



Permit No.: **MX-1-208**

Mine No.: **0100054**

Approval No.: **20-0100054-0911**

Permittee: **Canarc Resources Corp.**  
**810 625 Howe Street**  
**Vancouver BC V6C 2T6**

Name of Property: **New Polaris Gold Mine**  
Map Reference: **Lat: 58.70000 Long: -133.62000**

Reclamation security amount: **\$274,500**

For exploration and reclamation activities within the permit area illustrated on the attached maps, which may overlap some or all of the following mineral tenures: **Mineral Crown Grant #'s: 3491, 3493, 3494, 3495, 3496, 3497, 3498, 5489, 5491, 5707, 6026, 6030, 6035, 6044**

**MYAB Approval completion date: March 31, 2026**

**MYAB Approved work:**

**Camp Disturbance Area:** (.5 ha existing disturbance)  
**Structures:** 10 structures  
**Surface Drilling:** 25 ground supported sites with associated sumps (.44 ha)  
**Exploration Trail - New:** 2km x 4m wide (.8 ha)

**Approved area of new disturbance: 1.24 ha**

**Date of Amendment: September 11, 2020**

**Barry MacCallum**  
**Inspector of Mines, Permitting**

**A. PREAMBLE****Whereas:**

1. **This permit lies within the traditional territory of the Taku River Tlingit First Nation.**
2. The permit was first issued on October 18, 1988.
3. The permit was amended on Mar 22, 1989; Jun 11, 1991; Aug 26, 1994; Jun 1, 1995; Oct 30, 1996; May 30, 1997; Jun 25, 1997; Oct 7, 2003; Sep 30, 2004; Sep 22, 2005; Apr 24, 2006; Aug 8, 2006; Jan 12, 2007.
4. Notice of intention to commence work was given on **April 1, 2020.**
5. A report and plan of the work system for the proposed exploration and/or development and/or mining activities (hereinafter termed the "Plan"), dated **March 16, 2020**, was filed with the Inspector of Mines on **April 1, 2020.**
6. A proposed program for the protection and reclamation of the surface of the land and watercourses affected by the Operations (hereinafter termed the "Program"), dated **March 16, 2020**, was filed with the Inspector of Mines on **April 1, 2020.**
7. Additional documents that were reviewed and form a part of this authorization include:
  - (a) **Riparian Zone Management Plan, Canarc Resources Inc., July 2020**
  - (b) **Salmon Ecosystem Management Plan for Diamond Drilling Activities, Canarc Resources Inc., July 2020**
  - (c) **MERP, Canarc Resources Inc., May 2020**

This amended permit supersedes all previous amendments of permit **MX-1-208.**

**B. APPROVAL OF THE WORK SYSTEM (the "Plan")**

The Chief Inspector of Mines (Chief Inspector) hereby approves the report of the work system for the proposed Plan for the stated period, subject to compliance with the following conditions:

1. **Term of Approval:**  
The Permittee shall not perform work on the subject mining property after the termination of the period for which implementation of the proposed Plan has been approved without first applying for, and receiving the approval of, the Inspector of Mines.
2. **Annual Summary of Exploration Activities:**  
An Annual Summary of Exploration Activities shall be submitted to the regional Inspector of Mines prior to submitting a new Notice of Work in the new calendar year or no later than the end of March of every year the permit is in effect. Reclamation and other exploration activities undertaken in the previous year shall be submitted in the form prescribed by the Chief Inspector of Mines.
3. **Liability:**  
The government is not liable to the Permittee for injuries, losses, expenses, or costs incurred or suffered by the Permittee as a result, directly or indirectly, of an act or omission of a person who is not a party to this Mines Act Permit, including but not restricted to an act or omission of a person disrupting, stopping or otherwise interfering with the Permittee's plans under this Mines Act Permit by road blocks or other means.
4. **Technical Conditions:**  
Water intakes shall be screened to effectively prevent entrainment of sediment, aquatic organisms, and the eggs, juvenile and mature life stages of fish.

