini Resource Management Area
 - T'akú Tlatsini Indigenous Protected and Conserved Area
 - Waterbody

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 - Project Infrastructure Date: 2025/12/16

Notes

1. All mapped features are approximate and should be used for discussion purposes only.
2. This map is not intended to be a "stand-alone" document, but a visual aid of the information contained within the referenced Report. It is intended to be used in conjunction with the scope of services and limitations described therein.



New Polaris Project
British Columbia, Canada

**Resource Management,
Indigenous Protected and Conserved Areas,
and T'akú Téix' Conservancy**

105451-05	Production Date: Mar 26, 2026	Figure 1-7
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1.3.3 Local and Regional Communities

The regional communities are comprised of Atlin Community Improvement District (CID) and two TRTFN reserves: Five Mile Point 3 Indian Reserve (IR) and Unnamed 10 IR. The regional communities include Whitehorse, Teslin, Carcross, and Tagish in the Yukon, and Juneau, Alaska. Atlin CID and TRT share local services and infrastructure. Atlin is connected to the Yukon by Highway 7.

Located in the remote northwest Stikine Regional District Electoral Area, Atlin CID is unincorporated and governed by the Province under the auspices of the BC Ministry of Housing and Municipal Affairs. According to 2021 Census data, Atlin CID has a population of 424 people. The population declined by 6.8% from 2016 to 2021, due to younger adults leaving the community in search of work and educational opportunities, and natural attrition due to an aging population.

Five Mile and Unnamed 10 IRs are located within Atlin CID. The population of the two reserves also declined between 2016 to 2021, with Five Mile declining by 27.2% and Unnamed 10 declining by 35.7%. Like Atlin CID, the population on the reserves is aging, and younger adults are leaving the isolated rural area to seek opportunities elsewhere. The top employment sector in the communities is public administration, followed by construction, mining, and health care.

The small, regional communities in rural Yukon are located in the Southern Lakes region. Carcross and Tagish is home to the Carcross Tagish First Nation and Teslin is home to the Teslin Tlingit Council. Tagish and Carcross have both seen an increase in their populations. Tagish increased by 24.9% from 2016 to 2021, and Carcross grew by 5.3% during the same time frame. In contrast, Teslin shrunk by 6.3%. Similar to the local communities, the primary employer in the Southern Lakes communities is public administration followed by healthcare, construction and education, and mining.

Whitehorse is the capital of the Yukon and the economic hub for the region, providing services for the rural communities, including Atlin CID, and Five Mile and Unnamed 10 IRs. The population of Whitehorse grew by 12.4% between 2016 to 2021 and is now one of the fastest growing cities in Canada. It has a younger population than the rural communities. The top employers are public administration, healthcare and social assistance, retail trade, construction, education and mining/quarrying.

Juneau is the only American regional community. The city's population grew 3.1% from 2010 to 2020. Similar to the other communities, public administration is the top employment sectors, followed by educational services, construction, retail, transportation and warehousing, and mining.

1.3.3.1 Taku River Tlingit

The Project is located within the Traditional Territory of the Taku River Tlingit First Nation (TRTFN). TRTFN is one of the Participating Indigenous Nations (PINs)¹ in the Project, as per Process Order Schedule B – Assessment Plan (March 4, 2025) issued under Section 19(2) of the BC *Environmental Assessment Act*, 2018 (EAA; SBC 2018, c. 51). The Assessment Plan mandates how TRTFN must be engaged throughout the environmental assessment (EA) process as a PIN. The TRTFN and its interests in the Project are summarized here and are described in Chapter 11.

The Taku River Tlingit (TRT) are Indigenous people whose Traditional Territory encompasses the T'aakú Héeni watershed and approximately 40,000 km² of the surrounding areas in northwestern BC's Stikine Region, southern Yukon Territory (YT), and Alaska, USA (TKUS 2025). The Taku River Tlingit First Nation (TRTFN) office is headquartered in Atlin, BC.

Many TRT citizens exercise their aAboriginal rights and meet substantial parts of their families' economic needs through traditional land-based activities, such as hunting, fishing, gathering of plants for food and medicine, and trading in goods and services associated with these activities. The territory of the TRT is also used to practice and promote their culture. "For the Tlingit community, the traditional land-based way of life is not mere subsistence, or 'living off the land', but represents a complex set of social activities and relationships that lie at the heart of their culture and their khustiyxh ('way of life')" (TRTFN and Province of BC 2011).

The TRTFN *Constitution Act* was first ratified in 1993. Subsequent amendments to the TRTFN *Constitution Act* in 2005 and 2006 resulted in the Final TRTFN *Constitution Act* (Taku River Tlingit First Nation 1993). The Wóoshtin wudidaa: Atlin Taku Land Use Plan Agreement (ATLUP) was developed between the TRTFN and the Province of BC to establish land use objectives and management strategies. This Agreement sets the stage for government-to-government discussions related to land use planning, collaborative wildlife management, and the establishment of shared decision-making arrangements.

In December 2025, TRTFN issued the "New Polaris Traditional Knowledge Study – Taku River Tlingit First Nation" (TRTFN TKS) to Canagold that identified TRTFN Values that may be impacted by the Project. TRTFN TKS identified the following four Values: hunting and trapping; water and fishing; food plants and medicines harvesting; and culture and heritage. Indigenous Knowledge obtained through TRTFN TKS has been incorporated in the Environmental Assessment.

1.3.3.2 Teslin Tlingit Council

The Project is located within the Traditional Territory of the Teslin Tlingit Council (TTC). TTC is one of the Participating Indigenous Nations (PINs)¹ in the Project, as per Process Order Schedule B – Assessment Plan (March 4, 2025) issued under Section 19(2) of the BC *Environmental Assessment Act, 2018* (EAA; SBC 2018, c. 51). The Assessment Plan mandates how TTC must be engaged throughout the environmental assessment (EA) process as a PIN. The TTC and its interests in the Project are summarized here and are described in Chapter 12.

TTC Traditional Territory spans approximately 27,275 km² in Yukon Territory and approximately 10,000 km² in BC. TTC Traditional Territory includes the entirety of the Teslin Lake watershed in BC, some contiguous areas of the southern Atlin Lake watershed, and the entirety of the T'aakú Héeni watershed. Through the Final Agreement, TTC retained title of 2,395.74 km² of Settlement Lands.

The Teslin Tlingit are part of the Dakhká Nation and a broader Inland Tlingit² cultural group, with their Traditional Territory spanning what is now southern Yukon and extending into northwestern BC and parts of southeastern Alaska. TTC have ancestral ties to Tlingit peoples of southeast Alaska and are culturally and historically connected to the neighbouring TRTFN and Carcross/Tagish First Nation (C/TFN). TTC is a self-governing Nation and its government and community offices are in the Village of Teslin in southern Yukon.

The TTC have inhabited their Traditional Territory for generations, with deep cultural connections to the land and water. Teslin Lake and surrounding rivers and forests have sustained TTC for generations through hunting and trapping, fishing, and gathering. In its Statement of Intent (SOI) submitted to the BC Environmental Assessment Office (BCEAO) as part of the Project regulatory engagement and consultation process, TTC indicated that “All of the T'aakú Héeni drainage, including the Taaltsuxéi Héen, is within the Traditional Territory of TTC. Teslin Tlingit use and occupancy of the area is well documented and evidenced by the numerous villages, fish camps, trails and other Inland Tlingit cultural sites along the length of the Taku River and its tributaries. The confluence of the Taaltsuxéi Héen and T'aakú Héeni was once an important village site for the Teslin Tlingit Kùkhhittàn Clan, one of the five clans comprising TTC. This was also the site of a significant Clan Potlatch House” (BCEAO 2024).

1.3.4 Current and Historic Land and Aquatic Use in the Area

The Project is situated in a remote area of the Stikine Region. Most of the region's residents live in the Atlin Community Improvement District (CID), which encompasses the unincorporated settlement of Atlin and the two TRTFN reserves (Five Mile and Unnamed 10 IR).

Other than the land owned by Canagold, there is no privately held land in the areas. There are no residential areas, cabins, camps, or other occupied structures (permanent or seasonal) within the area, and no private dwellings or housing-related infrastructure.

The Project area is not accessible by road. The nearest roads terminate about 20 km south of Atlin and 10 km southeast of Juneau, over 80 km and 60 km from the site, respectively. The site can be accessed by boat up the T'aakú Héeni near Juneau, a route of approximately 70 km from the mouth of the T'aakú to the confluence of the Taaltsuxéi Héen. The Taaltsuxéi Héen and T'aakú Héeni are used for recreational boating, as well as recreational, commercial, and subsistence fishing. There are an estimated 70 seasonally occupied cabins along the T'aakú Héeni downstream of the Canada/USA border.

Mining and mineral exploration have long been the dominant economic sector in the Stikine Region and continue to account for a substantial portion of regional economic activity. The Wóoshtin wudidaa ATLUP identifies mineral exploration and mining as historically significant industries in the Atlin area. Mining enterprises remain contributors to the local economy through seasonal employment and associated demand for local goods and services. Mining exploration and development continue to be viewed as economically important, and is identified as a potential means to support regional growth due to its economic contributions.

Other economic sectors in the region include wilderness tourism, hunting, fishing, local businesses, and construction activities associated with development projects. Atlin and its surrounding landscape are known for their natural amenities and resources, which hold both cultural and economic value.

Tourism in the region occurs year-round, supported by approximately 40,000 ha of reserved Crown land, including Atlin Provincial Park and designated recreation areas. Activities of greatest relevance to land use planning include both commercial and non-commercial outdoor recreation. The Atlin Official Community Plan identifies the development of recreational facilities as a priority. Popular local activities include wildlife viewing, hiking, paddling, and motorized recreation.

Beyond recreation, Atlin contains numerous historical features and points of interest, including the M.V. Tarahne cruise ship, as well as multiple recreational sites and trails. The Nakina Trail, a significant cultural route of the TRTFN, exemplifies the area's deep historical and cultural importance. Historically, it served as the only overland route linking the boreal plateau to the T'aakú Héeni watershed, connecting Taku River Tlingit families and facilitating access to salmon harvesting along the T'aakú Héeni.

A search of the BC Groundwater Well and Aquifer database found no current groundwater well users registered within the Project area. The closest registered water well user is located over 100 km north of the Project. Potable water in the area is assumed to be historically sourced from surface water sources, such as Whitewater Creek at the Project site. Potable water for Project use will be sourced from Whitewater Creek and treated for consumption.

1.3.4.1 Land and Resource Use Management Plans and Policies

The BC Ministry of Water, Land and Resource Stewardship is responsible for integrated land and natural resource management in the Stikine Region. In partnership with First Nations, the Province develops land and resource management plans (LRMPs) that guide the management of land and resources within designated planning areas. The Project is within the area covered by the Wóoshtin wudidaa ATLUP, which provides legally binding direction for land and resource management. The Wóoshtin wudidaa ATLUP provides "resource management direction and zoning for the principal resource values and land use activities that are expected to occur within the Plan Area, including: access, aquatic and riparian habitats, terrestrial biodiversity and wildlife habitat, culture and heritage, forestry, mineral exploration and mining, and recreation and tourism" (TRTFN and Government of BC 2011 a). Among other categories, the Wóoshtin wudidaa ATLUP distinguishes Area Specific Resource Management Zones (ASRMZs), Protected Areas, Rare and Sensitive Ecosystems, and Cultural Site classes.

The Project is within the Taaltsuxéi Héen Valley/Taas Teiyi Héeni ASRMZ, which is ecologically and culturally important for the TRTFN. Cultural values include camp sites, settlements, and harvesting areas; opportunities to gather maple wood, roots, plants, and berries; and hunting values for dzískw (moose) and other game species. Salmon spawning habitat also appears in the Taaltsuxéi Héen Valley/Taas Teiyi Héeni ASRMZ. This zone is also used recreationally for heli-skiing.

The T'aakú Téix' Conservancy is approximately 10 km south of the Project site. There is no Project infrastructure or mining activity proposed within the Conservancy; however, site access by landing craft via the T'aakú Héeni passes through the T'aakú Téix' Conservancy.

The Project is located within the T'akú Tlatsini IPCA, an area where new protections are proposed. While the T'akú Tlatsini IPCA has been declared by the TRTFN, the Province of BC has not agreed to its implementation; however, the Tlatsini Planning Project is "grounded in the vision of the T'akú IPCA".

The TRTFN-BC Tlatsini Planning Project currently underway is presently focused on the Taku watershed, and intends to build on the Wóoshtin wudidaa ATLUP and Wóoshtin Yan Too.Aat – Land and Resource Management and Shared Decision Making Agreement. To support the Tlatsini Planning Project planning process, the Province has put a temporary pause on the registration of new mining tenures in selected areas in the T'aakú Héeni watershed until May 2026. The pause does not apply to the tenured rights currently held by mineral, placer, and coal tenure holders, and neither precludes nor limits mining activities on existing titles, subject to required permitting processes and consultation.

The Transboundary Rivers Salmon Integrated Fisheries Management Plan (Fisheries and Oceans Canada 2021) identifies salmon fisheries objectives and management measures, and coordinates communication of management plans to relevant and interested stakeholders. The T'aakú Héeni is one area of focus for the Transboundary Rivers Salmon Integrated Fisheries Management Plan.

The TRTFN Mining Policy requires that mining proponents notify and engage with TRTFN and execute a TRTFN Hà khustiyxh/Our Way Agreement for the proposed mining activity. Canagold entered into a Collaborative Engagement Agreement with TRTFN on March 7, 2023, which is effective until the end of the EA process for the Project. The Collaborative Engagement Agreement commits Canagold to negotiating an Hà khustiyxh (Our Way) Agreement by the end of EA review.

1.3.5 Site History

Prospectors discovered gold in the area in 1929. The mine, then known as Polaris Taku, was built in 1937. Mining methods included long-hole, shrinkage, and cut-and-fill. Polaris Taku mine operated until 1942 when it was shut down due to World War II. The mine was restarted in 1946, but in 1951 a barge loaded with gold concentrate sank off the coast of BC in a violent storm and, as a result, the mine closed.

During the mine's operation, about 15,796 m of under-ground development on 10 levels, and 3,747 m of raise development were completed. The deepest level of the mine was 187 m below sea level, and a 250 m deep internal winze was used to haul ore to the main haulage access level. The mine produced a total of 740,000 tonnes (t) of ore at an average grade of 10.3 grams per tonne (g/t) of gold. Gold concentrates were shipped to a smelter in Tacoma, Washington for refining.

Cominco, who owned and operated the nearby Tulsequah Chief and Big Bull deposits, leased the Polaris -Taku site in 1952 and upgraded the mill to process ores mined from these deposits until 1957. The mine then lay dormant for 30 years until exploration resumed in 1988.

Recent exploration has been directed at gaining knowledge about the geology of the area and the resource base of the mineralized zones. Canarc (now Canagold) explored the site between 1988 and 1997 and carried out infill drilling from 2003 through 2006, and in 2021 and 2022, to better define the continuity and grade of the ore. Since acquiring the property, Canagold has drilled over 350 holes totaling approximately 124,000 m resulting in the discovery of sufficient gold resources below and beyond the previously mined areas to warrant progressing the Project.

Understanding of the existing environmental conditions in the assessment areas is informed by a combination of available provincial data, studies completed during exploration activities, and Project-specific investigations. At the Mine Site, information is available from exploration activities and environmental programs that have been intermittently conducted since the late 1990's. Since 2020 Canagold has carried out studies to support the Environmental Assessment and major permit applications, including specific and current information on the human environment, particularly through engagement with Indigenous Nations and stakeholders.

During exploration programs in the mid 2000s, Canagold undertook cleanup of remnant structures and equipment that remained from historic mining activity (see **Image 1-2**). In 2006, Canagold received an award from the Ministry of Energy, Mines and Petroleum Resources for outstanding achievement in mine reclamation.



Town Site Before Reclamation



Town Site After Reclamation



Mill Site Before Clean-Up



Mill Site After Clean-Up



Mill Site Before Clean-Up



Mill Site After Clean-Up

Image 1-2 Reclamation of Historic Mine Infrastructure at the Project Site

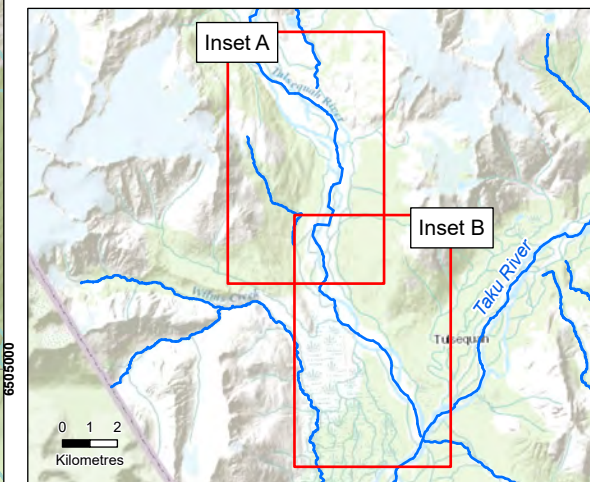
1.3.6 Existing Mine Infrastructure

Currently, access to the Mine Site is by light aircraft, using the existing small airstrip. In the past, shallow draft barges were used to access the site via the T'aakú Héeni, allowing the transport of bulk supplies and heavy equipment, and concentrate from the mine.

The existing infrastructure at the Project site includes the following (**Figure 1-8**):

- Five mine portals (two currently boarded up, two collapsed, and one in unknown condition)
- Camp buildings (bunkhouse, kitchen, dry, sleeping quarters)
- Airstrip
- Two empty fuel storage tanks at the Mine Site
- An empty storage tank, a bulldozer, and an unidentified relic mining machine at the historical barge landing site
- Core racks
- Machine shop
- Remnants of mill foundations
- Buried metal waste
- Remnants of the tote road to barge landing, and
- Deposited mine tailings and waste rock from both the Polaris Taku mine and Tulsequah Chief mine (TCM).

