



Summary of the Collaborative Engagement Agreement between TRTFN and Canagold

New Polaris Project

Canagold Resources Ltd. (Canagold) is proposing to develop an underground gold mine (the New Polaris Project) within Taku River Tlingit Territory, approximately 100 km south of Atlin, BC.

Collaborative Engagement Agreement

In 2023, Taku River Tlingit First Nation (TRTFN) and Canagold entered into a Collaborative Engagement Agreement (CEA) regarding the proposed New Polaris Project.

The CEA is a preliminary relationship-building agreement that sets out a collaborative procedure for assessing the feasibility of the proposed mine, including assessing its potential impacts on Taku River Tlingit Rights. It expressly recognizes that all activities must be carried out in a manner consistent with the TRTFN Mining Policy.

Importantly, the CEA does not constitute any express or implied consent by Taku River Tlingit for the proposed New Polaris Project. Instead, within the CEA, Canagold has committed not to advance the proposed mine without having first obtained Taku River Tlingit consent – if Taku River Tlingit Citizens refuse to give consent to the mine, Canagold will not proceed with its development (even if BC gives the green light for the mine through its Environmental Assessment process).

The CEA outlines the minimum requirements to guide the mutual interests of the parties and facilitate a collaborative, respectful, and long-term relationship. This includes opportunities for Taku River Tlingit to be actively and meaningfully involved in the project assessment and feasibility as these phases progress, as well as funding to enable TRTFN to prepare itself (and members and businesses) for training, employment, and business opportunities should Taku River Tlingit ultimately consent to this proposed mine in Taku River Tlingit Territory.

Agreement Limitations

The Collaborative Engagement Agreement does not:

- interfere with any Taku River Tlingit Rights;
- influence any existing or future claims to Treaty or Aboriginal rights and title that Taku River Tlingit may make against the Crown;
- waive any duty or obligation of the Crown owed to Taku River Tlingit, including the obligation to consult and accommodate on the proposed mining activities;
- acknowledge ownership of any land or resources by the Crown or Canagold;
- limit or prevent TRTFN from taking any position against Canagold; or

- limit TRTFN's ability to participate in government-to-government engagement or regulatory processes.

Purpose & Guiding Interests

The purposes of the Collaborative Engagement Agreement include to:

- promote and protect Taku River Tlingit Rights;
- ensure that Taku River Tlingit have an opportunity to engage meaningfully in the Environmental Assessment (EA) and Project Feasibility Study;
- establish collaborative processes for the EA, and provide Taku River Tlingit First Nation with capacity funding to participate in those processes;
- enable open discussions, collaboration, and transparency between Taku River Tlingit and Canagold;
- apply Taku River Tlingit traditional and cultural knowledge and land use information alongside western science practices to develop appropriate response measures;
- support training and employment opportunities for Taku River Tlingit citizens and businesses; and
- establishing a plan and timeline for Canagold to seek to obtain Taku River Tlingit's free, prior, and informed consent (FPIC).

To help build a solid long-term relationship, TRTFN and Canagold have agreed to work together to ensure the advancement of reconciliation, respect for Taku River Tlingit jurisdiction & governance, sustainment of Taku River Tlingit *Khustiyxh* (way of life), decision-making informed by traditional knowledge, avoidance of environmental and cultural risks, recognition of the impact of cumulative effects, implementation of best management practices, and promotion of open and honest communications.

Technical Working Group

As part of the project assessment, a technical working group (TWG) has been established between the parties, with equal membership of both. This TWG will be guided by a Charter to guide the meetings and recommendations. The TWG can also invite Taku River Tlingit observers from time to time.

The TWG will be responsible for implementing and overseeing the Project Feasibility Study, which will determine the project's options and whether it can go ahead. This will include regular meetings to discuss important topics such as preferred site location and tailings options, protection of cultural and heritage sites, and TRTFN's work to advance the *T'aku Tlatsini* IPCA.

The TWG will also work together to identify business opportunities for Taku River Tlingit citizens and businesses, consider whether hydro-power generation for the project is possible, develop annual budgets, and identify further opportunities for collaboration. Canagold is providing funding to TRTFN to support Taku River Tlingit participation.

Site Visits

There will be opportunities, facilitated by Canagold, for Taku River Tlingit citizens and representatives to visit the project's proposed site.

Regulatory Engagement Process

Collaboration on the Environmental Assessment is an important aspect of the agreement, this collaboration will help identify impacts, risks, and alignment with the *Atlin Taku Strategic Land Use Plan*. The TWG is tasked with developing a comprehensive engagement process for both the EA and the Project Feasibility Study. This engagement process will continue to change to meet both parties' needs if TRTFN consents to the proposed mine and it proceeds to development.