**C. PERMIT APPROVING RECLAMATION PROGRAM (the "Program")**

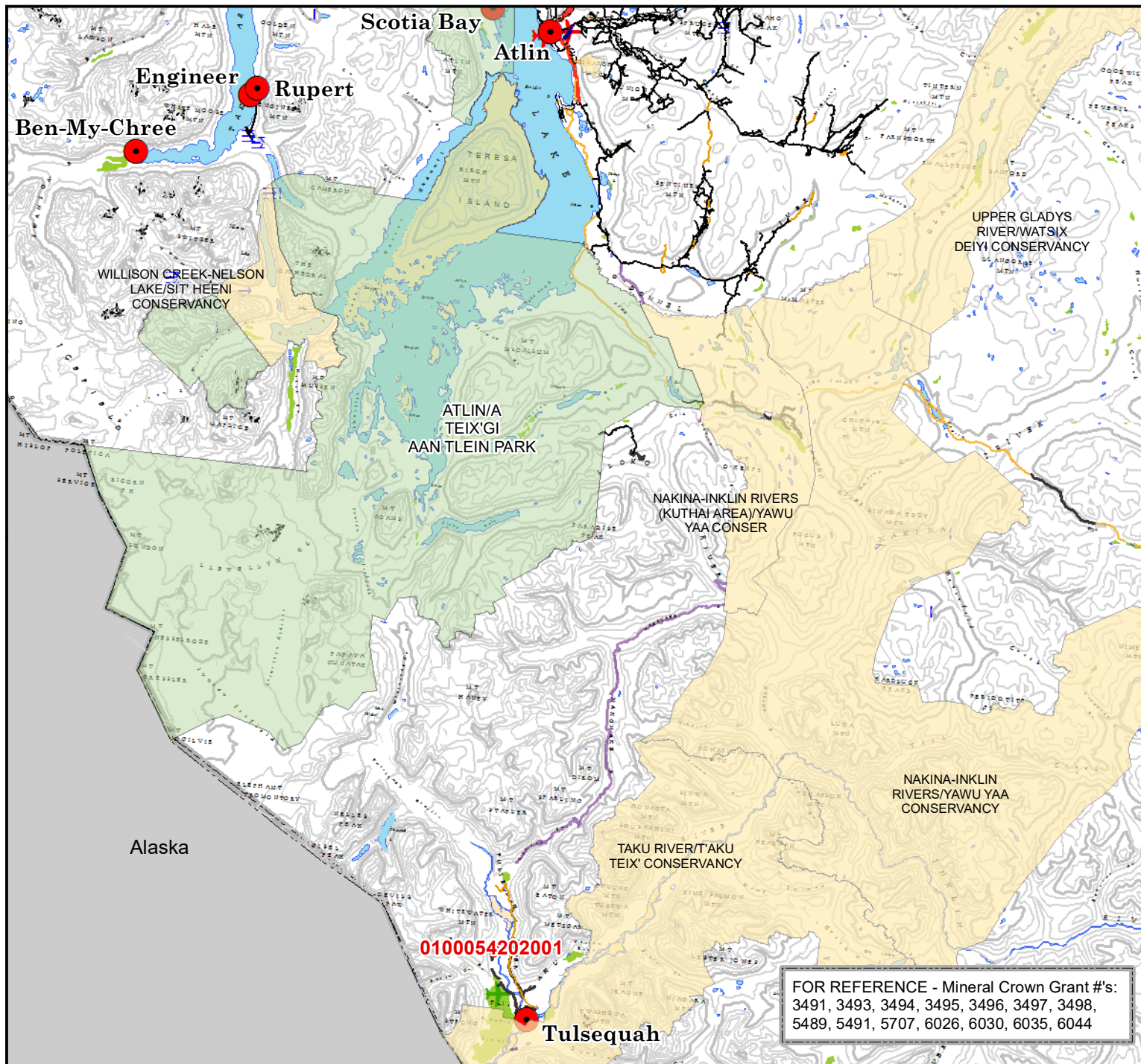
The Chief Inspector of Mines (Chief Inspector) hereby approves the proposed Program for protection and reclamation of the land and watercourses affected by the approved Plan, subject to compliance with the following conditions:

**1. Reclamation Security:**

The Permittee shall maintain with the Minister of Finance security in the amount of **Two Hundred and Seventy Four Thousand Five Hundred Dollars (\$274,500)**. The security will be held by the Minister of Finance and for the proper performance of the approved program and all the conditions of this permit in a manner satisfactory to the Chief Inspector.

