



**CANYON GOLD
& GRAVEL**

Canyon Gold & Gravel Inc.
**Financial Loan Package for
Canyon Gold and Gravel Inc.**
**A Significant Gold and Gravel Project
Providing Real Asset Value**

January 2025

CANYONGG.COM



CANYON GOLD & GRAVEL



Forward Looking Statements

Certain statements contained in this presentation constitute forward-looking statements. These statements relate to future events, the future performance, business prospects or opportunities of Canyon Gold & Gravel Inc. (the "Company"), or possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action and includes future oriented financial information with respect to prospective pro-forma financial performance, financial position or cash flows that is presented either as a forecast or a projection. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified using words such as "seek", "anticipate", "plan", "developing", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "identify", "developing", and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. These statements speak only as of the date specified. The Company does not intend, and does not assume any obligation, to update these forward-looking statements. These forward-looking statements involve risks and uncertainties relating to, among other things, results of exploration activities, the Company's limited experience with development-stage mining and quarrying operations, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, changes in commodity and, particularly, gravel and gold prices, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.

Historical Results Disclaimer – Historic results disclosed in this presentation are not current and therefore cannot be relied upon. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. The Company is not treating the historical estimate as current mineral resources or mineral reserves. None of the projections of revenue, project value, cash flow or any other economic estimates based on the historic data and included in this presentation can be relied upon.

Technical Information Review – Technical information in this presentation has been reviewed by John Ostler, M.Sc., P. Geo., who is a Qualified Person in accordance with NI 43-101 reporting standards.

This presentation is provided for information purposes only. It is not an invitation to buy or sell securities of the Company. Investment in the securities of the Company is highly speculative and risky.



**CANYON GOLD
& GRAVEL**



*Financial Loan Information Package for
Canyon Gold and Gravel Inc.*

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**CANYON GOLD
& GRAVEL**



*Financial Loan Information Package for
Canyon Gold and Gravel Inc.*

1. Corporate Introduction & Mine Permits

Canyon Gold and Gravel Inc. (CGG) is a rare mining opportunity offering an 80 year + mine life (at 250,000 tonnes/annum), consisting of gold, gravel and clean fill site revenues, located on 160 fee simple acres adjoining the Fraser River in the District of Hope, Fraser Valley, only 1 hour 40 minutes via HWY 1 from Vancouver, BC.

CGG has invested over \$4.2 million dollars during the last 3 years of BC Mines Permit Application, professional opinions, and reports. **As of October, 2024, our BC Mines WORK PERMITS have been issued allowing Canyon to go into production!**

CGG management has estimated from historic and recent drilling and site work completed, a gross value of gold, gravel & sand and clean fill dump fees should yield some **\$1.5 billion +** in resource recovery over 80 years at today's prices. The latest BC Land Assessment indicates Canyon's 160 fee simple acres as '**Residential 1**' – yielding 15 units per acre or 2400 residential units for the site. Presently non-waterfront lots sell in Hope for \$500,000 plus.

The property has now been logged and cleared and 75% of the site service work has been completed. To be finished on site is: the bridge over CPR rail and the new 6-degree grade truck road across the Hope land fill to HWY 1, weigh scale and equipment buildings. Once funded it is estimated 4 months to completion and another 2 months to get into full production or Spring of 2025.

Canyon is seeking a \$5 million financing in debt or convertible debt or any combination thereof to complete the bridge over rail and landfill road to HWY 1 egress as well as the new road below the CPR Bridge to the Canyon Mine.

CANYON is in the process of Going Public on the CSE (Canadian Securities Exchange) has a healthy bank account and has no debt. CGG continues to raise money from its stock issues and will raise a further \$1.5 million through its IPO with its sponsor Leeds Jones Gable head office, Vancouver, BC.