Existing Project Infrastructure Overview



Legend

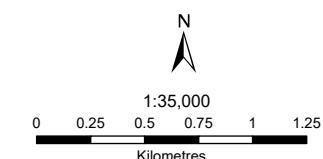
- Watercourse
- Existing Disturbances**
- Aggregate Borrow Pit
- Barge Landing
- Mining/Quarry
- Existing New Polaris Airstrip
- Historical Airstrip
- Historical Barge Landing Site
- Historical Townsite
- Historical Trail
- Legacy Wastes
- Polaris Mine Site
- Road

Notes

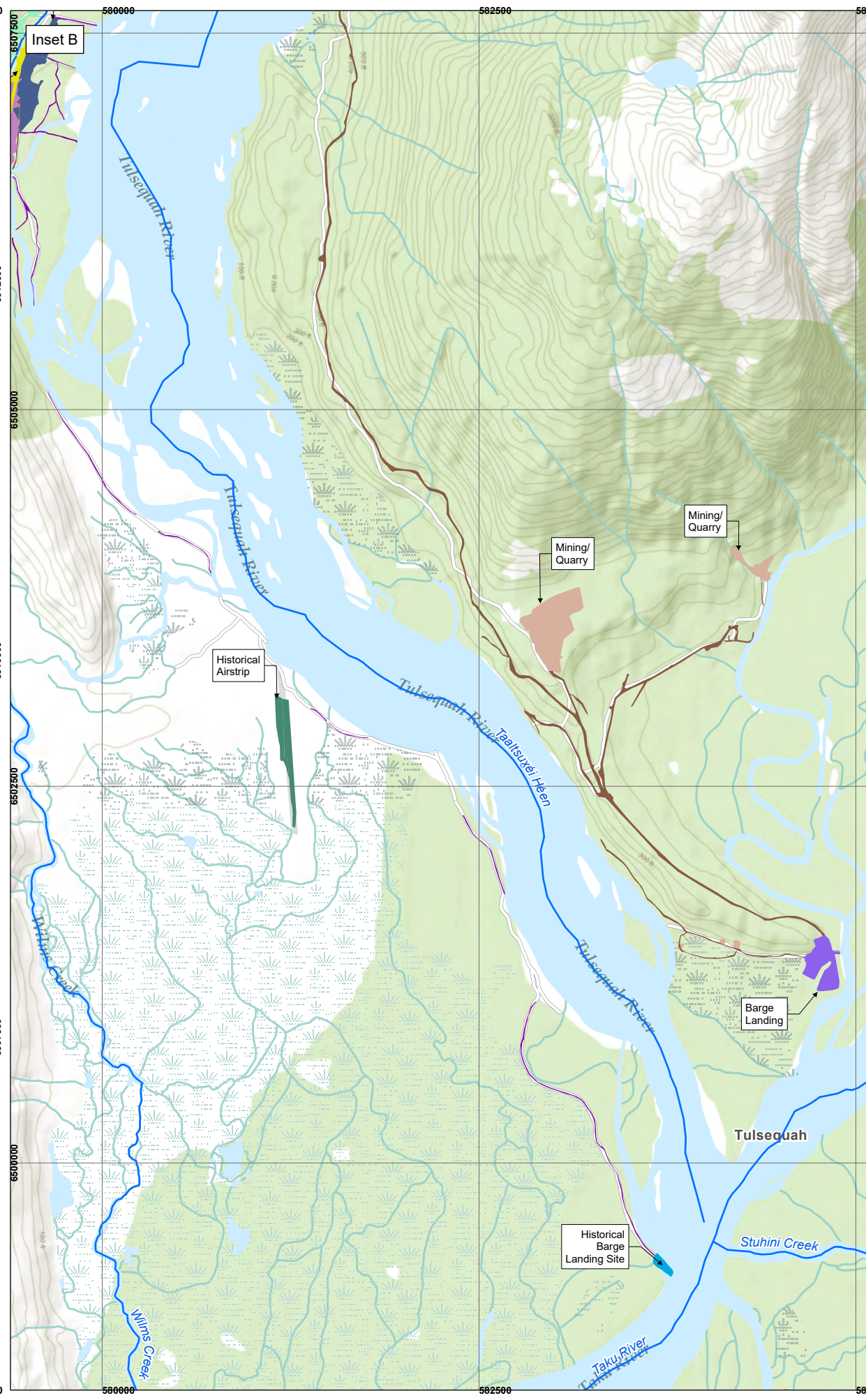
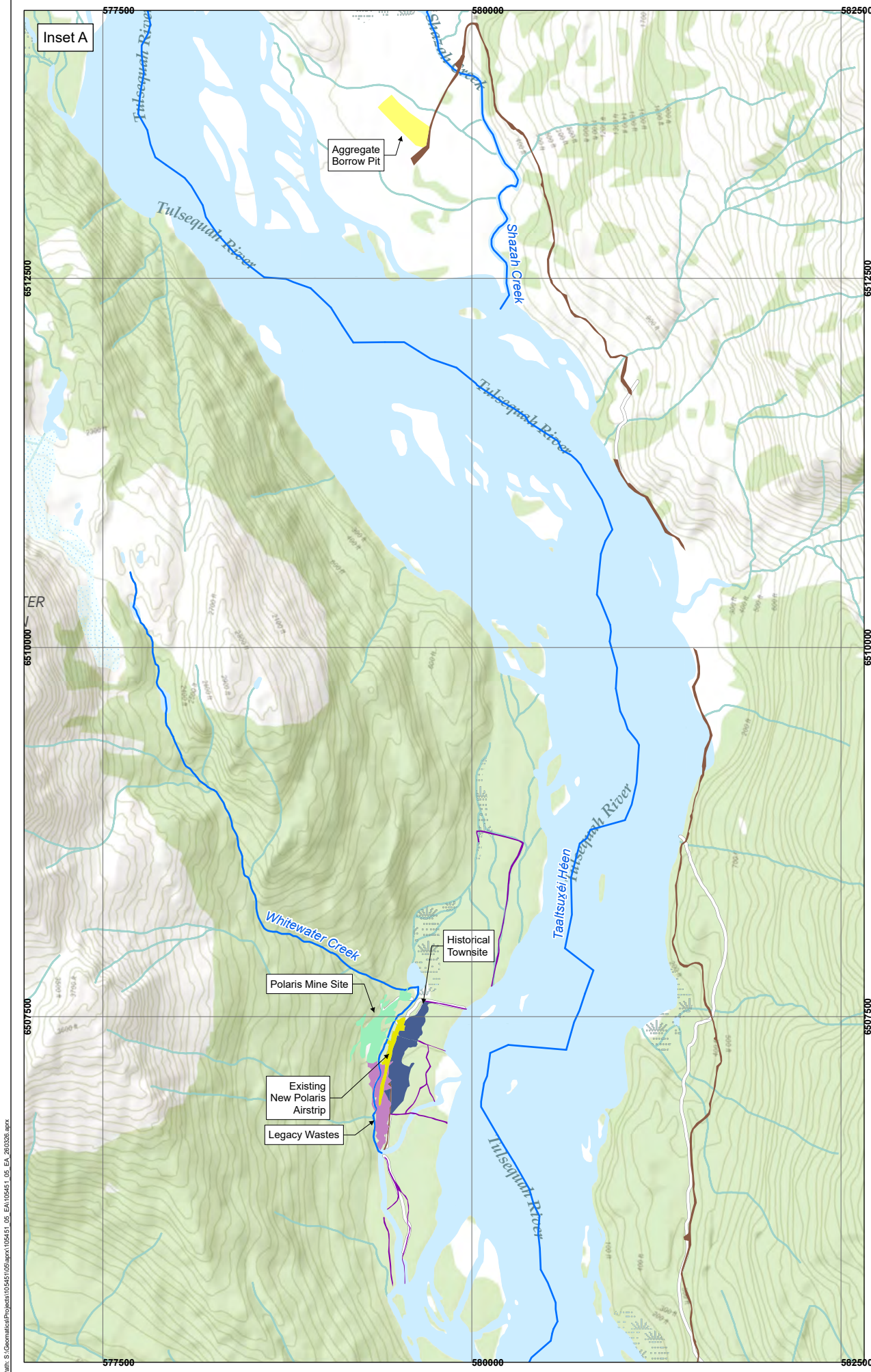
1. Hydroelectric components pending
2. All mapped features are approximate and should be used for discussion purposes only.
3. This map is not intended to be a "stand-alone" document, but a visual aid of the information contained within the referenced Report. It is intended to be used in conjunction with the scope of services and limitations described therein.

Sources

- Contains information licensed under the Open Government Licence - Canada, British Columbia
- Basemap: ESRI World Topographic
- Inset Basemap: ESRI Topographic Map



NAD 1983 UTM Zone 8N
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An aerial view of the existing infrastructure at the main Mine Site is shown in **Image 1-3**.



Image 1-3 Aerial View of Existing Mine Infrastructure (September 2021)

1.3.6.1 Historical Tailings

Tailings discharged by the historical mining operations at the site, and from other mines in the area, likely present sources of contamination to the Taaltsuxéi Héén Floodplain. Legacy tailings were generated by flotation processing of ores at the Project site, which were derived from two sources – the Polaris Taku mine and the Tulsequah Chief/Big Bull mines. It last operated between 1951 and 1957 and is currently in care and maintenance. The Tulsequah Chief and Big Bull mines are located on the opposite bank of the Taaltsuxéi Héén. The Tulsequah Chief mine is about three kilometres upstream of the Project site and the Big Bull mine is downstream of the Project site near the confluence of the T'aakú Héeni and Taaltsuxéi Héén.

The historical tailings on the Polaris Taku site have been previously studied in two environmental reports, the first by Hallam Knight Piesold (Gartner Lee 1994) as part of a site liabilities report and later by Gartner Lee (Gartner Lee 1997) but there was no extensive systematic sampling and geochemical analysis of the material done at that time.

The existing conditions studies have determined that sediment, water quality (groundwater and surface water) originating from historical mining activities contains elevated metal concentrations. Other potential sources of acid generation and metal leaching in the floodplain are buried tailings that have less exposure to oxygen. Perturbation of the flood plain would likely change the existing geochemical condition and may result in re-mobilization of arsenic into Whitewater Creek. The extent of legacy tailings and their geochemistry interaction to the Project is briefly described in the geochemistry existing conditions report (**Appendix 7.4-1**).

In 2022 and 2023, Canagold conducted a grid-based test pit program to assess the lateral extent, depth and geochemical composition of the legacy tailings and waste rock to determine their potential value as a construction material or as a potentially contaminated material. A total of 115 samples were collected from 39 test pits taken from three distinct areas of the site known to contain tailings. Additional test pits were carried out in 2024 and 2025 to test areas adjacent to the already defined locations to determine the lateral extent of tailings in these vicinities, as well as historical waste rock near the portals, on the airstrip, and existing site roads.

Information collected during the testing programs was used to determine what measures may need to be taken to secure the tailings and address the possible effects to the environment in the future. As the New Polaris Project is an existing brownfield site, it requires an approach to managing the effects associated with historical mining activities, and to minimising the potential cumulative impacts of the Project on the environment during construction, operations, and reclamation and closure. The approaches considered to address these historical impacts is discussed in **Section 1.7**.

1.3.6.2 Proposed Management of Historical Wastes

Canagold is committed to working with Participating Indigenous Nations (PINs) and the Province of BC to mitigate the historical mining impacts. Canagold will undertake action planning to integrate the findings of the existing conditions studies. Canagold will take a phased, risk assessment approach to remedial activities, prioritizing areas of potential hazard to human health and protect aquatic and terrestrial ecosystems.

This phased, risk assessment-based approach will likely include a combination of leaving some in-situ where the material is not posing an ecological risk to the terrestrial or aquatic environment. The ultimate aim is to maintain Whitewater Creek and Kitchen Slough as productive salmon spawning habitat throughout the life of the Project and beyond post-losure, and will include the following general activities during construction, operations, and reclamation and closure of the Project.

Construction

To construct the main Mine Site for the Project, the legacy tailings would need to be removed from the areas to be developed. This area, estimated to be up to 1.3 ha, could result in approximately 20,000 m³ of excavated legacy waste material. For this to be accomplished while protecting the environment from mobilization of leachable metals, Canagold would need to isolate and excavate as close as 20 m from the riparian zone of Whitewater Creek where legacy wastes have been delineated, taking precautions to ensure that Whitewater Creek and the riparian zone is not disturbed.

This material would need to be moved to a temporary location pending construction of the CSF. The excavated material would be stored under cover to protect from wind and water erosion, and to prevent dust generation. The excavated tailings would then be replaced with clean gravel from a proposed nearby borrow pit, and geotextile will be installed as a barrier between the clean fill and the tailings downstream of the initial cleanup area. The clean fill would then allow for the safe construction and operations of the Project facilities.

Canagold proposes to leave sediment in the Whitewater Creek bed intact as disturbing sediments could mobilise contaminants resulting in an impact on the environment, as arsenic, antimony and other metals that are deposited as sediment are known to remobilize when disturbed (introducing oxygen). It is therefore important to not agitate the existing sediment on Whitewater Creek while there is surface water connectivity between Whitewater Creek and the Taaltsuxéi Héén.

Operations

By the time the initial volume of legacy tailings would be transferred to the CSF, there will be sufficient equipment and resources on-site to advance further cleanup of legacy tailings if ecological risks still remain.

Depending on the outcomes of the planning undertaken during prior to, and during, construction of the Project, any additional excavation and disposal of legacy tailings would need to occur only after substantial layering of filtered tailings has been stacked in the CSF, in order to properly encapsulate the material.

Once the under-liner of the CSF has been installed, the CSF seepage collection and treatment infrastructure has been installed, and the filtered tailings placement has been underway long enough to build up a dry stack of low-permeability dewatered filtered tailings, the excavated legacy tailings would only then be moved for encapsulation within the CSF.

Closure

Canagold proposes to manage the legacy tailings together with the filtered tailings generated from the Project as part of the mine closure described in the Conceptual Reclamation and Closure Plan (**Section 1.8**).

1.4 Project Components

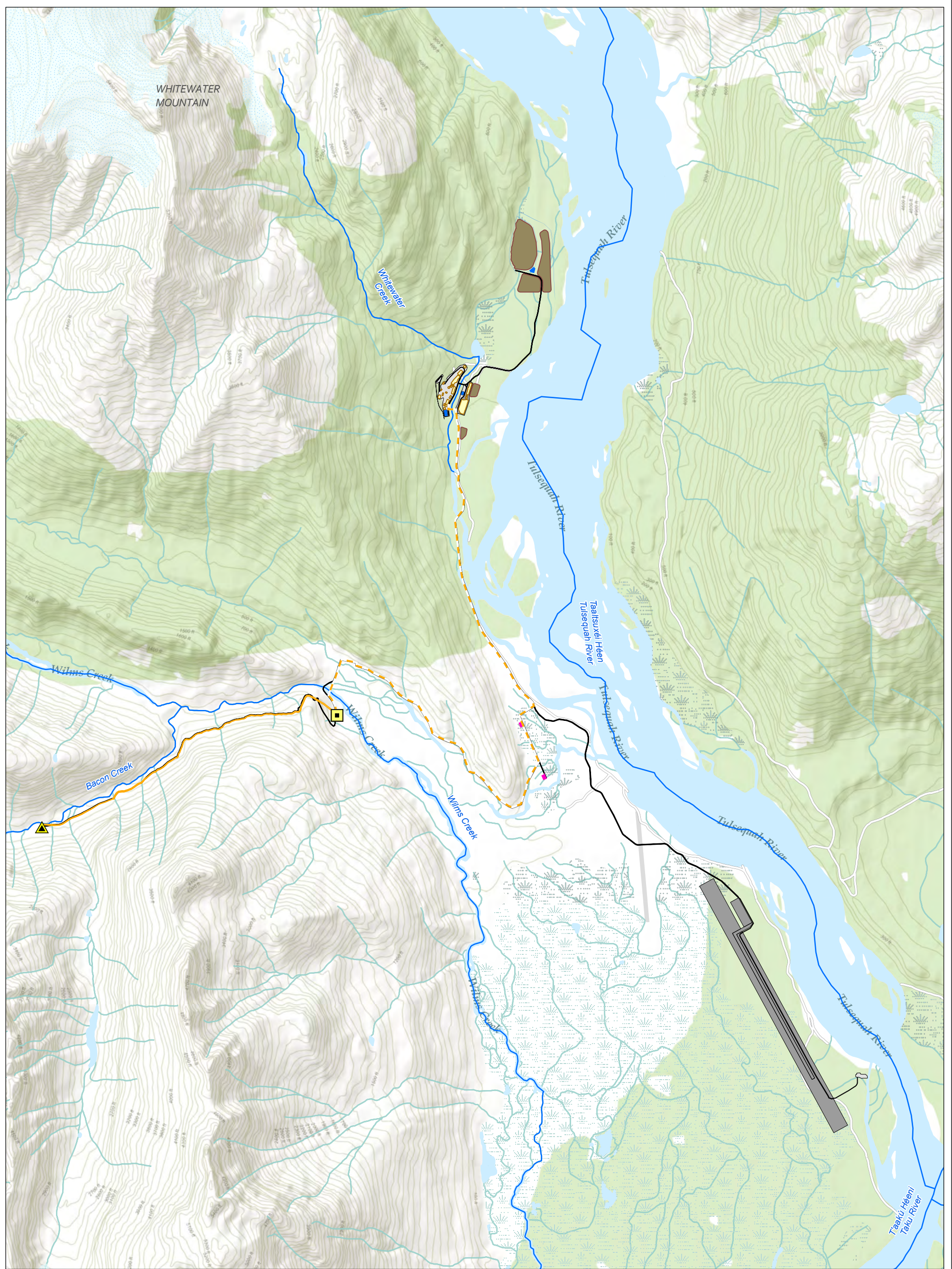
The plant site consists of the necessary infrastructure to support the processing operations. All infrastructure buildings and structures will be built and constructed to all applicable codes and regulations. The Project site will include an underground mine, a process plant, administration buildings, plant maintenance shop and warehouse, accommodations and other buildings.

The Project will include the following facilities and infrastructure:

- Mining facilities including mine administration offices, mine dry, truck workshop, explosives storage, fuel storage and distribution, ore stockpiles, and waste stockpiles
- Process facilities including the process plant, crushing facilities, backfill plant, process plant workshop, assay laboratory, reagent, and concentrate storage

- CSF for waste rock and tailings
- Catchments, ponds, and other site water management and treatment infrastructure
- Gravel/borrow pits
- New airstrip
- New river transport vessel (landing craft) landing facility
- Access roads from the airstrip, river transport landing facility, and explosives facility to the Mine Site area
- Haul roads from the Mine Site area to the CSF, and
- Power infrastructure, including interim diesel power generation, and planned hydroelectric generating facility on Bacon Creek, powerline, and substation.

The Project site layout and overview of the major components is provided in **Figure 1-9**. Detailed layouts of the mine and camp facilities, the CSF, and the river transport landing are shown in **Figure 1-9a** and **1-9b**. Planned layouts of the Bacon Creek Hydroelectric Facility is shown in **Figure 1.8c** and the air strip is shown in **Figure 1-9d**. Renders of these constructed facilities are provided in **Image 1-4a, 1-4b** and **1-4c**.