**D. SPECIAL CONDITIONS:**

1. For Multi-Year Area Based (MYAB) work programs, a MYAB Annual Update shall be submitted annually to the regional Inspector of Mines. The MYAB Annual Update shall be submitted at least 2 weeks prior to commencement of exploration activities in a new calendar year or no later than the end of March of every year the MYAB permit is in effect.
2. Garbage and other attractants shall be removed from work sites daily, and shall either be incinerated or stored in an airtight container until removed from the project area.
3. At the end of each field season, no fuel or fuel containers shall be left on site.
4. At the end of each field season, no more than three (3) drill sites are to be left unreclaimed.
5. Within one year of completing all works or completion of the approval term, all drill sites shall be reclaimed. Drill site timbers shall either be removed from site or neatly stockpiled in one location in the permit area such that they will not be scattered by weather effects.
6. Soils and any available woody debris from excavated trails/mining areas/drill sites shall be preserved and stockpiled, and during reclamation soils shall be replaced after recontouring to facilitate revegetation.
7. In order to decrease the spread of invasive plants, all equipment must be washed prior to transport to the mine site.
8. Use of all-terrain vehicles (ATV's) is restricted to business purposes only.
9. All work shall be completed under the direction of the Permittee's chance find procedures, throughout the entire permit area. All employees who work in the field are to be trained in these procedures and are to adhere to them at all times.
10. This approval covers exploration activities only within the permit area (Outlined on attached map).
11. All workers shall receive training in safety with respect to wildlife, including bear awareness, to be documented per requirements of Part 1.11 of the Code.






**Mine No: 0100054**

**New Polaris**



Permit Area

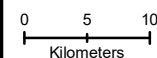
#### Base Data

-  Active Special Use Permit
-  Provincial Parks
-  Conservancy Areas

Base Data: BC Geographic Warehouse

**1:600,000**

1 cm = 6,000 meters





Date: 2020/04/17  
 Coordinate System:  
 NAD 1983 BC Environment Albers  
 MEMPR - Skeena Region: cbarden

**0100054202001**

FOR REFERENCE - Mineral Crown Grant #'s:  
 3491, 3493, 3494, 3495, 3496, 3497, 3498,  
 5489, 5491, 5707, 6026, 6030, 6035, 6044