Permit Number: **G-100000462**

Mine Number: **0700157**

Permittee: **Canyon Gold & Gravel Inc.
2216 Folkestone Way
West Vancouver BC V7S2X7**

Name of Property: **Lucky Thirteen**

Reclamation Liability Amount: **\$0.00**

Map Reference: **Lat: 49.4105690 Long: -121.4277500**

Date of Issuance: Oct 04 2024

Approval End Date: Mar 07 2029

A handwritten signature in black ink, appearing to read "J. Dunkley".

Jim Dunkley
Inspector of Mines – Permitting

PREAMBLE

Notice Of Work for the Lucky 13 Sand & Gravel project was filed with the Chief Permitting Officer, submitted on Jul 14 2021 .. The application included a plan of the proposed work system ("Mine Plan") and a program for the protection and reclamation of the surface of the land and watercourses ("Reclamation Program"), affected by the Notice of Work.

The Mines Act, the Health, Safety and Reclamation Code for Mines in British Columbia ("Code" or "HSRC"), and this Mines Act Permit contain the requirements of the Chief Permitting Officer for the execution of the Mine Plan and Reclamation Program, including the deposit of reclamation securities. Nothing in this permit limits the authority of other government agencies to set additional requirements or to act independently under their respective authorizations and legislation.

THE MINE PLAN AND RECLAMATION PROGRAM

The Chief Permitting Officer considered the following Mine Plan and Reclamation Program(s) for the stated period(s):

1. **Notice of Work Mine Plan and Reclamation Program**
 - 1.1. Notice of Work **0700157-2021-02** tracking number **100353045** submitted **Jul 14 2021** and last updated on **Oct 05 2024**
 - 1.2. Agricultural Land Commission report and decision, dated Mar 07 2024
 - 1.3. Schedule A - Decision Map, not dated
 - 1.4. Archaeological Chance Find Procedure, not dated
 - 1.5. Location and Proposed Work Area Map, not dated
 - 1.6. Access Map, not dated
 - 1.7. Tenure Map, not dated
 - 1.8. Landowner letter, not dated
 - 1.9. Tenure Owner Letter, not dated

PERMIT CONDITIONS

The Chief Permitting Officer hereby issues this permit subject to the following conditions that the permittee must comply with:

A. General

1. Approval - This permit authorizes only the following mining activities as outlined in the Mine Plan and Reclamation Program. Mining activities conducted that are not listed below are considered to be undertaken without a permit as required by Mines Act 10(1):
 - a. Approved Activities:
 - i. Excavation of pit run, screening, crushing, and washing of aggregate materials is authorized.
 - ii. Mining Areas: excavation area up to 5.0 ha, as shown in Schedule A: Decision Map, of the Agricultural Land Commission (ALC) Reason For Decision (RFD) dated March 7, 2024
 - iii. Processing Stock and Plant Site; 2.8 ha, as shown in Schedule A: Decision Map, of the ALC RFD dated March 7, 2024
 - iv. Settling ponds: 2 total, one existing 0.28 ha, one proposed 0.28 ha, as shown in Schedule A: Decision Map, of the ALC RFD dated March 7, 2024
 - v. Overburden Stockpile; 0.5 ha, as shown in Schedule A: Decision Map, of the ALC RFD dated March 7, 2024
 - vi. Topsoil Stockpile: 0.5 ha, as shown in Schedule A: Decision Map, of the ALC RFD dated March 7, 2024
 - vii. For a total disturbance area 9.56 ha +/-
 - b. Activities not approved:
 - i. Fording of watercourses is not authorized.
 - c. Approved activities must be conducted as outlined in Document 1.1, Notice of Work, and Document 1.2, Agricultural Land Commission report and decision.
 - d. Activities must be conducted within the permit area as shown in Schedule A: Decision Map, of the ALC RFD dated March 7, 2024
 - e. Only reclamation activities may occur after March 7, 2029.
 - f. Authorized activities are restricted to the following schedule [daily operating hours, or operating hours listed by day of week].
 - g. A maximum annual extraction of 240,000 tonnes (two hundred forty thousand tonnes).
 - i. The maximum extraction over the authorization period of this permit is 600,000 tonnes (six hundred thousand tonnes) per the ALC RFD document dated March 7, 2024.
 1. The maximum amount of processed aggregated stored on site at any one time is 240,000 tonnes (two hundred forty thousand tonnes).