Economic Strategic Planning and Preferential Business Opportunities

TRTFN and Canagold will also work together to develop an economic strategic plan to prepare Taku River Tlingit citizens for employment opportunities, and Taku River Tlingit businesses for business opportunities, with respect to the mine if it receives Taku River Tlingit consent and proceeds to development.

This strategic plan will assess and determine the current skills and interest level among the Taku River Tlingit workforce, identify the types of employment and business opportunities that may be available on the mine, and any training requirements. Interested citizens and businesses will then be connected to opportunities associated with the Project. This plan will also seek to identify ways to advance Taku River Tlingit citizens interested in more senior levels of employment and management with Canagold.

Resources, information, and funding will be provided by Canagold to TRTFN to ensure they can meaningfully develop the economic strategic plan so that it is an effective tool.

Canagold has also agreed to prioritize Taku River Tlingit businesses for the supply of goods and services for the proposed mine. This includes advance notice, before seeking proposals, bids, or quotes for mine-related contracts, as well as priority in contract awards to interested and qualified Taku River Tlingit businesses.

Commitment to Seek Free, Prior & Informed Consent

As mentioned above, one of the key elements of the CEA is that it commits Canagold to seek and obtain Taku River Tlingit consent before proceeding with the mine development – even if it has secured approval from BC by way of an environmental assessment certificate. This consent is a mandatory requirement for Canagold.

Thus, the mine cannot advance until Canagold secures written consent from TRTFN, on behalf of Taku River Tlingit, for the project, as well as an EA certificate from the province, and a positive Decision Statement from the federal government (if a federal impact assessment is triggered).

It is recognised that for TRTFN to give written consent on behalf of Taku River Tlingit Citizens, a Joint Clan Meeting will be required to obtain that consent.

HÀ KHUSTÌYXH/ Our Way Agreement

Under the CEA, Canagold has committed to negotiate a HÀ KHUSTÌYXH/ Our Way Agreement (OWA), as described in the TRTFN Mining Policy, with TRTFN that will govern the long-term relationship between the parties (if TRT consents to the mine). To accomplish this, the CEA will establish a sub-committee to develop a workplan to negotiate the OWA. The negotiations will continue throughout the EA process, with the goal of reaching an agreement by the end of EA review.

Building off the TRTFN Mining Policy, the CEA recognizes that the following provisions must, at minimum, be included in the OWA:

- recognition of Taku River Tlingit rights;
- environmental protection measures and logistical supports for TRT Guardians;
- cross-cultural training and protocols for sharing traditional knowledge, along with protections for cultural and heritage sites;
- training and employment opportunities;
- capacity funding and financial benefits (e.g. through profit-sharing, equity ownership rights);
- implementation committee for the OWA;
- a process to confirm TRT's ongoing right to FPIC;
- other processes for engagement, and tenure & fiscal stabilization;
- securing rights and protections post-closure; and
- any other provisions as needed, including as set out in the TRTFN Mining Policy.

Capacity Funding

Canagold has committed to support TRTFN's engagement of their proposed mine through the provision of capacity funding.

Initial annual funding will be provided by Canagold to TRTFN to cover Engagement Activity costs in the first year of the CEA. A budget provided in the agreement sets out an estimate for the anticipated costs. Future funding will be discussed at least 60 days before the end of each year during the term of the CEA. TRTFN and Canagold will agree on a new budget for each year of the term.

Each month, TRTFN will provide Canagold with a monthly invoice, which sets out the costs/ expenses incurred for engagement activities, and the progress made on each one. Canagold will then pay the monthly invoice within 30 days.

Dispute Resolution

Canagold and TRTFN have acknowledged that in order for the CEA to be successfully implemented, they must work together to resolve differences that may come up, in a respectful manner. Any issues that come up will first be addressed informally through discussions, in a non-adversarial manner. Where issues cannot be resolved informally, a dispute resolution process is established. This process consists of 1) exchanging in writing a description of the area of disagreement, 2) convening a meeting



of representatives to seek a resolution, 3) using mediation or facilitation, and 4) any other measures as appropriate.

Term, Review & Termination

The CEA became effective on March 27, 2023, and continues to be in effect until the end of the EA process for the proposed mine. The parties will jointly review the agreement to ensure its effectiveness every 12 months. Either party may terminate the agreement by giving 90 days notice to the other party. The EA process will take at least 2 years and may be longer.

Confidentiality

The provisions, terms, and conditions in the CEA are confidential unless required by law or regulation, or if both parties agree in writing to disclose certain information from the agreement. All traditional knowledge shared with Canagold is also confidential and can only be shared with approval by TRTFN. TRTFN is allowed to share the content of the agreement with Taku River Tlingit citizens for community engagement and consultation. The parties agree not to make any public statements relating to the agreement without mutual consent. Copies of the agreement can not be disclosed to protect it from becoming publicly available.