**Mine No: 0100054**

**New Polaris**

-  Permit Area
-  Assoc. Crown Grants

### BioGeo Zones

-  CWH wm

### Base Data

-  Wetlands
-  Streams
-  100m Contours
-  20m Contours

Base Data: BC Geographic Warehouse

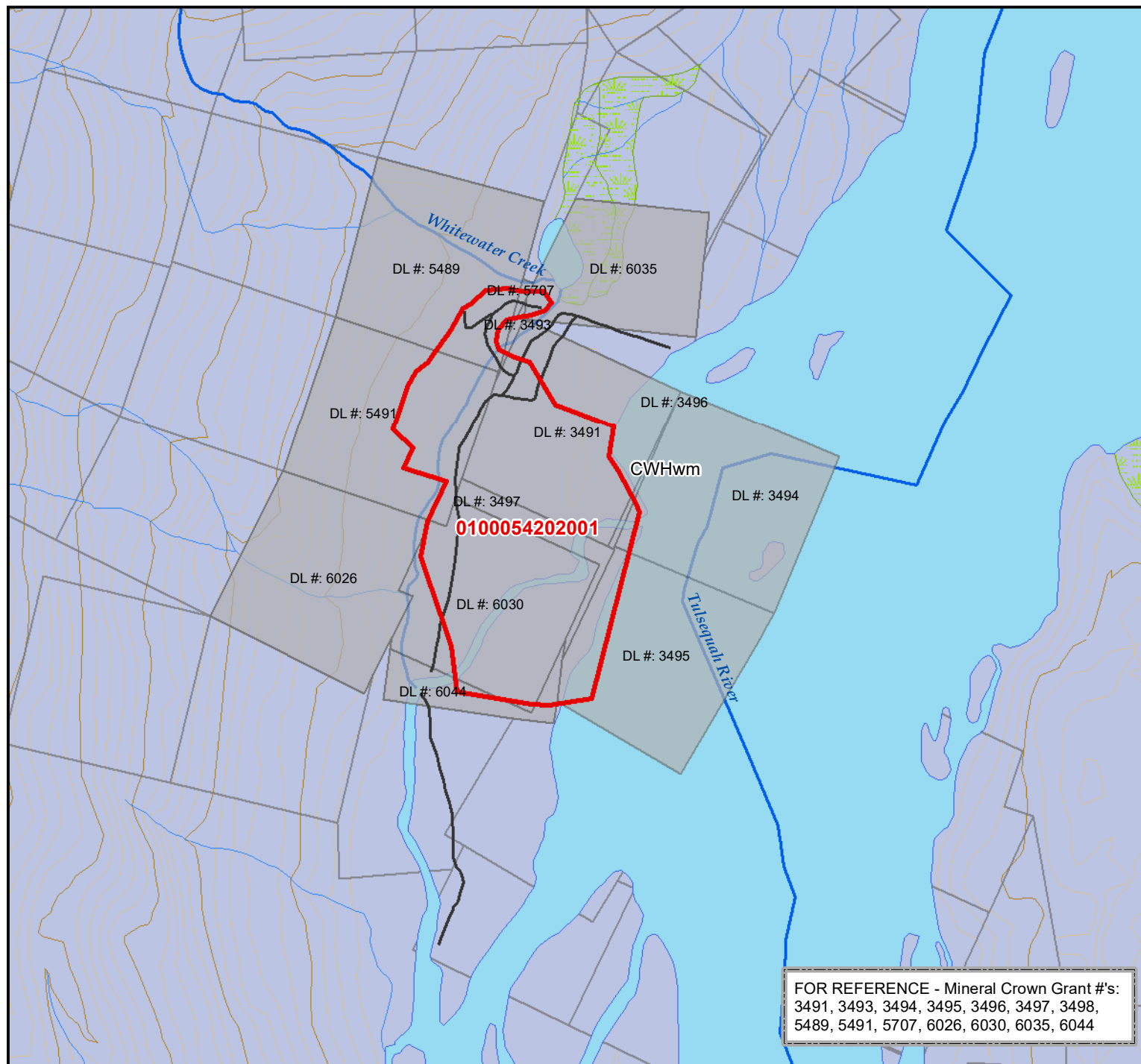
**1:15,000**

1 cm = 150 meters

0 0.2 0.4  
Kilometers

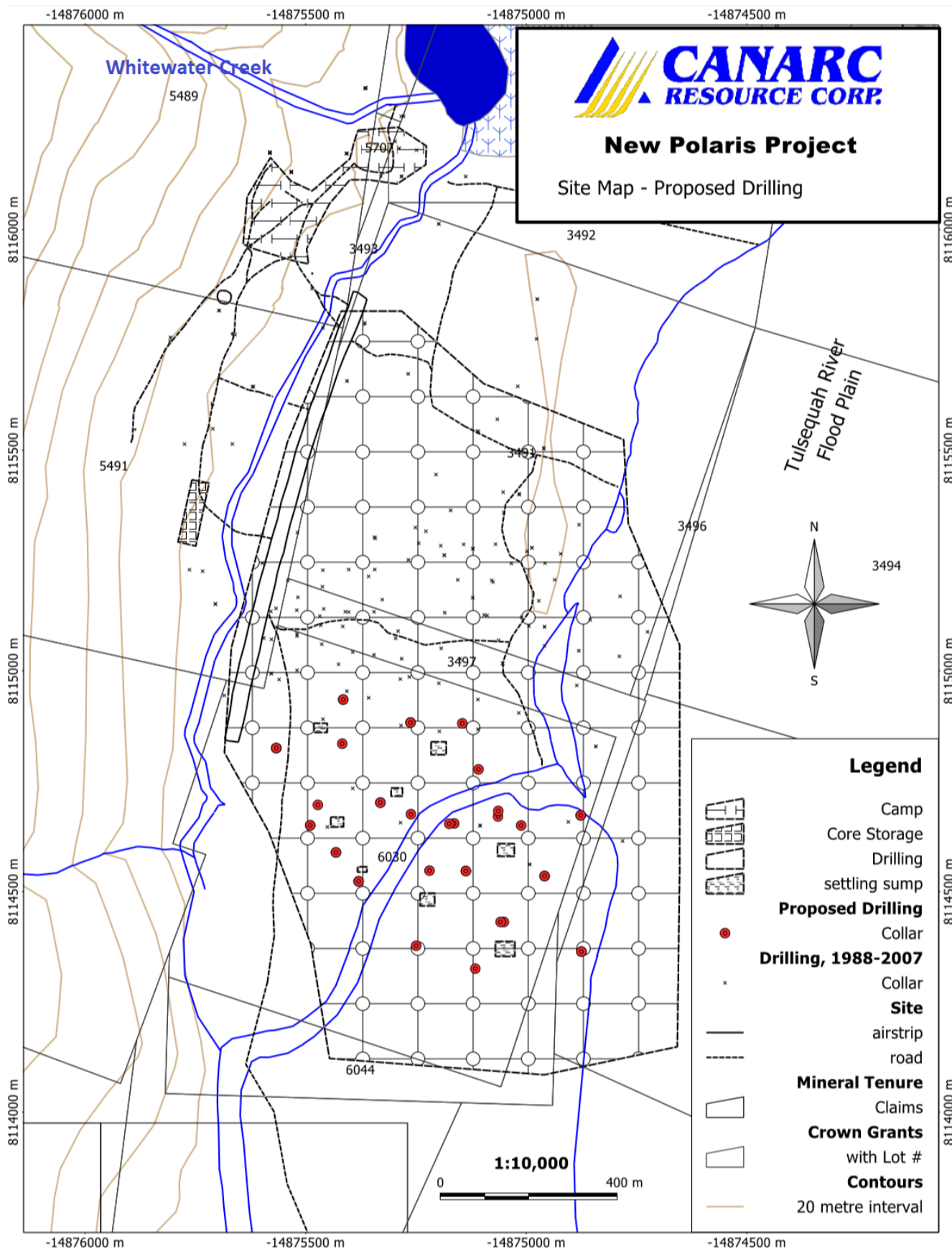


Date: 2020/04/17  
 Coordinate System:  
 NAD 1983 BC Environment Albers  
 MEMPR - Skeena Region: cboard



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## **New Polaris Surface Exploration Drilling Program Description of Work**

This work program is a diamond drilling program totaling about 25,000 meters in 48 to 50 diamond drill holes. All drilling will be done from surface. The program may be completed in one single campaign or may be spread out over two or more campaigns. All drilling will be core drilling.

Ideally the program will start during the latter part of 2020.

There will be 25 drill collar locations, all within mineral lease number L6030. Drill holes will vary in length between 350 and 650 meters. About one-half of the drill collar locations will be in the vicinity of sites used in prior drill program at the site and the balance will require new access trails to be cleared.

The drilling rigs will be skid mounted and moved between different drill site using a D6 bulldozer. About 6 to 8 settling sumps will be needed to settle the solids from the drill return water before it exfiltrates through the gravel bed in which the sumps are excavated. The sumps will be excavated in the old flood plain area near where the drill collars are located. The water will ex-filtrate through the gravels for removal of any suspended solids which d not settle in the sumps.

Proper operating procedures and practices will be employed to ensure that the environment is protected. Drill rigs will be equipped with spill kits that will include oil absorbent pads and booms to clean up any minor oil drips or spills.

At the completion of drilling each drill site will be cleaned of all debris and left to naturally vegetate. All settling sumps will be backfilled using the material that was initially removed to create the sump, levelled and left to naturally vegetate.