2. Definitions

- a. Unless otherwise specified, the definitions in the Mines Act, the regulations and the Code apply to the use of the terms in this permit.

3. Documentation and Reporting

- a. This Permit and the associated approved Mine Plan and Reclamation Program must be kept at the mine and must be available to an Inspector upon request.
- b. A completed Annual Summary of Work and Reclamation Report must be submitted to southwestminesdivision@gov.bc.ca prior to March 31 annually and must be accompanied by:
- i. a detailed as-built map of the mine site.
 - ii. spatial data of the as-built disturbances which includes attribution data for the status of reclamation.
- c. Seven days prior to commencement of crushing, screening, or washing operations, written notification must be provided. Notification is to be forwarded to southwestminesdivision@gov.bc.ca.

4. Reports to be signed by a Qualified Professional:

- a. Unless otherwise approved in writing by the Chief Permitting Officer, all reports required to be submitted under this permit other than the Annual Summary of Work and Reclamation Report must be signed by a Qualified Professional.

B. Health and Safety

1. Mine Emergency Response Plan (MERP)

- a. The MERP required under 3.7.1 of the Code must be maintained on the mine site and made available to an inspector upon request.

2. Fuels and Lubricant Handling, Transportation and Storage

- a. Handling, transportation and storage of fuels and lubricants must conform to the requirements of the document: BC Fuel Guidelines, 12th Edition, March 9, 2023 (NorthWest Response Ltd), or most recent version thereof.

C. Geotechnical

1. Reporting

- a. The Chief Inspector must be advised in writing upon discovery of any unforeseen conditions that could adversely affect the extraction of materials, site stability, erosion control or the reclamation of the site.
- b. A geotechnical incident form must be submitted to the Chief Inspector for any geotechnical incident that:
- i. is classified as a reportable incident,
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- ii. requires changes to an existing standard operating procedure or the creation of a site-specific safe work plan,
- iii. is considered a multi-bench pit slope failure,
- iv. is considered a spoil failure resulting in full loss of the crest berm, or
- v. is considered a sign of dam instability (regardless of size).

2. Site Stability

- a. Stockpiles of waste, overburden or soil must not be placed in areas identified as Terrain Class IV or V.

3. Design

- a. Berms must be constructed at the toe of all waste dumps where rock rollout could present a safety hazard.
- b. All access roads, drill sites, equipment laydowns, trenches, and locations where cuts and/or fills exceed 6.0 meters on terrain Class IV or V must be constructed maintained and operated per the written recommendations of a qualified professional. The signed and sealed design reports must be maintained on site and made available to an inspector upon request.

4. Monitoring

- a. All works are to be monitored by a Qualified Environmental Professional (QEP). The QEP will have authority to halt operations should the QEP find there is significant risk of environmental damage or environmental damage has occurred. Should an operational stoppage be ordered, they may resume once the QEP is satisfied proper mitigation measures are in place.
- b. The permittee is required to develop a plan for monitoring and assessing river flows and levels, due to weather conditions or spring freshet, to ensure there is no risk of adverse impact to the Fraser River, or the local aquifer. A log of the monitoring must be kept on site and made available to an Inspector upon request.
 - i. Should flood waters impact site conditions work shall immediately cease and not resume until an assessment can be made to determine if flood waters have altered the site landscape, and if so, how to safely resume operations.
- c. Despite the elevation limit of 38m asl for depth of excavation, should excavations intersect groundwater the permittee must ensure that the groundwater does not become free-flowing surface water.