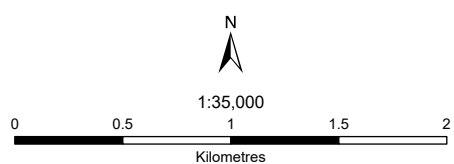
Legend			
	Town of Atlin		Water Management Structures
	Populated Place		Combined Storage Facility (CSF)
	Watercourse		Explosives Storage
	Headpond Intake		Mine Site Facilities
	Powerhouse		Power Infrastructure
			Transportation
			Transmission Line
			Clearing Limit

Notes

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Sources

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- Aerial Image: ESRI World Topographic
- Project Infrastructure Date: 2025/12/16



New Polaris Project
British Columbia, Canada

Overview of Major Project Components

105451-05	Production Date: Mar 26, 2026	Figure 1-9
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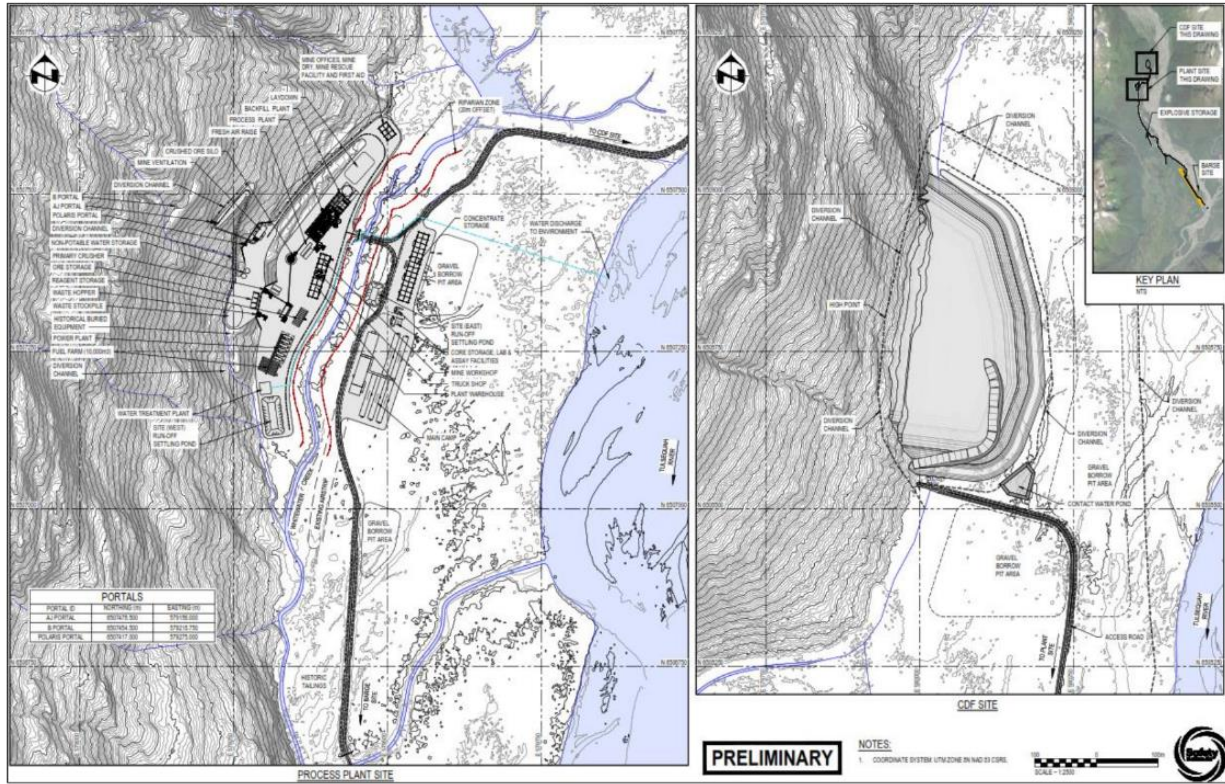


Figure 1-9a Mine Site and CSF

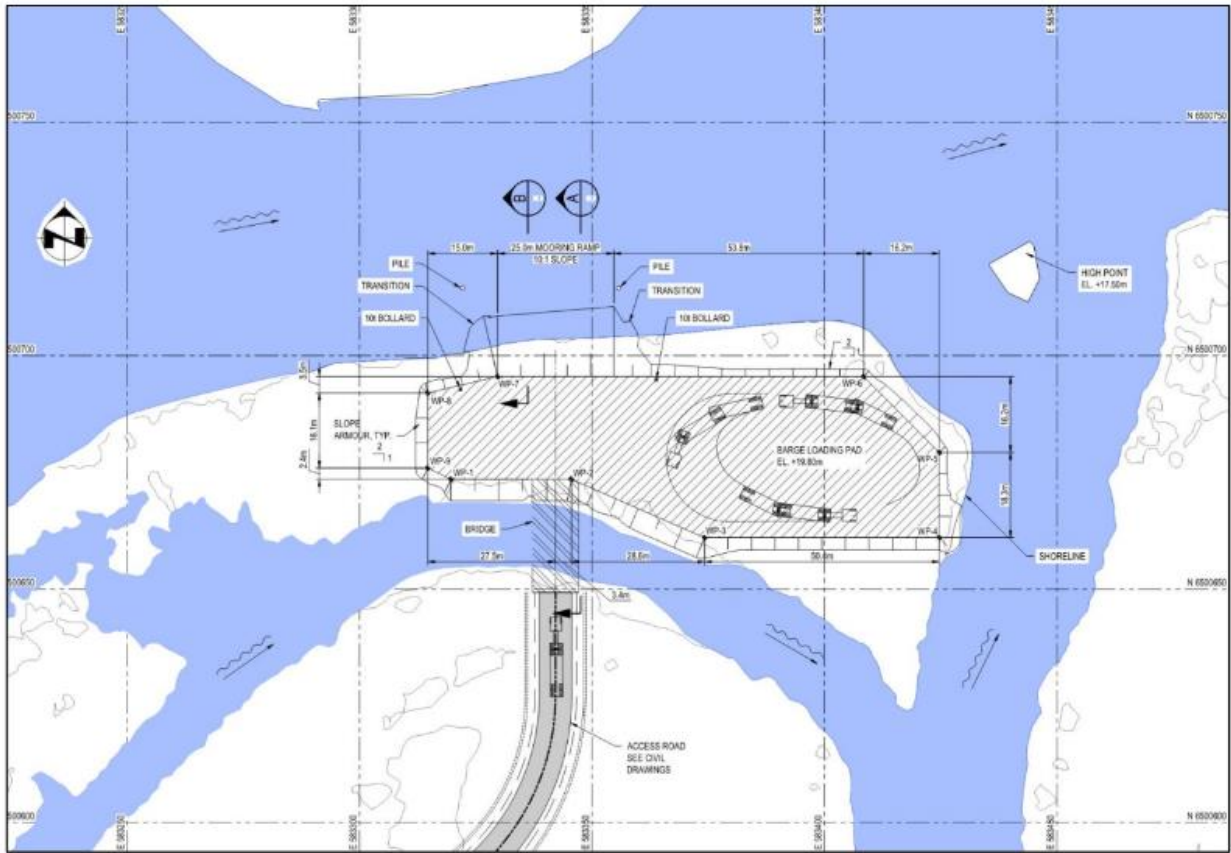


Figure 1-9b River Transport Landing

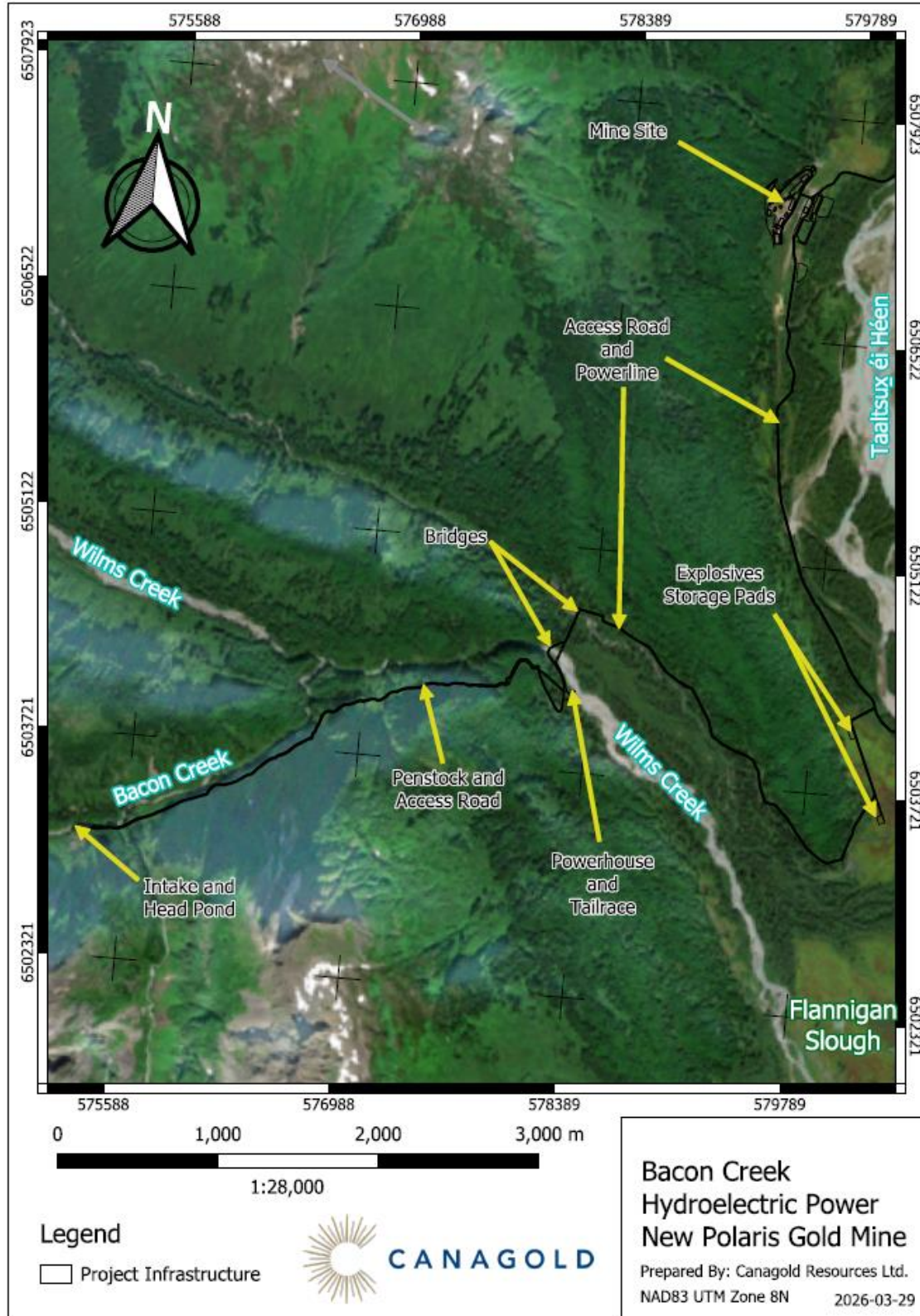


Figure 1-9c Bacon Creek Hydroelectric Facility

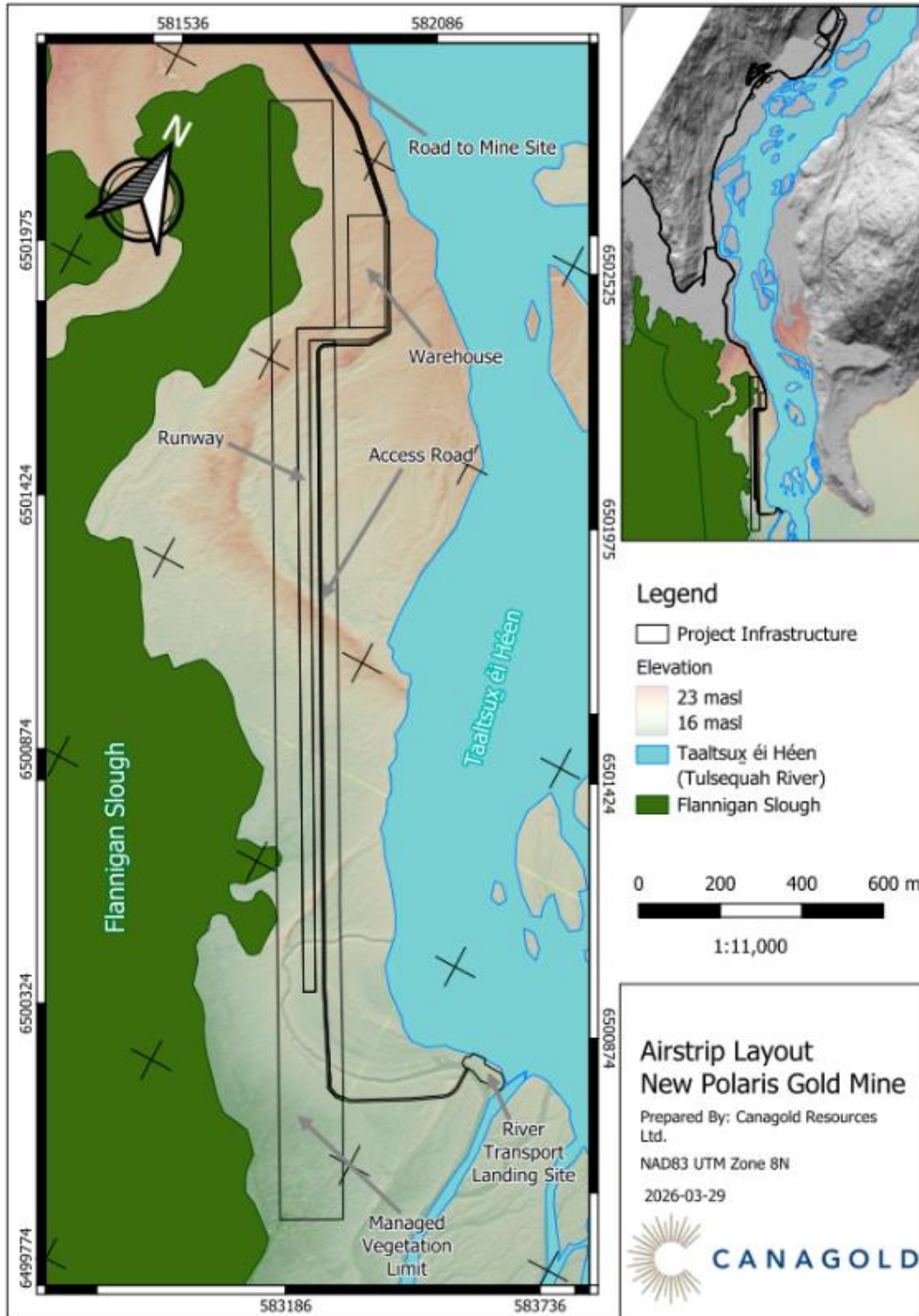


Figure 1-9d Air Strip



Image 1-4a Rendered View of Constructed Mine Site



Image 1-4b Rendered View of Constructed Airstrip and River Transport Landing

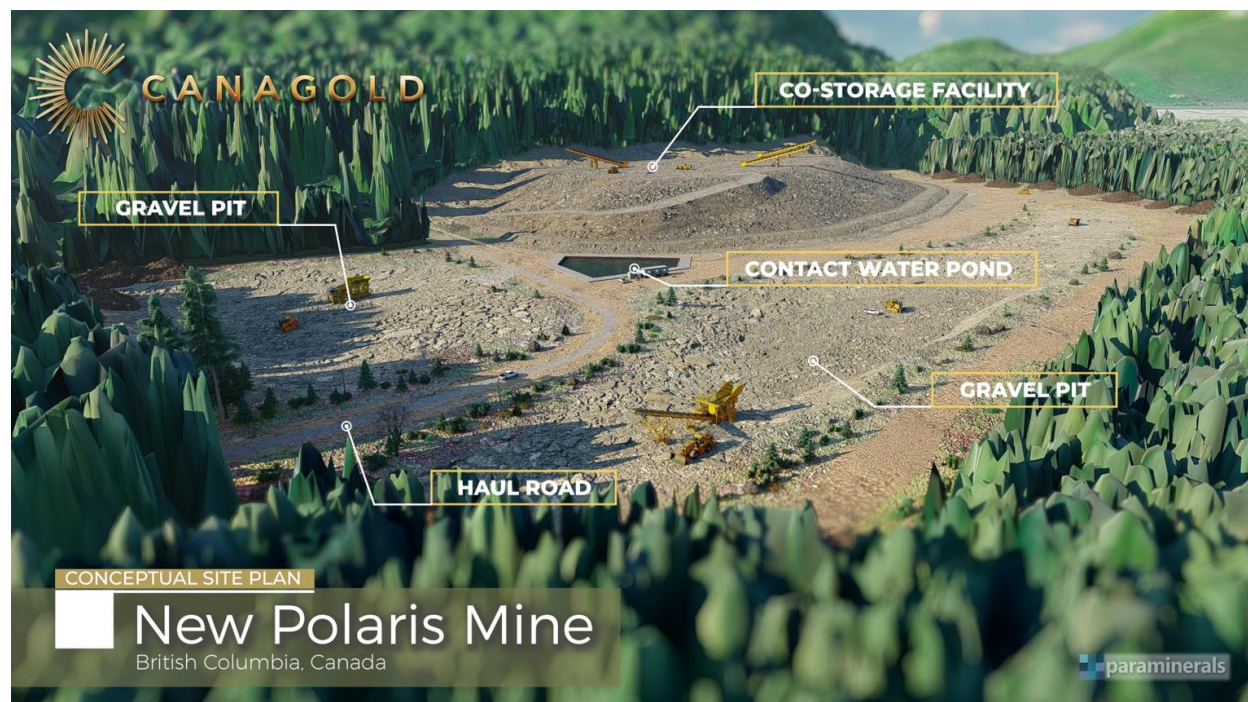


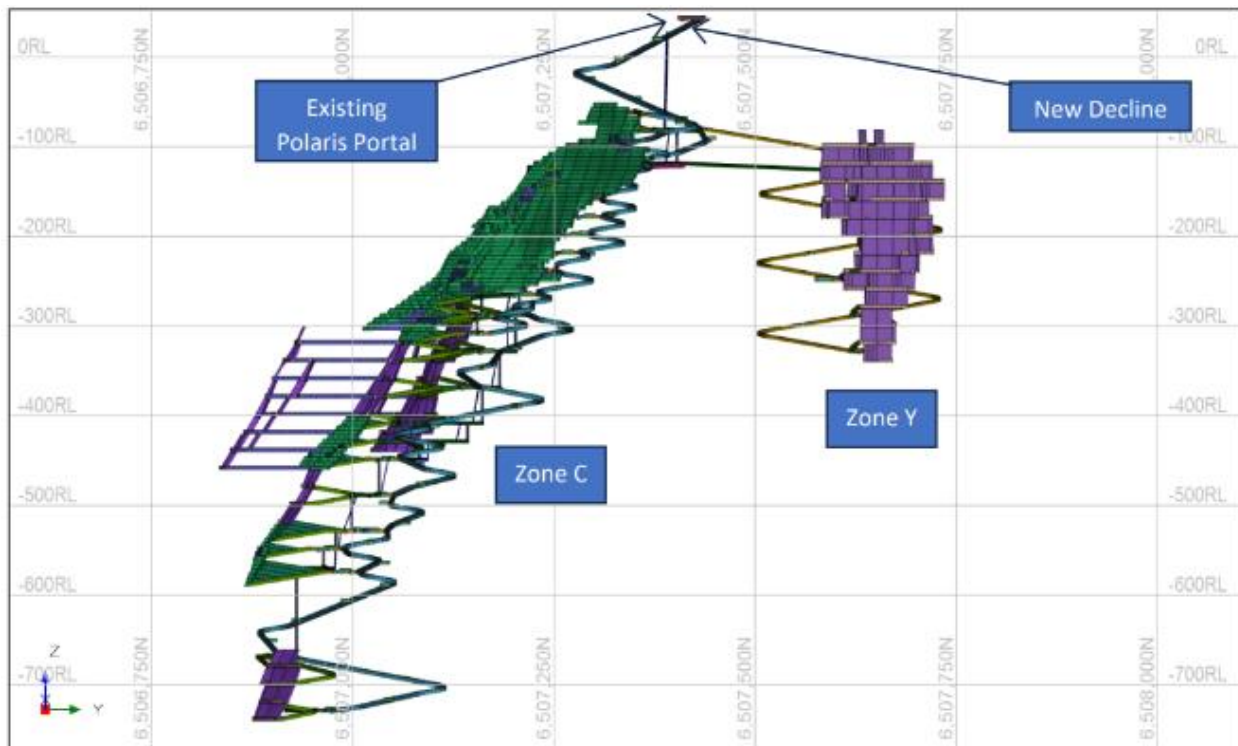
Image 1-4c Rendered View of Constructed CSF

Sufficient land is available within Canagold’s mineral tenure for installations such as the process plant and related mine infrastructure. Surface rights for the areas planned for the CSF, road to the airstrip and river transport landing site, and the airstrip and river transport landing sites are out of the tenure and land use permits will need to be obtained for these areas.

1.4.1 Underground Mine

The ore deposit is composed of at least three sets of veins, which range from 15 to 250 m in length and 0.3 to 14 m in width. The “A-B” veins are northwest striking and southwest dipping, the “Y” veins are north striking and dipping steeply east, and the “C” veins are east-west striking and dipping to the south to southeast at 65° to vertical. The “C” veins appear to hook around to the north and south into the other two sets of veins so that their junctions form an arc.

Access to the deposit will occur via a new ramp at the existing portal (see **Figure 1-9a**), which would be upgraded to accommodate trackless underground equipment. Ore will be extracted from two zones (Zone C and Zone Y). The existing portal is approximately 24 metres above sea level and the ramp would be driven down to the ultimate depth of the mine. **Diagram 1-1** shows a cross section of the historic underground workings and the new mineral resources to be mined.



Source: JDS, 2025.

Diagram 1-1 Long Section Looking West - Mineral Resources and Underground Workings

The underground mine workings are currently flooded and will require dewatering during the excavation of the new ramp to provide access to the ore between the surface and the ultimate depth (see **Section 1.4.4**). New services include mine ventilation, water and electrical services, pumps, geotechnical ground support machinery, haulage equipment, compressed air, mine lighting, and refuge stations. These services will be installed as the excavation of the ramp progresses. On the surface, ore would be stockpiled for feeding into the process plant.