Upon the completion of drilling all drilling and support equipment and remaining supplies brought to site to complete the drill program will be flown from the site to Atlin. The property and buildings will be secured for future usage.

The New Polaris property last operated in the 1950's. A few of the historic buildings remain in usable condition and are part of a 30-man camp with electrical, water and sewage systems. Other buildings provide workshop space and storage space. The site has been idle since August 2007 when the last exploration activity was completed.

Drilling will be conducted by a qualified and experienced drilling contractor with prior experience drilling in these types of rock conditions and with a proven track record.

Two diesel powered drill rigs will be working at the site and will be flown into the site along with needed support equipment and supplies through Atlin, BC. The program will require a workforce of about 15 to 20 people. Positions required will be diamond drill operators and helpers working for the diamond drilling contractor, geologists, core splitter, mechanic, expeditor, camp cook / first aid attendant, surface helper and labour.

The site will be accessed and supported through Atlin with weekly flights for supplies and crew changes between Atlin and site.

Since the drill program primarily involves in-fill drilling on the defined inferred resource, many of the drill hole collar locations will be in the vicinity of previous drill hole collar locations and access to these sites will be via existing trails formerly used to access these sites. Clearing of alder bushes that have grown on the trails during the last 15 years since the last drilling program will be necessary. Between one and two kilometers of new trails will be needed to access eight drill collar locations that are not in the vicinity of previous drilling activity. Vegetation in the area of the drill collars is primarily alder bushes and widely spaced cottonwood trees.

Concurrent with this diamond drilling program the company will be conducting baseline environmental data collection and other studies required for the Environmental Assessment process.

04 March 2020