D. Environmental Land and Watercourses

1. Cultural Heritage Resources

- a. The Archaeological Chance Find Procedure (CFP) (Document 1.4 – update as required) must be implemented prior to commencement of work. All employees and contractors at the mine site must be trained on the CFP. The plan must be maintained onsite and available to an Inspector upon request.
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- b. Prior to any ground disturbance, an archaeological assessment, permitted under the Heritage Conservation Act, in the area of work must be conducted by a qualified professional. Any recommendations resulting from this assessment, provided in a final report, become part of this permit and must be implemented unless specifically waived, or altered, in writing, by the Inspector.
- c. A qualified archaeological monitor is required to be on site at all times during operations. This monitor shall have authority to immediately suspend operations should suspected archaeological artifacts be uncovered. Incidental Finds are to be left in place, unless in immediate threat of being destroyed or lost, or otherwise found and collected.
 - i. Whether left in place, or collected, such Finds will be reported to the S'olh Temexw Stewardship Alliance (STSA) Senior Archaeologist, including the nature and location of the Find.

2. Environmental Protection

- a. Garbage and other animal attractants must be removed from work sites daily and must be stored in a secure and airtight container until removed from the mine site.
- b. Water intakes must comply with the Freshwater Intake End-of-Pipe Fish Screen Guideline, 1995 (Department of Fisheries and Oceans), or most recent version thereof.
- c. Erosion and sediment must be effectively controlled on the mine site. Sediment laden water must be suitably contained on the mine site and not be allowed access to any watercourse.
- d. Water which flows from disturbed areas must be collected and diverted into settling ponds, unless water is effectively exfiltrating through gravels.
- e. No excavation is to be made within 1.5 meters of the groundwater table.
- f. Settling ponds must be maintained regularly, with maintenance to include [xxx activities].
- g. A schedule and procedure for sediment removal from settling ponds must be implemented to ensure adequate settling of suspended solids. The information must be maintained on site and be available to an Inspector upon request.
- h. Sediment removed from settling ponds must be contained and stockpiled for reclamation.
- i. Dust originating from the mine site must be controlled at the source.
- j. Daily monitoring of the functionality of settling ponds must be performed by the mine manager, and observations must be recorded in a written log. The written log must be made available to an Inspector upon request.
- k. For any discharge of sediment laden water originating from the mine site, immediate measures must be taken to prevent further and future discharges.
 - i. Discharge that reaches a surface water body must be documented with estimates on flow rate and photographs and reported to the Chief Inspector at southwestminedivision@gov.bc.ca within 24 hours of discovery.

3. Invasive Plants

- a. Invasive plants on the site must be identified, monitored, controlled and documented. Monitoring and treatment records must be made available to an Inspector upon request.
- b. Reasonable efforts must be taken to ensure that invasive plants do not migrate from the site to adjacent areas.
- c. The control of invasive plants must consider using non-toxic means for invasive plant control.
- d. The Permittee must ensure that all seed used on-site is certified weed free.
- e. [At least 90 days] prior to the commencement of work under this Permit, an Invasive Plants Management Plan must be developed to the satisfaction of the Chief Permitting Officer and the plan must be implemented in doing any work under this Permit.
- f. [Name of Plan, Date (Author of Plan)] must be implemented on site.

4. Receiving Foreign Materials

- a. The receipt, storage, treatment/processing and or use of imported materials including but not limited to garbage, refuse, concrete, asphalt, asphalt shingles, biosolids and soils originating from off site is not permitted except as authorized under the reclamation plan, or otherwise authorized in writing by an Inspector.

5. Condition of the Land

- a. All equipment brought on to the site must be removed from the project area when the site is not active.
- b. Derelict or damaged equipment, supplies, or materials must not be stored or otherwise left or abandoned anywhere on the mine site.
- c. When the site is not active, disturbed areas are to be left in a condition that is neat, clean and safe.

E. Reclamation and Closure Program

1. Reclamation Security

- a. Reclamation security (\$153,400) is to be maintained with the Ministry of Finance c/o the Agricultural Land Commission..

2. Obligation to Reclaim

- a. Reclamation of the surface of the land affected by the operations must be conducted in accordance with the approved work program. The surface of the land and watercourses must be reclaimed to the following end land use: agricultural use.