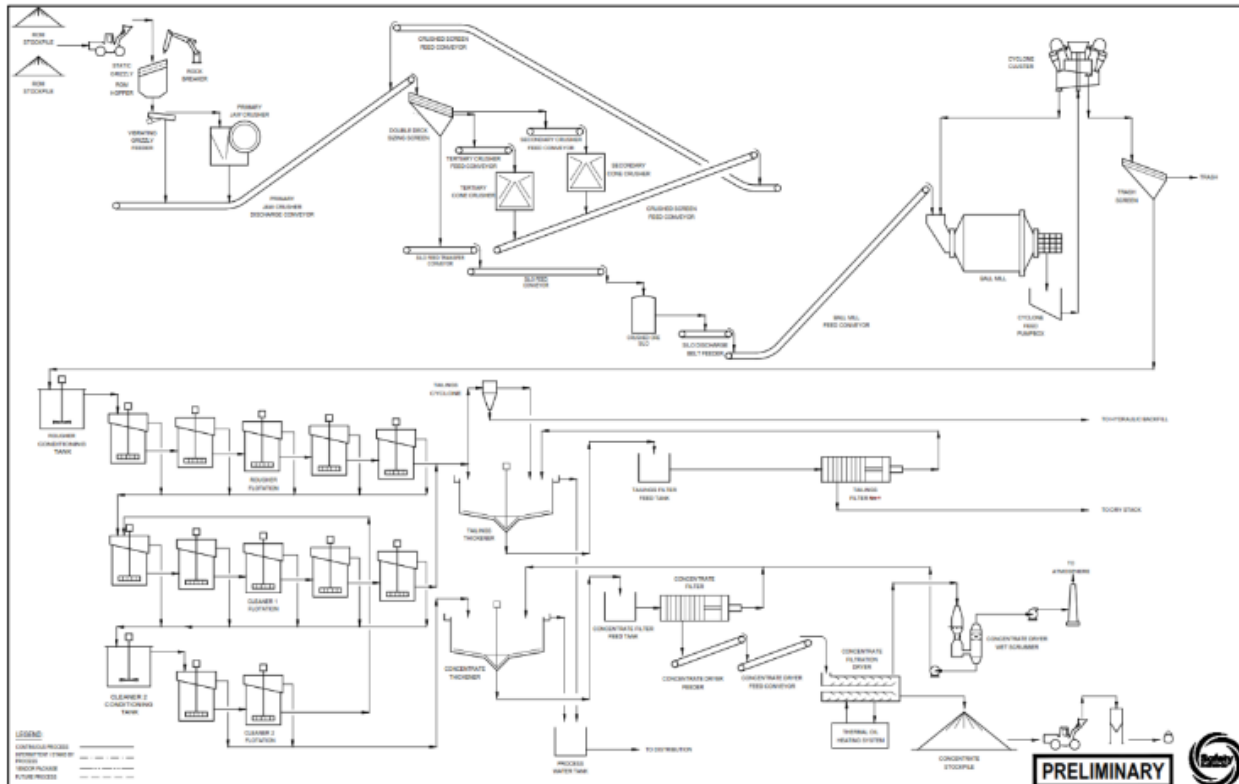
The Project plans to use a combination of longhole stoping (LHS) and drift and fill (DAF) mining methods. DAF mining will produce 60% of the tonnes of ore, with the remaining portion (40%) mined through LHS methods. LHS is applied to all of Y Zone and select areas of C Zone where geotechnical and deposit characteristics are suitable. Ore will be extracted using drill jumbos, longhole drills and a fleet of Load-Haul-Dump (LHD) machines loading into haul trucks that would haul ore to the surface via a ramp system.

Dewatering of the mine will be accomplished by a network of connected sumps, settling sumps and pump stations. The mine will be ventilated by a series of Alimak raises, raise bore and drop raise vertical development, with the declines being utilized as fresh air. Mine supply water from a surface freshwater tank will be distributed underground via pipelines installed in the decline, with pressure reducers, and distributed to the working areas.

Stopes will be backfilled using waste rock generated from development as well as a structural paste fill where required. The backfill is designed to provide sufficient excavation support and a strong working floor for personnel and equipment.

1.4.2 Process Facilities

Ore brought above ground from the mine will be processed at a process plant (see **Figure 1-9**). The plant will utilize three stages of crushing, a ball mill and cyclone in closed circuit, flotation, and concentrate dewatering. **Diagram 1-2** presents a flow diagram of the processing.



Source: Ausenco, 2025.

Diagram 1-2 Process Flow Diagram

The crushing circuit consists of a primary jaw crusher followed by a secondary and a tertiary cone crusher. Crushed ore will be stored in a silo. The flotation circuit will include rougher flotation and two stages of cleaning. Tailings from the rougher flotation cells will be sent to the tailings area and the concentrate will be refined in the cleaners. Tailings from the first cleaner will combine with the rougher tailings and sent to the tailings area. Concentrate from the first cleaner will be further cleaned in the second cleaner. Tailings from the second cleaner will be sent back to the first cleaner for another pass. Concentrate from the second cleaner will be dewatered using a thickener followed by a horizontal filter press. The filter cake will then be dried in a dryer to bring down the moisture content to a suitable level for bagging and air freight.

About 60% of the tailings from the processing plant will be disposed of in the CSF (**Section 1.4.3**) with the remaining 40% being used for backfilling underground mining excavations. About 67% of backfill will be waste rock sourced directly from underground waste development rounds or trucked from the waste rock storage facility. Trucks will haul to the level, dump in the remuck and the LHD fleet will haul from the remuck to the stope and dump. A paste backfill system will use classified mill tailings mixed with binder and accounts for remaining 33% of total backfill.

The tailings area will consist of a tailings thickener and filter press and tailings cyclone. Tailings from flotation will report to either the tailings thickener or tailings cyclone depending on whether the backfill plant is running. The backfill plant will produce a mixture of thickened tailings for backfilling mined out portions of the underground mine and will be located at the process plant. If the backfill plant is active, the tailings cyclone will send coarse underflow to the plant and the overflow fines will report to the tailings thickener. When the backfill plant is not active the tailings will directly go to the thickener. Thickened underflow tailings will be further dewatered in the tailings filter press prior to disposal in the CSF.

Flotation cell blowers will supply air to the rougher, first cleaner and scavenger, and second cleaner circuit, and an air dryer will provide instrument air as required. The concentrate and tailings filters will have dedicated compressors to service the blowing, membrane squeezing, and drying requirements.

1.4.3 Combined Storage Facility

A siting and waste material deposition study was carried out to evaluate the best disposal option for the mine tailings generated during the processing activities, and the best location for the proposed CSF (see **Section 1.7.9**).

The CSF will be located approximately 2.5 km north of the process plant (**Figure 1-9a**). The co-disposal methodology creates an integrated disposal facility with very little mixing between the filtered tailings and the waste rock, a reduced footprint, and simplified water management when compared to standalone tailings and waste rock facilities.

A road will be constructed from the plant to the CSF, and as the facility increases in height the road will be constructed to access higher portions of the facility. The CSF will be built in multiple phases to reduce capital cost and spread-out sustaining capital costs. Initially, the CSF footprint will be cleared of vegetation and the upper 30 cm, organic layer, will be removed and stockpiled for progressive closure of the CSF slopes. The berm will be constructed using NAG waste rock for the exterior of the berm along with quarried large diameter rock placed on the exterior to protect the CSF from erosion, and will be lined with alluvial material on the interior of the berm. The CSF design includes a liner to protect against any potential for ARD or metal leaching from tailings or waste rock.

The tailings that are not directed to the backfill plant will be filtered to a semi-dry state and loaded into haul trucks and transported to the CSF, as will waste rock from mining activities not used as backfill. The CSF will have capacity to hold 3.21 Mt to accommodate the approximately 2.32 Mt of filtered tailings and 0.31 Mt of waste rock to be generated during the LOM.

The CSF was designed for a 1-in-2,500-year seismic event, which is more conservative than the current CDA criteria. The CSF is expected to withstand the 1:2,475-year peak flow of the Taaltsuxéi Héén with the location of the facility on the interior of a bend in the flood plain and 4 m high (El. 68m asl.) rip-rap berm.

A model of the Taaltsuxéi Héen will be completed prior to completion of detailed design to confirm the design 1:2,475-year peak flow and rip-rap berm elevation. The stability of the CSF will be monitored using vibrating wire piezometers and GPS sensors strategically placed within the foundation and the CSF. These instruments will be connected to a data logging system and telemetry system for real-time continuous and unattended monitoring.

Contact and non-contact surface water management structures at the CSF (see **Section 1.4.5.2**) were designed for a 24-hour, 200-year return period storm event. The CSF infrastructure will include a contact water underdrain and surface collection system, and surface water collection channels and ponds. Water quality at the collection ponds will be monitored, and if the water does not meet applicable standards it will be treated prior to discharge.

1.4.4 Water supply

Fresh water will be sourced from Taaltsuxéi Héen and/or a well to be developed at the site, and will be pumped to the fresh and fire water tank. This water will supply the fire water system that services the fire water hydrant network and ancillary buildings, and will supply the water used for reagent mixing in the mill.

Potable water will be sourced from the fire and freshwater distribution pump as needed and treated in the potable water treatment plant. Treated water from the potable water treatment plant will be held in a tank designed for a capacity of at least 48 hours and will supply all the potable water used on site. An emergency supply of bottled water will be stored on site in the event of a malfunction of the water treatment system or routine water tests that indicate an drinking water guideline exceedance of a biological or chemical constituent.

Process water will be sourced from the tailings and concentrate thickener overflow and make up water from the Taaltsuxéi Héen, if needed. When the hydraulic backfill plant is not operating, the process water tank will see an excess and will not require make up water. When the hydraulic backfill plant is operating, the majority of the flotation tailings will be sent to the tailings cyclone, with only the overflow returning to the mill and feeding the tailings thickener. This will require fresh water to be diverted from the fresh water tank to the process water tank. No effluent treatment will be required because there will not be an excess amount of process water.

1.4.5 Water Management Infrastructure

The Project will require management of contact water (including water from the underground mine), non-contact water, and camp use water (**Diagram 1-3**). A primary water management strategy incorporated into the design of the Project is to “keep clean water clean”. This is achieved through the implementation of diversion features that direct water around mine infrastructure and developed areas of the site. This strategy is in keeping with regulatory guidance and works to minimize the volume of water requiring active management.

Contact water is water that interacts with or otherwise comes in contact with mine surfaces, mine infrastructure or mine materials, including processed ore, filtered tailings and waste rock. Sources of contact water include:

- Runoff from developed areas (e.g. pads, roads and the airstrip)
- Runoff and seepage from stockpiled ore and waste rock

- Runoff and seepage from the CSF, including the waste rock berm
- Runoff from legacy materials (tailings and waste rock currently in place)
- Dewatering of the existing mine during construction
- Dewatering of the underground mine during operations, and
- Excess process water.

Water from the underground is considered to be contact water, since it will have interacted with tailings paste backfill, waste rock backfill, and/or blasted wall surfaces.

Contact water will be collected through a series of collection ditches and directed towards lined settling ponds. The collection ditches surrounding the CSF, as well as the CSF itself, will be lined. There will be three settling ponds on-site:

- One settling pond adjacent to the processing plant site, on the west side of Whitewater Creek (Process Area Settling Pond)
- One settling pond adjacent to the accommodations on the east side of Whitewater Creek (Camp Area Settling Pond), and
- One contact water collection pond adjacent to the CSF that will collect runoff and seepage from the CSF (CSF Settling Pond).

Water quality in each pond will be monitored, and water not suitable for direct discharge will be directed to the water treatment plant (WTP).

Non-contact water is water that does not interact with the mine, such as drainage from natural catchments that is diverted around mine infrastructure. Non-contact water, along with contact water of suitable water quality, can be directly discharged to the environment.

Camp use water is freshwater that is brought on-site for domestic use. It is typically treated prior to discharge.

Over the life of the Project, the WTP will receive:

- Dewatering flows from the existing flooded mine
- Dewatering flows from the operational underground (a mixture of groundwater inflows, blasted material contact water, tailings paste backfill contact water, and waste rock backfill contact water)
- Runoff and seepage collected in the CSF settling pond, and
- Excess process water.

The WTP may also receive, depending on water quality:

- Runoff and seepage collected in the Process Area Settling Pond, and
- Runoff and seepage collected in the Camp Area Settling Pond.

Once water has been treated through the WTP, it will be combined with water treated through the non-contact water settling pond and discharged to the Taaltsuxéi Héen. Fresh water for domestic use (i.e. potable water) will be treated in a separate system designed to treat water for drinking water criteria.

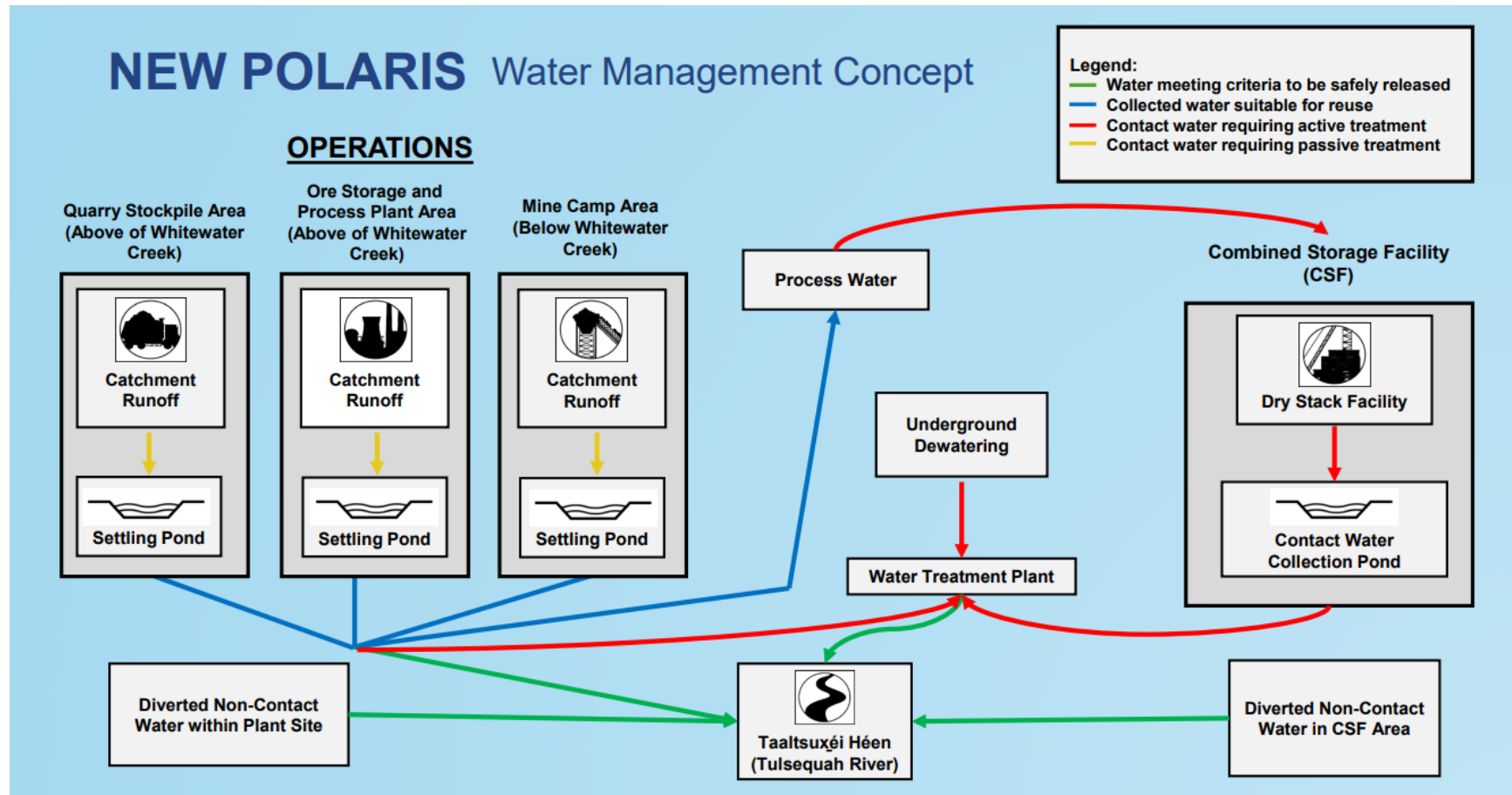


Diagram 1-3 Water Management Schematic

1.4.5.1 *Diversion Channels and Collection Ponds*

To protect waterbodies and related environmentally sensitive areas such as wetlands from sedimentation, the Project design includes riparian setbacks and non-contact surface water diversion structures including berms, ditches or channels, and collection ponds (see **Figure 1-9a**). There will be three surface water management ponds: the west and east Mine Site runoff settling ponds and a contact water pond for the CSF.

A series of channels, sized to convey a 1:200-year peak flow, will be used to divert non-contact water around and away from site infrastructure. The diverted water will be captured in ponds, either for use in the process facilities or for monitoring and discharge to the environment. The ponds will be designed as wet ponds with a permanent water level to aid in settling of any sediments. They will be sized to contain a 1/200-year, 24-hour storm without discharge, which is anticipated to provide sufficient retention time for settling of sediment during normal precipitation and less extreme events (i.e. 1/10 events).

Collected surface water from the west and east Mine Site runoff settling ponds should only require sediment removal prior to discharge; however, if the water does not meet discharge standards it will be pumped to the water treatment plant for additional treatment and testing prior to discharge to the environment.

All diverted non-contact water that does not flow to the settling ponds will discharge indirectly through diversion ditches that connect to Whitewater Creek, dissipate overland, infiltrate to ground, or be directly discharged to the Taaltsuxéi Héén. Diverted water will not be moved to another watershed and the ultimate discharge locations will be as close to the existing flow path as possible. Given the location of the ponds, they will discharge to Whitewater Creek near the confluence with the Taaltsuxéi Héén side channel.

Contact water collected in the pond at the CSF is not expected to meet discharge standards, so it will be trucked or pumped to the water treatment plant for treatment and testing prior to discharge to the environment.

It is expected that the borrow pits near the Mine Site and the CSF (see **Figure 1-9a**) will also collect surface runoff water. It is not expected that these borrow pits will need to be dewatered. However, if dewatering is required the water will be tested and if it does not meet discharge standards it will be treated in-situ or will be pumped to the water treatment plant for additional treatment and testing prior to discharge to the environment.

1.4.5.2 *Combined Storage Facility Water Management*

The intent of the water management system at the CSF is to minimize the disruption of natural flows in Kitchen Slough and Whitewater Creek (**Figure 1-9a**). This will be achieved through a combination of: diverting natural surface flow and installing a liner system underneath the filtered tailings; and compaction of filtered tailings layers as they are placed in the CSF to minimize hydraulic conductivity of the tailings material.

The CSF design has non-contact water management infrastructure, which will divert water around the facility to Kitchen Slough and toward Taaltsuxéi Héén. The contact water collection system within the CSF will consist of a perforated piping surrounded by drain rock (over-drain). Contact that is collected

by the over-drain is conveyed to the lined contact water pond located to the southeast of the CSF. The collected contact water will be trucked or pumped to the water treatment plant for treatment and testing to meet applicable standards prior to discharge to the Taaltsuxéi Héén.

At closure, a cover liner and cover system will be implemented to limit infiltration of precipitation and promote the re-establishment of native vegetation species typical of the biogeoclimatic conditions (see **Section 1.8**). An amount of leakage, based on an assumed installation defect rate, is expected to seep from the CSF into the underlying groundwater.

1.4.5.3 Mine Dewatering

The historic underground mine is currently flooded and will require dewatering during the excavation of the new ramp and mine. The historically mined-out crown pillar openings (MOCPOs) up slope will be sealed to reduce percolation into the historical mine. Mine dewatering will also occur during excavation of the New Polaris mine, and during mine operations. Keeping with the intent of minimizing the disruption of natural flows in Whitewater Creek, the initial mine dewatering will be staged to reduce the effects at any given time.

Water from mine dewatering will require active treatment and will be pumped directly from the underground workings to the water treatment plant for treatment, testing and subsequent discharge to the Taaltsuxéi Héén. Current numerical groundwater model predictions for groundwater inflow to the existing historical mine is presented in Section 7.4.1.

Canagold will decommission proposed mine portals and any infrastructure / boreholes linking the mine to the surface during operations and reclamation and closure. Canagold will also plug new vent raises and portals upon decommissioning of the Project.