3. Reclamation

- a. All available topsoil, overburden, and organic material including large woody debris in the disturbance footprint must be salvaged and stockpiled for use in reclamation.
 - b. All stockpiled topsoil, overburden, and organic material including large woody debris must:
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Permit Number: **P-7-16**

Mine Number: **0700157**

Permittee: **Canyon Gold & Gravel Inc.
2216 Folkestone Way
West Vancouver BC V7S2X7**

Name of Property: **Lucky Thirteen**

Reclamation Liability Amount: **\$160,900.00**

Map Reference: **Lat: 49.4105690 Long: -121.4277500**

Date of Issuance: Jul 27 1988

Approval End Date: Mar 07 2029

Date of Amendment: Oct 04 2024

A handwritten signature in black ink, appearing to read "J. Dunkley".

Jim Dunkley
Inspector of Mines – Permitting

PREAMBLE

Notice Of Work for the Lucky 13 Placer Operations project was filed with the Chief Permitting Officer, submitted on Jul 14 2021 and last updated on Oct 05 2024. The application included a plan of the proposed work system ("Mine Plan") and a program for the protection and reclamation of the surface of the land and watercourses ("Reclamation Program"), affected by the Notice of Work.

The Mines Act, the Health, Safety and Reclamation Code for Mines in British Columbia ("Code" or "HSRC"), and this Mines Act Permit contain the requirements of the Chief Permitting Officer for the execution of the Mine Plan and Reclamation Program, including the deposit of reclamation securities. Nothing in this permit limits the authority of other government agencies to set additional requirements or to act independently under their respective authorizations and legislation.

THE MINE PLAN AND RECLAMATION PROGRAM

The Chief Permitting Officer considered the following Mine Plan and Reclamation Program(s) for the stated period(s):

1. **Notice of Work Mine Plan and Reclamation Program**
 - 1.1. Notice of Work **0700157-2021-01** tracking number **100352861** submitted **Jul 14 2021** and last updated on **Oct 05 2024**
 - 1.2. ALC decision document, dated Mar 07 2024
 - 1.3. Schedule A - Decision Map, dated Mar 07 2024
 - 1.4. Archaeological Chance Find Procedure, not dated
 - 1.5. PFR report, not dated
 - 1.6. Environmental Assessment Report, not dated
 - 1.7. Environmental Management Plan, not dated
 - 1.8. Section A, not dated
 - 1.9. Section C, not dated
 - 1.10. Tenure Map, not dated
 - 1.11. Plan view, not dated
 - 1.12. Mine Plan Map, not dated
 - 1.13. Location Map, not dated
 - 1.14. Access Map, not dated
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PERMIT CONDITIONS

The Chief Permitting Officer hereby issues this permit subject to the following conditions that the permittee must comply with:

A. General

1. Approval - This permit authorizes only the following mining activities as outlined in the Mine Plan and Reclamation Program. Mining activities conducted that are not listed below are considered to be undertaken without a permit as required by Mines Act 10(1):

a. Approved Activities:

- i. Mining Areas: excavation area of up to 5.0 ha, as shown in Schedule A: Decision Map, of the Agricultural Land Commission (ALC) Reason For Decision (RFD) dated March 7, 2024
- ii. Processing Stock and Plant Site: 2.8 ha, as shown in Schedule A: Decision Map, of the ALC RFD dated March 7, 2024
- iii. Settling ponds: 2 total, one existing 0.28 ha, one proposed 0.28 ha, as shown in Schedule A: Decision Map, of the ALC RFD dated March 7, 2024
- iv. Overburden Stockpile; 0.5 ha, as shown in Schedule A: Decision Map, of the ALC RFD dated March 7, 2024
- v. Topsoil Stockpile: 0.5 ha, as shown in Schedule A: Decision Map, of the ALC RFD dated March 7, 2024
- vi. Diversion of Watercourses: not approved under this authorization.
- vii. For a total disturbance area of 9.56 ha +/-

b. Activities not approved:

- i. Fording of watercourses is not authorized.
- ii. Suction Dredging and/or Enhanced Sniping are not authorized.; add others if necessary
- iii. Individual settling ponds must not be constructed greater than 2.5 m above grade or be capable of impounding greater than 30,000m³ volume.