1.4.5.4 Water Treatment Plant

The proposed Project includes an active water treatment process that will be established during construction and continue through operations and closure, with the potential to extend into post closure if necessary. The water treatment plant (**Figure 1-9a**) will treat mine contact water from both the mine dewatering and runoff from the CSF, as well as water from the surface collection ponds as needed. The water treatment plant will include the following major equipment and facilities:

- Process water tank (150 m³)
- Fresh and fire water tank (650 m³)
- Potable water treatment plant
- Sewage treatment plant
- Effluent water treatment plant
- Treated water tank
- Associated pumps and pipes, and
- Reagent storage.

The potable water treatment plant will be designed to provide sufficient fresh potable water to the camp and administration buildings, including post-treatment storage for up to at least two days. A reserve of bottled water will be stored on-site for emergency use if there is an issue with the water quality or efficacy of the water treatment reagents. Routine testing for biological and chemical constituents will be performed to ensure the potable water meets applicable drinking water standards.

The sewage treatment plant will be capable of handling an average sewage flowrate of 31 m³/d and a peak of 82 m³/d. The sewage treatment plant will come in two modules, one including the equalization chamber and mixer, denitrification, membrane filtration, and UV disinfection, and another for sludge mixing, dewatering, and sludge handling.

The effluent water treatment plant will consist of two parallel systems. Each system will consist of slant clarifiers, pH treatment, coagulation dosing, and flocculation reactors to remove solids from the discharge stream. Each system will come with a sludge pumping system to remove the solids from the treatment plant.

At this stage it is envisioned that treatment will be a modular plant and any sludge or solid waste generated will be deposited in the CSF.

The treated water will be tested for compliance with applicable standards prior to discharge to the environment. Once treated water meets the permitted discharge criteria it will be discharged to Whitewater Creek or the Taaltsuxéi Héen via a pipeline. Diffusers or specific outlet configurations are being considered.

Reagents will include a combination of coagulants/flocculants, pH adjusters, and disinfectants, and the specific combinations will be determined through detailed design of the water treatment system and adjusted as source water quality testing parameters indicate. These reagents will be stored in a dedicated reagent storage building and stocked to ensure there is sufficient reagent without running out at any point during the period that active water treatment is required. The reagent storage building will require specific temperature and humidity conditions to ensure the reagents remain viable, and reactive, incompatible substances will be kept isolated from each other (e.g. acids and bases) as safety precautions.

1.4.6 Aggregate Sources

The construction of site infrastructure, including roads, laydown areas, and building foundations, will require borrowed gravel and rock. This aggregate will be locally sourced, and limited to non-acid generating and non-metal leaching material to avoid potential issues with surface water runoff from the site. Surveys of potential borrow sources will be conducted to assess the physical properties (i.e. grain size, permeability, compaction) and chemical stability (i.e. ARD/ML potential) of the construction materials.

Two areas near the plant site are currently identified as potential borrow pits for aggregate supply for the Mine Site, and two other areas near the CSF are identified to provide aggregate supply for roads and material for construction of the CSF (see **Figure 1-9a**). The final number and location of the borrow pits will be confirmed once the Project design is complete.

Clean waste rock (non-acid generating nor metal leaching) from the underground mine may also be used as an aggregate source. Regular geochemical testing of waste rock will be undertaken to aid in the separation between clean waste rock that is suitable for use as aggregate and waste rock that must be disposed of in the CSF or used for backfilling.

1.4.7 Air Strip

The Project feasibility study concluded that robust air operations are needed to airlift consumables, including fuel, into the site and to reciprocally airlift mine concentrate out of the site daily during full scale operations. The existing airstrip is too short to accommodate the aircraft to be used during mine operations; therefore, a new 1,700 m long airstrip will be constructed approximately 8 km south of the Mine Site, near the Taaltsuxéi Héen and T'aakú Héeni confluence (see **Figure 1-9a**).

The airstrip currently being used for exploration programs, on what was formerly the Polaris-Taku town site (see **Figure 1-9a**), will be redeveloped into Mine Site facilities including the camp, core storage, and concentrate storage. The southern portion of the existing airstrip may be used to store legacy wastes removed from other areas of the site (see **Section 1.3.6.1**) once the new airstrip and main site road is developed. This will also accommodate the eventual decommissioning of the historic airstrip.

1.4.8 River Transport Landing

A river transport vessel (i.e. landing craft) landing site will be constructed to allow for delivery of construction equipment and materials, and a limited amount of operational stage equipment too heavy to transport by air that are transported up the T'aakú Héeni. The landing will be located upstream of the confluence of the Taaltsuxéi Héen and the T'aakú Héeni, on the west bank of the Taaltsuxéi Héen (see **Figure 1-9a**).

The landing will be constructed from fill and protected by slope armour, to create a level platform capable of docking the landing craft and providing space for trucks to be loaded and unloaded (see **Figure 1-9b**). The landing facility will also include a small office trailer, generator, diesel fuel tank, temporary storage area, and container handler and/or mobile crane.

1.4.9 Roads

The existing road network beyond the Mine Site has not been actively maintained and was subject to vegetation overgrowth, erosion and wash outs, and settling over the decades. While some minor upgrading and maintenance has been completed to facilitate recent exploration activities as late as 2007, upgrading of existing roads and construction of new roads are proposed to enable Project construction and operations. Where feasible, the new roads are planned to follow existing road alignments and other disturbances. The most significant road building and upgrading activity is to re-establish the main access road between the Mine Site and the new airstrip and landing, and between the Mine Site and the CSF (see **Figure 1-9b**).

An approximately 10 km long tote road is needed to transport materials/equipment between the Mine Site and the landing site. About 7.5 km of the road follows a similar alignment to the original road, running southeast between the west bank of the Taaltsuxéi Héen and the Flannigan Slough. Approximately 2.5 km will be new cut and fill construction on the hillside west of Whitewater Creek. The tote road will cross six watercourses.

A 2 km long tote road between the Mine Site and the CSF is required to facilitate transport of filtered tailings and waste rock from the mill. Culverts to convey surface drainage may be required depending on the CSF location.

1.4.10 Other Site Infrastructure

Other site infrastructure includes:

- Buildings and facilities (i.e. loadout facilities, utilities, warehouse, laydown areas, offices, maintenance shops, accommodations)
- Communications
- Domestic waste management
- Reagent storage
- Fuel storage and handling facilities
- Explosives preparation and storage facilities, and
- Power.

1.4.10.1 Buildings

Most of the remaining buildings on the site, including the workshop and shed at the airstrip, cannot be used for the Project due to structural stability-related worker safety issues and will need to be removed. The existing exploration camp may be utilized for overflow accommodations for on-site staff on an as-needed basis.

Construction and operations will require construction of several buildings, typically within the main plant site (see **Figure 1-9a**). These will be either prefabricated trailer units, prefabricated steel structures or fabric structures placed on concrete slabs. **Table 1-2** lists the buildings, type of building, and size of buildings to be built.

Table 1-2 Description of Site Buildings

Building Name	Type	Length (m)	Width (m)	Height (m)
Process Plant (Grinding flotation, filtration and reagents) / Backfill Plant	PEB	85	26	-
Mine Truck Shop / Workshop / Truck Wash, Plant Warehouse	PEB	71	18	-
Mine Offices (Mine Dry, Mine Rescue Facility and First Aid)	Modular	24	16	3
Concentrate Storage	PEB	113	18	-
Air Strip Office	Modular	16	15	3
Airstrip Warehouse	Fabric	16	10	4
Reagent Storage	Fabric	30	12	3
Accommodation Camp	Modular	75	9	3

The maintenance building will be a pre-engineered steel framed structure built on a concrete slab, sectioned into separate areas for the mine/truck/maintenance/electrical workshop, plant warehouse and truck wash. The facility will include four maintenance bays and one wash bay, with a single 20 t overhead crane to service all bays.

The mine offices (mine dry, mine rescue facility and first aid) will be a modular building sectioned into separate units. Minimal installation requirements include clearing and grubbing, some minor foundation work, and hook up of site services.

The workforce will be housed in a modern industry-standard camp facility, with a capacity of 300 people.

1.4.10.2 Communications

The communications infrastructure proposed for the Project includes a satellite-based internet and surface telephone/radio communication system for above ground communications. This may include installation of antenna or towers. Design of the below ground mining operations also includes a specialized communication system which also allows the underground mine to communicate with the surface crews.

1.4.10.3 Domestic Waste

The Project will include a waste disposal facility for the disposal of domestic, sanitary, and other waste generated by the camp and other site facilities during operations. Waste will be incinerated on site using a skid mounted diesel fueled incinerator. The location of the incinerator will be considered for minimum impact to personnel working and living at the site. Ashes will be buried in an approved landfill area on site or flown off site for disposal at a commercial landfill. Non-combustible and hazardous waste will be flown to Atlin or Whitehorse for disposal.

1.4.10.4 Fuel Storage and Distribution

Approximately 15,000,000 L of diesel per year will be required. Fuel will be flown to site from Juneau on the planes used to transport the concentrate from the site (see **Section 1.7.4**). It will be offloaded and trucked to the bulk storage fuel tanks at the process plant site. The tanks will have a capacity of approximately 1 million to 2 million litres. An earth berm and impoundment will be constructed around the fuel tank farm using locally sourced sand and gravel. The berm and impoundment will be lined with an impermeable membrane to provide containment in the event of a spill.

Fuel will be distributed around the site by tanker truck. For daily mine construction and operations activities, smaller tanks will be located at various locations throughout the site to supply fuel for equipment and power generation as required for the camp, mine, plant, truck maintenance facility, landing and other infrastructure sites. These tanks will be installed within secondary containment structures.

1.4.10.5 Explosives Storage

Mining will require the use of explosives; therefore, the proposed project contains an explosives storage facility (see **Figure 1-9**). The facility would be secure and gated, and be designed in accordance with guidelines from Natural Resources Canada, including maintaining minimum distance to inhabited areas.

The facility design is comprised of eight 40-foot shipping containers. To ensure safe storage of the explosives, each container is designed with a surrounding earth berm. Each container is designed to store up to 23,000 kg of explosives.

Transport of explosives from the storage facility would be done according to relevant regulatory requirements using trucks.

1.4.10.6 Power

Site-wide power requirements amount to about 6 MW of connected capacity to supply the underground mine, process plant and other surface infrastructure. Due to its remoteness and considering the cultural and environmental sensitivity of the region, it is not feasible for the Project to be connected by transmission line to either the Canadian or Alaskan electricity networks.

The Project will be powered by five 2 MW diesel generators as the main power source for the site, with one additional 2 MW diesel generator for backup and maintenance. The generators will be placed adjacent to one another with day tanks servicing each unit, all housed within a power generating facility. Heat recovered from the powerhouse will be transferred via a glycol loop to a boiler house for the heating of surface buildings. Power will be transformed down to 600 V for surface distribution of power to the process facility and other site infrastructure. The surface power distribution lines will follow the site roads. Small local generators will be required at the airstrip warehouse and hangar facility, and another at the river transport landing site.

The use of green diesel will be promoted for the Project. Green diesel, also known as renewable diesel or hydrotreated vegetable oil (HVO), is a biofuel derived from renewable source such as vegetable oils, animal fats and unused cooking oil. Unlike traditional diesel, which is derived from crude oil, green diesel delivers a substantial reduction in greenhouse gas emissions.

Current planning envisages power will be provided in a phased approach whereby construction and early operations are supported exclusively by diesel generators until hydroelectric power sources are developed and introduced. The Bacon Creek site emerged as the only potentially viable option and would produce at least 4 MW and up to 6 MW of hydroelectric power, delivering most if not all of the site operating load when running. It will include an access road from the plant site, across Wilms Creek and up the south side of the Bacon Creek channel wall about 2 km upstream to an intake. The intake would draw approximately 10% of the flow through an underground penstock and outlet into Wilms Creek below the confluence of Bacon Creek and Wilms Creek. The hydropower generator at the outlet station will produce the electricity which would be transmitted along a powerline running parallel to the access road back to the plant site's power supply infrastructure.

1.5 Project Activities

1.5.1 Project Phases

The Project will consist of four Phases: Construction (including site preparation and management of historical tailings), Operations, Reclamation and Closure, and Post Closure (both active and passive care). The duration of each Project Phase is provided in **Table 1-3**, and each is further described below. See **Section 1.5.2** for more information on scheduling. The mobilization and activities of Project personnel is further described in **Section 1.6**.

Table 1-3 Summary of Project Activities by Phase

Project Phase	Duration	Key Activities
Construction	3 years	<ul style="list-style-type: none"> • Site preparation (vegetation clearing and site grading) • Management of a portion of historical tailings and mine waste • Construction of Airstrip, Plant Site, Camp, Bacon Creek Hydroelectric project, Roads, Landing Site, Diversion channel, water treatment facility installation • Installation of CSF liner, underdrain, and water diversion and contact water collection infrastructure • Soil and gravel salvage and storage • Construction environmental monitoring • Underground mine pre-production development and construction
Operations	10 years	<ul style="list-style-type: none"> • Underground workings • Resource extraction • Development of CSF through disposal of filtered tailings • Implementation of action plan to address historical mining impacts. • Seepage Collection and Treatment • Interim/Progressive Reclamation • Air and Water Quality Monitoring
Reclamation and Closure	2 years	<ul style="list-style-type: none"> • Decommission and remove plant and camp site equipment • Cover CSF with top liner, alluvial material, and an organic layer • Regrade and cover concrete pad of plant site area
Post Closure	10 years ¹	<ul style="list-style-type: none"> • Reclamation and Wildlife Monitoring • Aquatic Effects Monitoring

¹Post closure duration is an estimate, but the post-closure monitoring will carry on until closure objectives have been achieved

Canagold’s Environment, Health and Safety and Community Engagement Policy commits to responsible and sustainable execution of the Project. Canagold will follow applicable Best Management Practices for the construction, operations, and reclamation and closure of the Project to achieve safety, compliance, and efficiency.

Canagold will meet applicable Design and Building Codes for the construction and maintenance of Project infrastructure. All work will comply with applicable Safety Standards, including the use of protective gear and adherence to worksite protocols.

Construction and operations activities will comply with applicable environmental regulations regarding pollution control, waste management, and resource use. Canagold will implement management systems and tools to track Project progress and document compliance activities.

A series of environmental management and monitoring plans will be implemented to address the mitigations necessary to protect the environment over the life of the Project. These management plans will be included in the mine permit application to the Major Mines Office.

1.5.1.1 Construction

The Project is a re-development of the former mine and town site of the historic Polaris Taku Mine, which operated until 1951. It is expected that the majority of the remaining existing buildings and much of the existing infrastructure will require demolition and redevelopment. The existing Project site will require general site preparation, which will include the following activities:

- Mobilize and store materials and equipment for site preparation
- Worker transportation and accommodations
- Construct landing
- Re-activate or construct tote road between landing and plant site
- Clearing of previously developed areas and some new areas of overgrowth
- Remove remaining equipment and structures from historical mining activities
- Excavation of portion of legacy tailings that intersect with the Mine Site, and
- Construct new airstrip.

Construction of the underground mine and infrastructure will include the following activities:

- Mobilize and store materials and equipment for construction
- Worker transportation and accommodations
- Clearing/grubbing
- Construct/re-activate tote roads (clearing/grubbing/grading/gravel placement)
- Stockpile topsoil and other material suitable for reclamation or construction uses
- General earthworks, site levelling/grading, foundation preparation for buildings (e.g. process plant, water treatment plant, sewage treatment plant, camp buildings, power plant, warehouses, truck shop)
- Construct/assemble buildings
- Construct fuel storage facilities (including secondary containment and “day tank” locations)
- Construct explosive storage facility
- Install utilities (above-ground potable water and sewage piping, construct septic field, above-ground power lines, communications)
- Construct water management systems (e.g. ditches, settling pond)
- Develop the underground mine, including construction of mine services, ventilation, power, refuges, pumping stations and lighting
- Dewater historic mine workings
- Construct Process Plant facility, and
- Construct CSF.

The equipment and materials used for construction will be scaled as site preparation and construction activities progress. The equipment required to construct the mine prior to operations include earth moving equipment (i.e. bulldozers, excavators, loaders, haulage trucks, aggregate screening equipment, grading and compacting equipment), drilling equipment, concrete plant and truck, carpentry and mechanical equipment, as well as underground drilling, loading and hauling equipment. Water supply, power generation, waste management and camp facilities will also be scaled as construction activities progress.

The use of planes for transportation of materials and supplies from Whitehorse and Juneau will be maximized to decrease river transportation requirements. Construction activities will require approximately 240 flights per year **Table 1-4** shows the estimated number of monthly flights for construction activities. The transportation of workers will be by plane to and from Whitehorse and Atlin. Canagold’s charter flights to and from the Mine Site will be scheduled to minimize the need for lengthy layovers and overnights; however, overnights in Whitehorse will be inevitable due to weather or schedule delays. Mine Site air traffic control is a communication protocol followed by controllers at the Project airstrip and Juneau airport or Atlin airport (for helicopters only).

Table 1-4 Monthly Flights to/from the Project Site during Construction

Flights	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(To/From Whitehorse / Atlin /Juneau)	20	20	20	20	20	20	20	20	20	20	20	20

The construction equipment and materials that cannot be carried by aircraft to and from the mine, which for construction is estimated at about 11,000 t of the total 14,000 t of freight, will require transport by landing craft along the T'aakú Héeni. Sustaining capital equipment requirements, rebuilds and replacements, disposing of accumulating wastes like tires and scrapped equipment and materials, and ad hoc unforeseen needs will also require river transportation. About 75 return trips from Juneau to the landing and back will occur per season (between June and September) by self-propelled landing craft with 60 t capacity or greater. Planning for the number of vessels required and final specifications will be advanced through field trials in 2026.

1.5.1.2 Operations

Operations of the underground mine and infrastructure will include the following activities:

- Transport materials and supplies to support mine and camp operations
- Worker transportation and accommodations
- Mining the New Polaris deposit, including drilling, blasting, and excavation activities
- Transport ore to the on-site processing plant
- Mineral processing
- Air, water, sewer discharges (as per permits)
- Transport tailings and waste rock (60%) to CSF by truck; pump tailings (40%) to paste backfill plant, then to underground backfill
- Transport concentrate off-site via aircraft

- Routine maintenance (e.g. grading, adding gravel) to air strip and tote roads
- Reclamation planning and reporting, and
- Environmental monitoring and implementing applicable environmental management plans.

Equipment required during operations will include surface mobile equipment including, but not limited to, front end loaders, bulldozers, grader, haul trucks and light passenger vehicles for surface operations an underground equipment fleet which will include drilling equipment and underground loaders and haul trucks.

Rather than processing gold onsite, the Project will transport gold concentrate offsite, eliminating the need for cyanide in the process, will use less diesel on site, and hazardous materials can be kept off the T'aakú Héeni (see **Section 1.7.3**).

This approach is an unusual solution to mine transport and is viable due to various unique aspects of the Project:

- The concentrates are high grade, around 100g/t gold (Au). Most mines producing concentrates for sale elsewhere ship material in the 50 g/t to 75 g/t range.
- New Polaris has a major airport and seaport approximately 60 km flight distance away, but no road access, and
- Major savings result from exporting the concentrates as the cost of moving supplies to site and the cost of power for producing ore at the site are very high.

The transportation of workers will be by plane, totalling approximately 192 flights annually to and from Whitehorse. **Table 1-5** shows the estimated annual and monthly flights for operational activities. As with construction, charter flights to and from the Mine Site will be scheduled to minimize the need for lengthy layovers and overnights, but these are inevitable due to weather or schedule delays. Although shift rotation flights will occur between Whitehorse and the Project site, a small number of service providers and professional contractors will continue to use Atlin as logistics and transportation requirements allow.

The largest operational flight volume will be flying concentrate from the site to Juneau, totalling approximately 3,206 flights annually. Inbound freight to the mine will be carried on the same trip. The operational flight volume is linked to concentrate production and will vary accordingly. It is estimated that the operational volume can be carried using two ATR 72 cargo aircraft loaded to 8,000 kg (17,500 lbs). Because winter flights can be challenging due to weather, a third aircraft will be used as needed to transport the winter stockpile of concentrate. The operational flight count includes an allocation for expedited goods on top of weekly flights for personnel, even though the bulk of supplies will come through Juneau.

Table 1-5 Monthly Flights to/from the Project during Operations

Flights	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(To/From Whitehorse)	16	16	16	16	16	16	16	16	16	16	16	16
(To/From Juneau)	186	224	310	360	434	280	280	300	280	248	180	124

Like during construction, operational equipment and materials that cannot be carried by aircraft to and from the mine will require transport by self-propelled landing craft along the T'aakú Héeni. During operations, less than 10 trips per season are expected.

Ore from the underground mine will be sent directly to the surface crusher or adjacent stockpile. Underground waste will largely be loaded into surface trucks for haulage to the CSF, a small portion of clean waste will be kept basis and used for road maintenance. The concentrate will leave Juneau by marine transport for delivery to the market.

1.5.1.3 Closure

Closure of the underground mine and infrastructure will include the following activities:

- Demolition and removal of processing and mine support facilities
- Sampling and remediating any contaminated soils
- Deactivation of Mine Site roads, pipelines and site powerlines. Access may be maintained for monitoring purposes
- Utilization of topsoil and overburden piles to recontour and scarify disturbed areas as appropriate
- Placement of cover liner, alluvial gravels and organic layer over CSF
- Environmental monitoring, and
- Maintenance of water treatment and management structures.

All buildings and other infrastructure on the Mine Site, including conveyors, powerlines, substations, and pipelines (except for the discharge pipeline), will be dismantled or demolished and removed from the site. All salvageable material will be reused or recycled. All material will be disposed of according to applicable legislation and regulations. Contaminated materials, such as soils or materials containing hydrocarbons will be treated at site or disposed of at a suitable hazardous waste facility. Once the buildings and infrastructure have been removed, the areas will be contoured and re-vegetated with appropriate plant species for the region or roughening the surface (and other surface preparation techniques) to allow natural ecosystem process to occur. The focus will be on minimizing invasive plant establishment.

Prior to the reclamation of the water storage areas, the water balance and water quality models will be updated to confirm water quality will meet the permit criteria with the intended water treatment. During the reclamation period, and until the sites have been restored and reclaimed to a safe and stable condition suitable for release by regulators, contact water will continue to be managed (and treated if required) to be compliant with all permits and regulations. The objective is to design and reclaim the sites to not require human intervention in managing the water once the site has been restored.

The Conceptual Reclamation and Closure Plan described in **Section 1.8** includes the vision statement, draft land use objectives, design measures, water management and other topics of interest such that the information can be incorporated into the Reclamation and Closure Plan for the Project. A more detailed description of the planned reclamation and closure activities for the site will be provided during the permitting stage of the Project.

1.5.1.4 Post-Closure

Post-closure will include the following activities:

- Environmental monitoring, as per regulatory requirements
- Safety inspections for CSF, berms, embankments, and more, as required, and
- Implement follow-up measures, maintenance and repairs as required

As with the closure activities, post-closure activities will be shaped by the Conceptual Reclamation and Closure Plan, and included in the Reclamation and Closure Plan to be provided during Project permitting.

1.5.2 Project Schedule

Figure 1-10 provides an overview of the Project’s construction schedule. Once the Operations Phase is achieved, the production schedule will maintain an average of 1,000 tpd of ore processed.

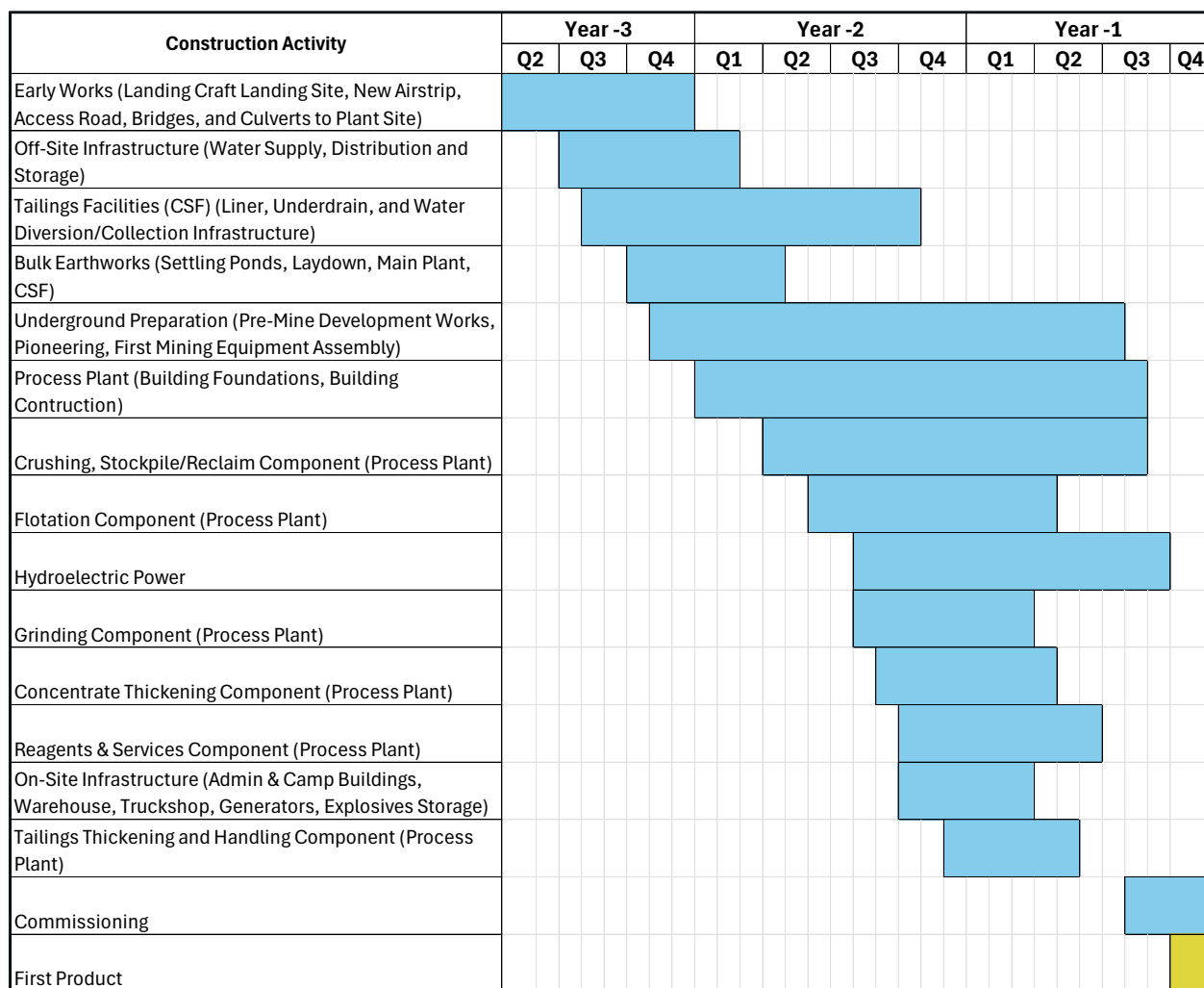


Figure 1-10 Construction Schedule

1.5.2.1 Year -3: Early Construction Works

Early works are initiated before the main construction activities begin and include essential preparatory tasks such as site preparation, river transport landing construction, access road construction, utility installation, and preliminary earthworks. These activities are crucial for creating the infrastructure and logistical support required to ensure smooth, efficient, and timely execution of the main Construction Phase.

Summer/Fall Year -3 (May to December)

A preparation works program will commence in Q2 of Year -3 with the following objectives:

- Make ready the river transport landing facility and laydown areas to accept materials being delivered by landing craft
- Construct site access roads, bridges and culverts to the airstrip and process plant area from the river transport landing facility
- Prepare the new airstrip for incoming freight and personnel flights
- Clean up the site to allow the installation of the construction camp facility and mobilisation of contractors
- Prepare site infrastructure such as water treatment, power, fuel storage, and propane storage to allow construction works and accommodation facilities
- Installation of the concrete batch plant or mobile unit
- Development of the laydowns at the plant site including clearing and levelling
- Abatement and demolition of redundant buildings
- Relocation of excess site materials to the laydown areas, and
- Mobilisation and setup of the 300-bed construction camp facility.

As the freight barging window is in the warmer months, Q2–Q3 annually, this first window will prioritise items required for the commencement of construction, including:

- Fuel
- 300 Person Construction Accommodation facilities
- Mine Water Treatment Plant
- Incinerator
- Concrete Batch Plant
- Crushing and Screening Plant
- Mobilisation requirements for earthworks, concrete, pre-engineered buildings, and mining contractors
- Mining pre-production equipment, and
- Potable water facility.

Winter Year -3 to -2 (December to April)

The remaining early works activities will be completed including temporary power and construction camp provision for works through the winter. The remainder of the bulk earthworks will be completed during this period, including:

- CSF preparation, and
- General area grading, drainage, and access road works.

The earthworks contractor will prioritise tasks that will facilitate pre-production mine activities and concreting activities that can commence in Q2 Year -2. This includes area grading for buildings at the New Polaris Mine Site to ensure building erection and enclosure is complete prior to the next winter period.

Summer/Fall Year -2 (May to December)

1.5.2.2 Concrete

The concrete contractor will mobilise in Q2 Year -2 to commence installation of the concrete footings required for the following New Polaris buildings and equipment:

- Process Plant Building
- Truck Shop
- Primary Crusher
- Silo Footings
- Conveyor Footings, and
- Miscellaneous Footings.

It is expected that concrete works will progress into the winter period of Year 2 - 3. To prepare for the winter season, concrete installation will be prioritised to enable erection of the above pre-engineering buildings. Once buildings have been erected, concrete for equipment foundations can proceed inside the heated buildings.

High priority concrete activities include:

- Establishment of the onsite batch plant
- Construction of deep foundations that may undermine building foundations, and
- Construction of Process Plant Building foundations.

1.5.2.3 Building Installation

Upon completion of the first building foundations, the pre-engineered metal buildings (PEMB), Canagold will commence building installation. Building foundations will be progressively handed over to the PEMB contractor as they work concurrently with the concrete contractor.

Sequencing of building construction will be coordinated with the SMP contractor to ensure elements of cladding and building steel do not conflict with equipment installation of the SMP contractor.

The building contractor will install the building steel, cladding, and overhead cranes. A separate Sub-Contractor will be engaged to install HVAC, lighting, and small power if deemed required prior to mobilisation of the SMP and E&I Sub-Contractors. This will enable continuous follow-on works in heated buildings with crane access.

The following pre-engineering metal buildings will be installed:

- Process Plant Building, and
- Truck Shop/Workshop Building.

Winter Year -2 to -1 (October to April)

1.5.2.4 SMP and E&I Mobilization

The SMP and E&I contractors will mobilise in Q3 Year -2 to commence installation of all mechanical, electrical, and power equipment.

Works will progress as they are released from the pre-engineered building contractor. A construction sequence will be developed with the SMP contractor to ensure that all required mechanical and electrical equipment is landed prior to being 'boxed out' by the steel installation. Existing overhead cranes will be utilised where possible for the installation of equipment.

Structural steel will be progressively checked and signed off as it is installed and prior to loading with mechanical equipment. Where possible, cable tray and piping will be pre-installed on structural steel on the ground prior to being lifted to limit working at heights and scaffolding.

Summer/Fall Year -1 (May to December)

The following infrastructure will also be installed in Q2 Year -1:

- Mine Water Treatment Plant
- Incinerator, and
- Potable water facilities

1.5.2.5 Power Generation

The SMP Contractor will lift and install the equipment related to the power generation. Once set, the E&I contractor will commence the electrical installation of the generators, ventilation, and switch gear.

1.5.2.6 Mining Underground Works

The mining Contractor will mobilise after the early works period to commence pre-production activities, with a target to achieve first production of concentrate by the end of Year -1, setting off the 10-year Operations Phase from Years 0 through 10.

1.5.2.7 Year 0 to 10: Mine Operations

During operations, the mine would be in production seven days a week and operating for 24 hours per day, with no seasonal constraints anticipated.

1.5.2.8 Seasonal Constraints

Landing Craft River Transportation

River transport operations will be subject to seasonal constraints due to water level fluctuations in the T'aakú Héeni. Based on publicly available hydrological data for the T'aakú Héeni, the river transport season is expected between May and September each year.

Landing craft transport will be undertaken at times which will least impact local fisheries. This will be achieved by establishing good communications with the local fishers and notifying them of scheduled landing craft passage with advance notice. When the landing craft is in operation, appropriate communications protocols will be established to ensure everyone is aware when and where it is during its journey up and down the river. During construction, the number of freight trips required during a narrow window of time annually means that Canagold will require as much passage as possible according to the river flow, tides, and stage height conditions. During operations, Canagold will endeavour to schedule landing craft activity prior to the onset of commercial fishing.

Reduced Risk Work Windows

The following subsections discuss reduced risk timing windows for fish and wildlife expected to affect the Project schedule during the Construction and Closure phases.

Instream Works

An application for a *Water Sustainability Act* Section 11 Approval for Changes in and About a Stream would be required for the instream works associated with the construction of the landing craft landing site. Works are typically subject to terms and conditions, including conducting works during windows of least risk which are designed to protect aquatic species during sensitive life stages.

The Project is in the Skeena natural resource region, Skeena-Stikine Forest District and Cassiar Timber Supply Area. Based on the Project and the fish species known to be present, periods that are outside of the reduced risk work windows for the various documented species overlap the entire calendar year.

Therefore, working in or about a stream will require approval from a Habitat Officer. This will require demonstrating that sufficient mitigation measures are in place to minimize potential impacts to aquatic species.

It is anticipated that instream works would be carried out in periods of low flow (November to March annually).

Vegetation Clearing

Vegetation clearing or disturbance activities will occur outside of the nesting season for migratory birds to the extent possible. According to Environment and Climate Change Canada (ECCC) the Project is located within Zone A2 which has a regional nesting period of early April to mid-August (ECCC, 2018). Vegetation clearing may occur during this time if the works are preceded by a nest survey conducted by a Qualified Environmental Professional according to applicable BC Resource Inventory Standards Committee methodology. Any nests discovered will be protected.

Inclement Weather and Snow

During the winter months (December through April) it is common for significant buildup of snow to occur throughout the Project area. Snow can be up to two metres deep in places, and major snowfall events have the potential to disrupt construction and operations. Additionally, high winds, rain, low cloud level and fog often impair safe air travel to the Project site during this period. This is also a period of the year where the river water levels are too low for river transport by landing craft. This period of the year therefore is carefully prepared for and planned around to ensure that heavy equipment, bulk supplies and freight will be delivered to the Project site during the months between May and October. This strategy offers Canagold the greatest flexibility for performing work during the winter months.

1.5.3 Summary of Changes from Detailed Project Description

Table 1-6 provides a summary of the changes that have been made to the Project components or activities since submission of the Detailed Project Description. The rationale for the changes is provided in **Section 1.7**, Alternative Means Assessment.

Table 1-6 Summary of Changes from Detailed Project Description

Project Component or Activity	Change
Hydroelectric Power Generation	Hydroelectric power project on Bacon Creek selected over Roger’s Creek.
CSF Location	Site 2 selected as Application Case location for CSF. Site 2A evaluated as an alternative in the Alternative Means assessment.
Landing Craft Landing Site Location	Landing site on Taaltsuxéi Héen favoured over the potential landing site on the T’aakú Héeni.
Mine Production	Antimony added as a potential economic resource for the mine, subject to advanced feasibility assessment.
Mine Site road configuration	Updates made to Mine Site road layout to integrate Bacon Creek hydroelectric project, explosives storage pad locations.
Airstrip layout	Updates made to airstrip orientation to minimize tree clearing requirement, avoidance of Taaltsuxéi Héen backchannel, Taaltsuxéi Héen main valley, and maintaining landing/take off angles and turning radii to meet safety standards.

1.6 Workforce Requirements

Throughout the exploration phase of the Project, Canagold has maximized hiring people from Atlin and the surrounding area. Subsequent Phases of the Project will require qualified and experienced underground miners, process personnel, and tradespeople. Canagold is committed to provide employment opportunities as well as trades training opportunities for members of the TRT and Atlin residents.

1.6.1 Workplace Policies and Programs

Workforce policies and programs developed by Canagold include:

- Canagold’s hiring policies
- Workplace policies and programs, including:
 - Equal employment opportunity
 - Indigenous employment

- Employment of underrepresented groups
- Codes of conduct
- Workplace safety programs, and
- Cultural training and awareness programs
- Investment in training opportunities, and
- Employee assistance programs and benefits, including career planning, employee counselling, family support, transition planning, a pension plan and group insurance benefit plans.

1.6.2 Workforce Estimates

Employment numbers during construction, operations, reclamation and closure, and post closure are subject to final Project designs. The on-site workforce requirement for the Project is shown in **Table 1-7**.

Table 1-7 Predicted Workforce Estimates of Labour Force On Site

Project Phase	Category of Workers	Number of Workers at the Mine Site	Total Workforce*
Construction (Years -3 to -1)	Workers	Year -3: 96 Year -2: 124 Year -1: 124	Year -3: 192 Year -2: 248 Year -1: 248
	General & Administration (G&A)	20 to 25	40 to 50
Operations (Years 0 to 10)	Underground Miners	156 to 226	312 to 452
	Process Plant on Site	48	96
	Mine Maintenance and G&A	20 to 25	40 to 50
Reclamation and Closure Years (11 to 12)	Labour Force	Year 11: 50 Year 12: 20	Year 11: 100 Year 12: 40
	G&A	25	50
Post Closure (Years 13 to 23)	No Full-time Staff on Site	n/a	n/a

*Total workforce is based on the rotation of crews in and out of the Mine Site.

Canagold will hire a variety of employees and contractors for construction. The construction workforce is listed in **Table 1-8** according to the National Occupational Classifications System. Given the region's history of mineral exploration and mining, Canagold anticipates there would be a number of suitably trained and experienced workers, or workers with transferable skills in the region. If there is a need to fill gaps in suitably trained and experienced people, Canagold might employ people from outside the area and offer training programs to local people so that they can qualify to fill skilled positions.

Canagold will hire construction managers, engineers, geologists, and environmental staff for construction. Most construction jobs will not be full-time permanent, contractors will come to site, complete their work and leave. Construction activities will be carried out using two schedules: a 5/2 (days working/days off) will be used for salaried personnel. Hourly employees and contractors will be scheduled for two weeks on/two weeks off with a fly-in/fly-out arrangement.

Table 1-8 Anticipated Workforce for Construction

Facility / Area	National Occupational Classifications System ^(a)	Department	Role / Skill Requirement	Number of Workers
General and Administration	1001, 2111, 7001	Administration	Camp Administration, Camp Staff, HR and Community Relations, Environment, Health & Safety	40 to 50
Aboveground Construction	8310, 7001	Processing Plant	Management, Engineers	22
	7310, 7320, 7340		Equipment Operators, General Workers	32
	7201, 7220, 7231, 7240, 7299		Mechanics, Welders, Carpenters, Electricians	86
	8301, 8202, 8001	Ancillary Infrastructure	Management, Engineers, Supervisors, Surveyors/Technicians	11
	7310, 7320, 7340		Equipment Operators, General Workers, Service Crew	32
	7201, 7420, 7330, 7340		Mechanics, Fuel/Lube / Truck Drivers	11
Underground Mine Preparation	8301, 8202	Technical Services	Engineers, Surveyors, Geologists	6
	8301, 8202, 8001	Mine & Maintenance	Senior Management, Mine Manager, Supervisor, Safety/Training Foreman	11
	7310, 7320, 7340		Miners, Drillers, Blasters, Muckers	15
	7201, 7420, 7330, 7340		Truck Drivers, Service Crew, Equipment Operators, Fuel/Lube/Truck Operators	11
			Mine Labourers, Scoop Operators, Mechanics, Welders, Electricians, Helpers	11
Total				288 to 298

^(a) From National Occupational Classification Matrix: <https://noc.esdc.gc.ca/Structure/Matrix>

Some of the construction positions may transition to operations. The operational positions will be similarly staffed as the construction workforce. The operational workforce is listed in **Table 1-9** according to the National Occupational Classifications System.

Table 1-9 Anticipated Workforce for Operations

Facility/Area	National Occupational Classifications System ^(a)	Department	Role/Skill Requirement	Number of Workers
General and Administration	1001, 2111, 8202, 7001	Administration	Camp Administration, Camp Staff, Airstrip Staff, Admin, HR and Community Relations, Environment, Health & Safety	25 to 35
Aboveground Operations	8310, 8001, 7001	Processing Plant	Management, Engineers	18
	7511, 7340, 7202, 8202		Operators, General Workers	48
	7201, 7240, 7299		Mechanics, Welders, Electricians	30
Mining	8310, 8202	Technical Services	Mine Engineers, Surveyors / Technicians, Geologists, Samplers	38 to 55
	8310, 8202, 8001, 7001	Mine & Maintenance	Senior Management, Mine Manager, Supervisor, Mine Maintenance, Safety/Training Foreman, Clerks	15
	7340, 8310, 8202		Miners, Drillers, Blasters, Muckers	85 to 123
	7201, 7202, 7240		Truck Drivers, Service Crew, Equipment Operators, Fuel/Lube/Truck Operators	95 to 137
	7511, 7340, 7202, 7201, 7220, 7231, 7240, 7299		Mine Labourers, Scoop Operators, Mechanics, Welders, Electricians, Helpers	95 to 137
Total				270

^(a) From National Occupational Classification Matrix: <https://noc.esdc.gc.ca/Structure/Matrix>

The work required for the Reclamation and Closure Phase will reduce substantially following the end of Operations. A workforce similar to that of Site Preparation and Construction will be required to disassemble the on-site infrastructure then cover and regrade the mine site and airstrip to be consistent with its pre-development conditions. Heavy equipment operators and labourers will also be needed to contour the CSF, install the cover liner and soil/organic layer cover, and plant/seed the final surface. During the active care phase during Closure, a total of 14 workers is required from the Tailings, Waste and Water Management department for maintaining the water treatment system.

Minimal workforce is required for the Post-Closure Phase. During the active care phase (if still required after the Reclamation and Closure active care phase), a total of three workers is required from the Tailings, Waste and Water Management department for treatment of the Mine Site Complex WTP and the QR Mill WTP, as well as site maintenance activities. These worker roles are in the National Occupational Classifications broad occupational categories of “management” and “natural and applied sciences and related” and include one Environment Manager (on a 5/2 day roster) and two Environment Technicians (on a 14/14 day roster). During the passive care part of the Post-Closure Phase, approximately one Environmental Technician will be required to conduct site passive care monitoring (e.g., water quality) at the Mine Site Complex and the QR Mill sites.

1.6.3 Workforce Sourcing, Accommodation, and Well-being

The workforce would be housed in a modern industry-standard camp facility on-site, with an approximate capacity of 300 and will operate on a fly-in-fly-out rotation schedule. Canagold is currently in the early stages of growing its workforce and systems supporting employee well-being. Canagold offers its employees clarity in job description, competitive wages, salaries and group benefits. Canagold supports work-life balance initiatives for its workers to ensure optimal job performance, health and well-being of its workforce. Canagold will engage with contractors who meet industry standards and occupational health and safety requirements with respect to the retention and deployment of staffing resources.

1.7 Alternative Means of Carrying out the Project

Project planning considered alternative means of carrying out the Project that are technically and economically feasible, and considering the potential environmental, economic, social, cultural and health effects. Decisions were made considering the risks and uncertainties associated with the alternatives for all Project Phases, and included historic mine processes and infrastructure in combination with the use of best available technology, processes, design and mitigation.

Key alternatives that were considered that are relevant to this Application are:

- Management of legacy tailings
- Transportation of personnel
- Transportation of concentrate
- Transportation of materials and supplies
- Location of the airstrip
- Location of the landing
- Site power source
- Site water management
- Production of antimony, and
- Tailings and waste rock storage.

1.7.1 Management of Legacy Tailings

Because this is a redevelopment of a historic mine, there is also the potential to address the existing environmental effects from historical activities which occurred more than three decades prior to Canagold's retention of mineral claims. Canagold has undertaken cleanup of some remnant structures and equipment that remained from the historical mining activity (see Section 1.8.1). Four potential options have been contemplated for managing the effects of the legacy tailings, including:

- Isolation of the affected portion of Whitewater Creek and diverting/offsetting fish habitat around the legacy tailings
- Stabilizing metal leachate in-situ by capping with concrete and installing concrete cutoff walls to arrest lateral subsurface movement of leachate
- Partial excavation and clean-fill backfilling, temporary storage, and subsequent encapsulation of legacy wastes in the CSF, and allowing portions of material that do not pose future risk and are revegetating naturally to remain in place, and
- Partial excavation and clean-fill backfilling, temporary storage, followed by full excavation and subsequent encapsulation of legacy wastes in the CSF.

At this time, it is anticipated that the most effective approach for addressing legacy wastes involves the partial excavation and clean-fill backfilling of materials needing to be removed to protect human health during construction and operations of the Project (see **Section 1.3.6.1**). These legacy tailings would be stored temporarily and then encapsulated in the CSF once it is technically and environmentally safe to do so. Canagold believes that this approach will aid in the protection of the environment from future harmful effects due to remobilization and leaching of metals in legacy tailings. Canagold is committed to on-going remedial action planning to ensure that the Project does not result in future degradation of the environment.

1.7.2 Transportation of Personnel

The transportation of personnel during all Phases of the Project have been contemplated from Whitehorse, Atlin, and Juneau. As there are no roads, and river transport for personnel transportation is inefficient from a time and scheduling perspective, only air transport is possible. Canagold is committed to prioritizing hiring from local and regional Indigenous communities, and BC, Yukon, and otherwise Canadian residents. The workforce demands of the Project relative to the available pool of resources exceeds the anticipated capacity of Atlin, Canagold concluded that Whitehorse is the preferred location for personnel flights destined to the Project site. Irrespective, it is anticipated that ad hoc flights from charter services (e.g. helicopter) for specialized services and tasks will mobilize from Atlin.

1.7.3 Transportation of Concentrate

In response to feedback received during Early Engagement, the transport options for the Project were considered at length. Alternative methods were contemplated that could potentially decrease the barging requirements and included changing possible transport options and reducing the supplies required. As a result, the decision was made to change the mine process to produce a high-grade concentrate on site to be flown off-site and sold, with final processing being completed elsewhere.

1.7.4 Transportation of Materials and Supplies

In response to feedback received during Early Engagement, alternative methods were contemplated that could decrease the barging requirements and included changing possible transport options and reducing the supplies required. As a result, the decision was made to simplify the mine process to one that requires significantly less power and supplies to operate on site (see **Section 1.7.3**). Numerous other positive benefits are gained because it is a simpler process that requires significantly less power and supplies to operate on site. The resulting reduction in operating supplies and diesel fuel means that almost all the mine supplies required for processing during operations will be flown to site in the aircraft that will fly the concentrate out.

Materials and supplies that cannot be carried by aircraft to and from the mine, such as construction and operating equipment and materials, will require transport by self-propelled landing craft along the T'aakú Héeni. The transport of equipment required during construction and operations will be scaled as site preparation and construction activities progress. The transport of water supply, power generation, waste management and camp facilities will also be scaled as construction activities progress. Sustaining capital equipment requirements, rebuilds and replacements, disposing of accumulating wastes like tires and scrapped equipment and materials, and ad hoc unforeseen needs will require river transportation during operations.

Early estimates of barge use for mine construction and operations resulted in about 200 trips per year by a small barge and tug combination. Considering the simplified mine process, the Project will require about 75 trips per season (between June and September) by a larger, self-propelled landing craft during construction and closure, and 10 or fewer trips per season are planned for the same landing craft during operations (see **Section 1.5**).

1.7.5 Airstrip

As a result of the reduction in river transportation, the use of air freight will increase. The historic airstrip is in disrepair and is not of sufficient size or configuration to accommodate the planes required to carry the Project materials, supplies, and workers. Upgrades to the existing airstrip were considered, but its location is not suitable for the Project air traffic; therefore, airstrip locations were assessed south of the Mine Site. The only strip of upland land of suitable length to both accommodate the length of airstrip required (1,700 m) and allow for safe turning radii and approach/takeoff angles is the north-south orientated forested area separating Flannigan Slough and the Taaltsuxéi Héen. Canagold has consulted with airport design engineers to optimize line-of-sight of approach and safety of turning. Canagold has also adjusted the angle and location of the airstrip to minimize the amount of tree clearing required in the area, setback from the erosively vulnerable bank of the Taaltsuxéi Héen, and avoid the Flannigan Slough wetlands.

The only other option that was possibly available to Canagold was seeking agreement with the asset holders of the Tulsequah Chief mine's airstrip; however that airstrip is too short for Canagold's operational needs and it cannot be lengthened as it is already as long as it can be without building directly into the active floodplain of the Taaltsuxéi Héen. It would also present additional logistical challenges to transport equipment, supplies, and concentrate across the Taaltsuxéi Héen, which was determined to not be feasible.

1.7.6 River Transport Landing

The majority of Project construction materials will be transported up the T'aakú Héeni. Historic landing sites were located on both the T'aakú Héeni and Taaltsuxéi Héén. Due to the historic locations now being inside a Parks conservancy area two new sites near the Taku and Taaltsuxéi Héén confluence were evaluated.

There are considerable environmental and social drawbacks to constructing a landing site on the T'aakú Héeni. There are historical remnants of a past barge landing site on the north bank of the Taku just downstream of the confluence of the Taaltsuxéi Héén, including fuel storage tanks. Since that site has been in use; however, changes to the morphology of the main stem of the Taku have left that location under shallow water during high flow months (barging season of June to September). The shallow water, combined with substantial annual movement of river substrate, would mean dredging would be required on an annual basis to maintain a landing location, and an access road causeway would need to stretch south of the airstrip and below the high-water mark of the annual jökulhlaups. In order to construct such a road, the road south of the airstrip would also require a bridge across a seasonally active back channel of the Taaltsuxéi Héén. In addition to the logistical and permitting challenges associated with establishing a landing site at this location, this location encroaches on T'aakú Héeni Protected Area (Map 18 of the Wóoshtin wuididaa ATLUP, BC-TRTFN 2011), which Canagold seeks to avoid.

The Taaltsuxéi Héén landing site is the preferred location because it avoids the issues associated with the T'aakú Héeni landing site described above. It is in deeper water and the access road to it from the airstrip would result in less new clearing area and be logistically simpler to maintain and operate. It would require a small ramp and two piles to offer landing stability, but otherwise the landing site would not be below the high-water mark. The Taaltsuxéi Héén landing site's primary drawback is that it is situated on an outside bend of the Taaltsuxéi Héén, and active, natural erosion of the bank during freshet and jökulhlaup flooding will need to be armoured to protect the longevity of the location. The additional armouring and grading of the landing site location will increase construction costs, but is preferable to encroaching on the T'aakú Héeni protected area and the permitting/logistical complexity of establishing a long-term landing site on that part of the Taku-Taaltsuxéi Héén's confluence.

Canagold does not plan to construct two landing sites. There is some advantage in keeping options open for either or through the regulatory review process allows for Canagold to postpone the decision until barging trials up the T'aakú Héeni provides additional clarity on what might be preferable operationally, however, ultimately Canagold understands that constructing two landing sites is unlikely to gain support from local land users.

1.7.7 Power Source

Throughout the design and engineering, Canagold has evaluated alternative electricity generation options, including alternative fuels for generators, wind and solar generated electricity, and hydropower, to lower emissions intensity at the New Polaris mine.

1.7.7.1 Alternative Fuels

Liquid Natural Gas (LNG) was investigated as an alternative to diesel power generation in the interest of GHG reduction. In the absence of road access options for the delivery and storage of LNG on site are impractical. Delivery of LNG can only practically be accomplished by seasonal transport by water which would undermine the commitment to reduce traffic on the T'aakú Héeni. Limited by the seasonal window of delivery, an immense tank farm would be required at the Project site for adequate supply during the months from September through April of each year.

Sourcing synthetic biodiesel is being considered as a potential future GHG management strategy for the Project. Estimated emissions reductions from this fuel switch are based on the following assumptions:

- Use of Bio-Synthetic Diesel or 100% Biodiesel would apply an emission factor of 0.000008014 tCO₂e/L and a biogenic emission factor of 0.002472 tCO₂e/L
- Assume supply availability and vendor pricing, and
- Canagold will replace conventional diesel with synthetic diesel to the extent that it remains economically feasible.

1.7.7.2 Hydropower

Incorporating a micro-hydro component into the New Polaris Project will reduce LOM greenhouse gas emissions from stationary and mobile combustion, creating a potential reduction in emissions

There are potential sources of hydropower in the area surrounding the New Polaris property. A screening assessment was undertaken to compare power supply alternatives and to determine which of these resources met the criteria for inclusion in a field data collection program and feasibility work, specifically:

1. Least impact to the environment
2. No impact to salmon
3. Within reasonable proximity to the site, and
4. Within British Columbian territory.

The two main classes of hydropower facilities include green run-of-river (ROR) and traditional reservoir and dam facilities. ROR hydroelectric plants utilize the available flow in a river at any given time, with minimal upstream live storage. Water is typically converted into a penstock pipeline to a powerhouse, and then back into the river channel without impacting the natural flow downstream.

Storage hydroelectric plants utilize an upstream lake or reservoir to store water and to control the outflow and energy output on a daily, monthly, or seasonal basis. This allows for load shaping and winter generation, at times when a run of river hydroelectric facility might not be able to generate a significant amount of energy.

Given that ROR schemes present the least impact to other aspects of the environment, storage facilities were excluded from further consideration.

Five potential hydropower sources met the remaining criteria that they be within BC and in reasonable proximity to the site (**Figure 1-11**).

1. Whitewater Creek
2. Wilms Creek
3. North Wilms Creek
4. Bacon Creek, and
5. Rogers Creek.

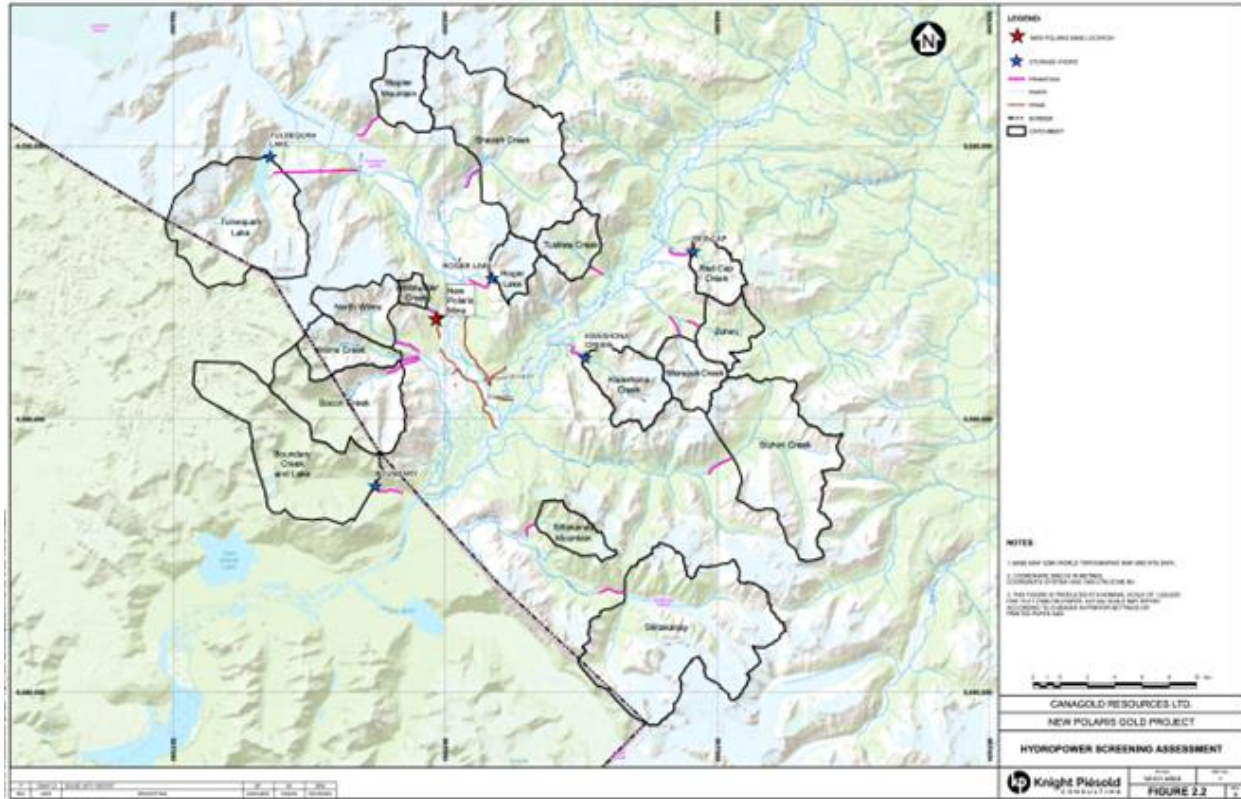


Figure 1-11 Hydropower Source Options

Whitewater creek is closest to the Mine Site and would require minimal access and transmission line construction, but has the lowest capacity of all surrounding creeks. It was considered a prospective source of power for the camp up to and during construction, and eventual operations. Notably, Whitewater Creek powered a 500 kw facility during the 1940s and 1950s that offset total site power requirements during the Polaris Taku mining era.

The Wilms and Bacon network of creeks likewise represent considerable hydropower potential and eventual generating facilities may be easily accessed from the planned tote road connecting the Project site to the airstrip and landing.

Rogers Creek is on the east bank of the Taaltsuxéi Héen and has the greatest energy potential due to the high elevation of the source water and considerable flowrate. Although a transmission line would need to traverse the Taaltsuxéi Héen, a facility in this location could potentially also support ongoing activities at the Tulsequah Chief property. The steepness of the terrain, the high variability of the flows between major flood events and low flows, and the logistics and permitting requirements of traversing the Taaltsuxéi Héen with a high-voltage power transmission line made Roger's Creek not viable.

Ultimately, Bacon Creek was chosen as the only potentially viable option. The Bacon Creek location has a longer penstock (>2 km) required to achieve the potential energy requirements and will require over 100% more penstock segments to be transported to site than the Roger's Creek option. The location is in a remote location that will require a new access road along steep terrain and will cross Wilms Creek to reach it. The primary benefit of the Bacon Creek location is its reliable/predictable flows between freshet and low flow, and its position on the western side of the Taaltsuxéi Héen, which makes it comparatively simpler to permit, construct, maintain, and deliver power to the Mine Site.

1.7.8 Production of Antimony

Canagold estimates that over 5,000 tonnes of antimony can be produced by the currently planned mine. Early testing has demonstrated the viability of producing high-grade antimony concentrate, and evaluation is ongoing regarding the refining of the concentrate to produce a high purity metal. The result of this testing and evaluation is expected to be an economic benefit to the mine by expanding antimony mineralization within the New Polaris property.

1.7.9 Tailings and Waste Rock Storage

A preliminary siting and waste material deposition study was carried out in the Preliminary Economic Assessment (PEA) to evaluate the best disposal option for tailings and waste rock. Both wet and filtered tailings deposition were looked at. It was decided that a filtered tailings storage option was best suited for site. It was also decided to combine filtered tailings and waste rock storage to minimize the footprint required and construct a facility with the best short-term and long-term physical stability. Five possible locations were evaluated for the placement of the CSF (see **Figure 1-12**).

Determination of the location of the CSF was a collaborative effort of the New Polaris TWG. Initially, four sites were presented as options for suitable sites to locate the CSF. Through discussion of trade-off-considerations, the TWG narrowed the options to two sites, Site 2 and Site 0. In May of 2025, another geotechnical site visit to Site 0 resulted in a recommendation that Site 0 is not a suitable option for the filtered tailings, concluding a multi-year evaluation of the CSF sites within Canagold's mineral claims area.

Site 2A was included as a fifth option due to it being upgradient of the headwaters that connect to Kitchen Slough, and according to desktop modelling of the groundwater table, it is slightly drier than Site 2 and does not overlap with currently mapped wetlands. Site 2A, however, is outside of Canagold's lease area, is further from the Mine Site, and has recent jökulhlaup backchannels through it that have riparian habitat. Through a review of historical satellite imagery, it is estimated that the last time the jökulhlaup backchannel flowed through Site 2A was 1982. It is not clear if this channel is at risk of re-activation, but the site is generally more exposed to erosion than Site 2. While evaluations are on-going for this option, there are considerable regulatory uncertainties for Canagold for siting the CSF outside of the mineral claims areas.

For that, and other technical reasons, Canagold's Project application follows through on the CSF location selection process undertaken through the EAO process so far. Further refinement of water modelling, engineering and geotechnical understanding, and the ongoing collaboration of the TWG will continue to inform the decision-making process on the design and footprint of the CSF. It is Canagold's ultimate aim to site the CSF at a location that is geotechnically stable, allows for the protection of Kitchen Slough and Whitewater Creek, and is permissible by the Province and Indigenous communities in the area.

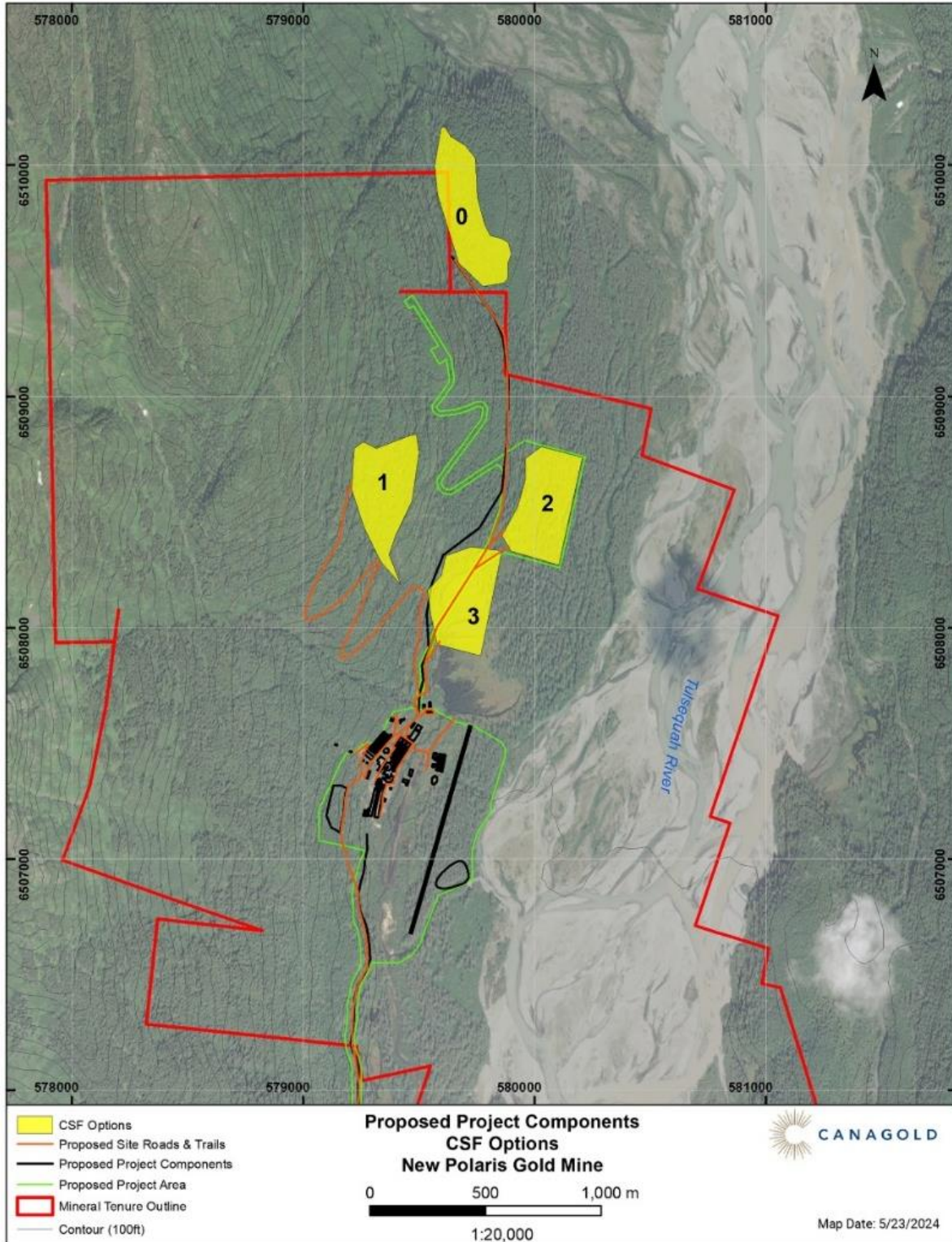


Figure 1-12 Combined Storage Facility Location Options

1.8 Conceptual Reclamation and Closure Plan

Mine closure and reclamation plans will be designed to ensure that the land, watercourses and cultural heritage resources are returned to a safe and environmentally sound state following mine closure.

As part of its closure and reclamation plans, the Company will be required to place a security bond with the Province of BC to ensure that all reclamation obligations are kept by the Company. The intent of the BC reclamation legislation is to ensure that modern Mine Sites in BC do not leave an ongoing legacy or require public funds for cleanup activities.

Post-closure reclamation activities are anticipated to take two to three years. Canagold will practice progressive reclamation wherever possible throughout the mine life.

Closure and reclamation plans and objectives will be established through on-going with PINs and provincial regulators.

Canagold has initiated engagement with the TRTFN on the development of a Reclamation and Closure Plan. The intention of the engagement was to advance the development of the Conceptual Reclamation and Closure Plan that includes a vision statement, draft land use objectives, design measures, water management and other topics of interest such that the information can be incorporated into the Reclamation and Closure Plan. A more detailed description of the reclamation and closure plans for the site will be provided during the permitting stage of the project.

1.8.1 Land and Water Use Objectives

The end land use and water objectives for the Project include returning disturbed land to locally compatible fish and wildlife habitat that allows for Indigenous stakeholders to engage in their constitutionally-protected traditional land use rights (Section 35), which includes hunting, fishing, berry and medicinal plant harvesting, and cultural/ceremonial use. To this end, water quality must meet applicable provincial guidelines, and the reclaimed lands, albeit disturbed and on a primary successional pathway, will be set onto a trajectory towards a self-sustaining coastal rainforest ecosystem consistent with the local biogeoclimatic zone of the Taaltsuxéi Héen valley.

1.8.2 Reclamation Approach

The Conceptual Reclamation and Closure Plan approach is summarized as follows and presented in **Image 1-5** to **Image 1-7**.

- Interim reclamation following the Construction Phase to focus on cleared areas around the Mine Site (plant site, camp), road shoulders, and salvaged topsoil stockpiles.
- To reduce end of mine reclamation work, progressive reclamation measures will be implemented during the operating life of the mine in all disturbed areas that are no longer being used for ongoing operations.
- Airstrip, landing, and microhydro project/road/transmission line will be decommissioned unless TRT requests they remain for their future use.

- Roads, culverts, powerlines, pipelines, and landing on the Mine Site will all be reclaimed appropriately. This will include re-contouring and establishing natural drainage patterns, removal of all stream crossings, and rehabilitation and re-vegetation of roads, stream banks and riparian areas. The key infrastructure will remain in place until the necessary water quality requirements are met.
- All surface openings to the closed mine will be sealed.
- Mine Site facilities (camp, plant site/equipment) to be decommissioned, dismantled and removed from site.
- Concrete slab supporting the plant site to remain in place and will be covered with a cover of alluvial gravels and stockpiled topsoil then revegetated.
- Mine Site roads to be deactivated to access but not regraded.
- Water diversion channel around CSF to remain intact to retain the pre-existing surface channel connectivity leading downstream through Sawmill Creek.
- At closure, a cover is placed over the entire CSF to encapsulate the tailings and waste rock. The CSF will have 50 cm of alluvial sand and gravel (NAG) capping on final CSF contoured surface and have topsoil removed and stockpiled during construction placed on top to provide a growth medium.
- Active revegetation efforts to focus on large disturbed areas like the Mine Site area and CSF. Linear features such as roads and transmission lines as well as areas along margins of undisturbed areas may be left to revegetation by natural ingress.
- Canagold to engage with TRT to establish on-site nursery and seed collection program.
- Restoration of the CSF and Mine Site area to take reclamation approach using native pioneer species working with primary successional pathways (favouring nitrogen fixing species such as alders, willow, legumes, grasses).
- Revegetation efforts will be a combination of broadcast seeding of grasses/legume seed mix and plug/whip planting of alder, willow.
- Reclamation progress will be monitored for trajectory to end land use objective (wildlife habitat/wildland). If there are issues with reclamation progression that may require intervention to achieve end land use objective, options will be evaluated through the reclamation monitoring program.
- Implementation of erosion and sediment control plan throughout construction, operations, reclamation and closure, and post closure. Erosion mitigations and repairs to be implemented as/if project-induced erosional features develop.

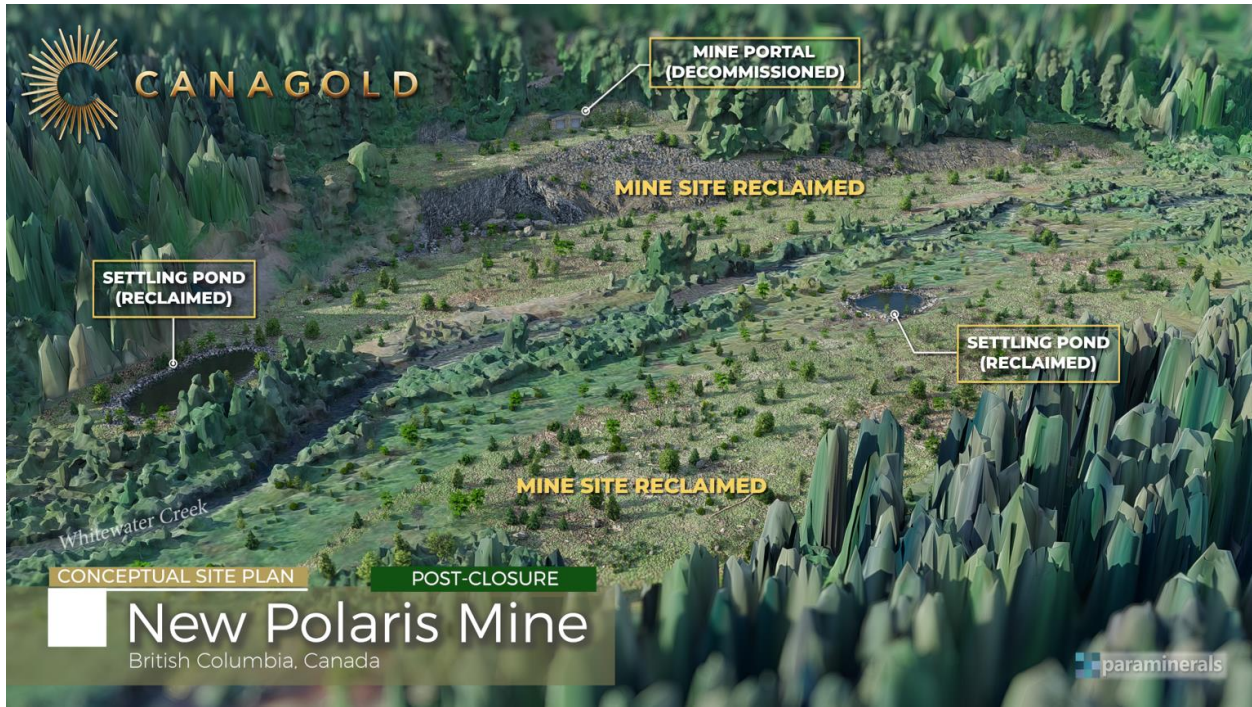


Image 1-5 Rendered View of Mine Site Post Closure

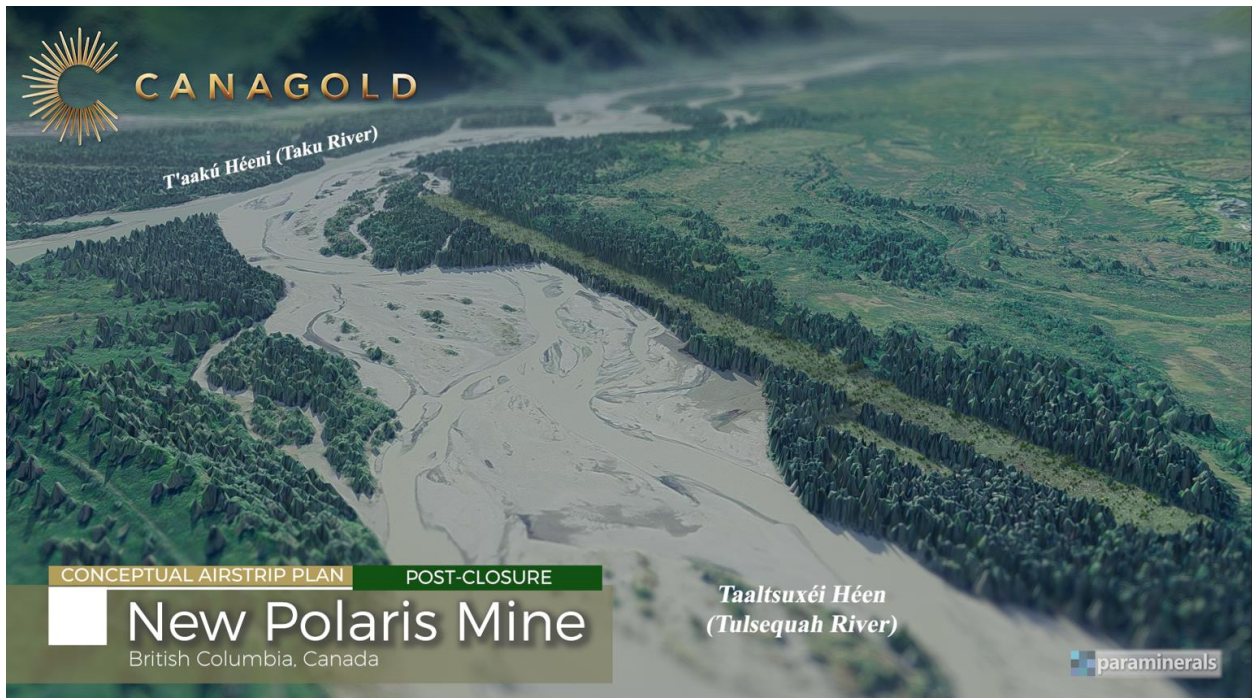


Image 1-6 Rendered View of Airstrip and River Transport Landing Post Closure

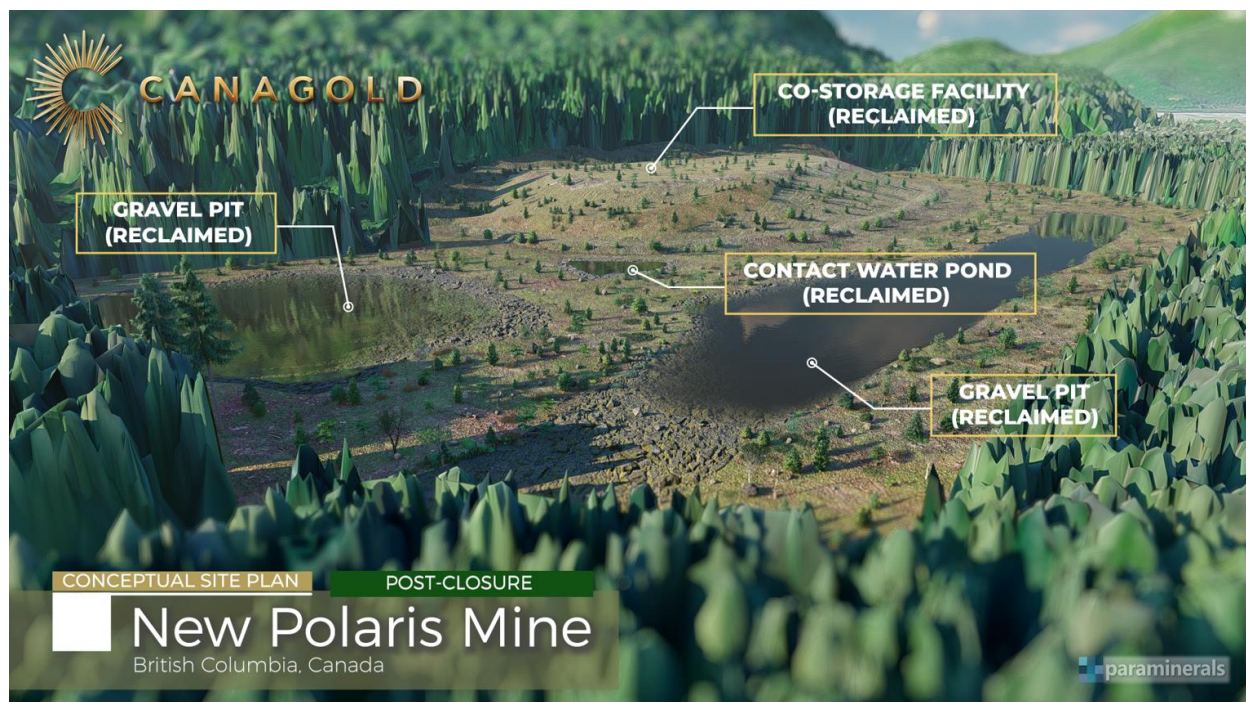


Image 1-7 **Rendered View of CSF Post Closure**

1.8.3 Historical Tailings Disposition

Canagold plans to ensure that the historical tailings from previous Tulsequah Chief mine and Polaris Taku mine operations such that it stays in an anaerobic environment under the final reclamation surface. This will be accomplished by either including it in the CSF facility or cap in situ during the construction of the Mine Site. Canagold will make this decision during the Construction Phase of the Project to ensure that the historical tailings and its relocation does not produce new environmental or health impacts.

1.8.4 Anticipated Reclamation Challenges

The key challenges anticipated with reclamation of the Project include:

- Covering the CSF with alluvial gravel materials given the steep slopes
- The remote location of the Project making active reclamation efforts disproportionately expensive compared to areas accessible by road
- The lack of available topsoil with organic matter enrichment available for salvage, storage, and use in reclamation, and
- The need for reclamation efforts to rely on primary successional pathways utilizing natural biogeochemical processes, including nitrogen fixing early successional species. Invasive species (weeds) may need to be actively managed/controlled and monitored in the Post Closure Phase.

1.8.5 Monitoring

Reclamation monitoring will occur two, five, and ten years after reclamation and closure activities on site are complete. Monitoring will include planted seedling survival, seed emergence, and vegetated cover percent; biodiversity and ecological convergence indicators; and invasive species. The monitoring will also include study of wildlife movement and usage within and around the reclaimed site.

As the climate supports northern coastal rainforest vegetation, it is anticipated that a natural cover of native species will return relatively quickly compared to other cold/alpine environments in north and western Canada. Abandoned components of the Polaris Taku Mine Site (such as an airstrip and the historical barge landing site) offer glimpses into how natural recovery should be anticipated to progress. More recently, a major landslide in December 2021 on the T'aakú Héeni resulted in a large debris field that represents a fresh substrate of rock and unconsolidated gravels and soil that will progress by primary succession. The range of time periods of these sites undergoing natural recovery may be used in future reclamation monitoring to set performance objectives and reclamation goals for the Project.

1.8.6 Climate Change Considerations

Canagold will implement adaptive management strategies that allow for flexibility in reclamation species selection and reclamation practices that will be able to tolerate future conditions as the climate changes. Climate change is considered throughout this EAC application, and climate scenario modelling for the Project is included in Chapter 10.

1.9 References

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