c. Approved activities must be conducted as outlined in Document 1.1, Description of Work Program. OR Activities must be conducted as outlined in [Document X].

d. Activities must be conducted within the permit area as shown in Schedule A: Decision Map, of the ALC RFD dated March 7, 2024

e. Only reclamation activities may occur after March 7, 2029.

f. Maximum tonnage of pay dirt to be moved annually is 120,000 tonnes (one hundred twenty thousand tonnes)

g. The use of all-terrain vehicles (ATVs) and utility task vehicles (UTVs) is not authorized.

2. Definitions

- a. Unless otherwise specified, the definitions in the Mines Act, the regulations and the Code apply to the use of the terms in this permit.

3. Documentation and Reporting

- a. This Permit and the associated approved Mine Plan and Reclamation Program must be kept at the mine and must be available to an Inspector upon request.
- b. A completed Annual Summary of Placer Activities (ASPA) form must be submitted to southwestminesdivision@gov.bc.ca prior to March 31 annually and must be accompanied by:
 - i. a detailed as-built map of the mine site.
 - ii. spatial data of the as-built disturbances which includes attribution data for the status of reclamation.
- c. For Multi-Year Area-Based (MYAB) work programs, a MYAB annual update form must be submitted annually to southwestminesdivision@gov.bc.ca. The MYAB update must be submitted at least two (2) weeks prior to the anticipated commencement of exploration activities in a new calendar year, or no later than March 31 for every year the MYAB approval is in effect. In addition to the required mapping, the Permittee must submit spatial files of current and proposed disturbances.
- d. Work in subsequent years from the approval date for MYAB work programs must not commence without written approval from the Chief Permitting Officer based on the review of the annual update and receipt of any additional reclamation security as required by the Chief Permitting Officer.

4. Reports to be signed by a Qualified Professional:

- a. Unless otherwise approved in writing by the Chief Permitting Officer, all reports required to be submitted under this permit other than the Annual Summary of Placer Activities must be signed by a Qualified Professional.

B. Health and Safety

1. Mine Emergency Response Plan (MERP)

- a. The MERP required under 3.7.1 of the Code must be maintained on the mine site and made available to an inspector upon request.

2. Fuels and Lubricant Handling, Transportation and Storage

- a. Handling, transportation and storage of fuels and lubricants must conform to the requirements of the document: BC Fuel Guidelines, 12th Edition, March 9, 2023 (NorthWest Response Ltd), or most recent version thereof.

C. Geotechnical

1. Reporting

- a. The Chief Inspector must be advised in writing upon discovery of any unforeseen conditions that could adversely affect the extraction of materials, site stability, erosion control or the reclamation of the site.
- b. An Advice of Geotechnical Incident form must be submitted to the Chief Inspector for any geotechnical incident that:
 - i. is classified as a reportable incident,
 - ii. requires changes to an existing standard operating procedure or the creation of a site-specific safe work plan,
 - iii. is considered a multi-bench pit slope failure,
 - iv. is considered a spoil failure resulting in full loss of the crest berm, or
 - v. is considered a sign of dam instability (regardless of size).

2. Site Stability

- a. Stockpiles of waste, overburden or soil must not be placed in areas identified as Terrain Class IV or V.

3. Design

- a. Berms must be constructed at the toe of all waste dumps where rock rollout could present a safety hazard.
- b. Prior to initiating road or trail construction, a qualified person must determine the terrain stability classification for all areas where roads and trails are to be constructed.
- c. All access roads, drill sites, equipment laydowns, and trenches or pits on terrain Class IV or V, must be constructed maintained and operated per the written recommendations of a qualified professional. The signed and sealed design reports must be maintained on site and made available to an inspector upon request.

4. Monitoring

- a. All works are to be monitored by a Qualified Environmental Professional (QEP). The QEP will have authority to halt operations should the QEP find there is significant risk of environmental damage or environmental damage has occurred. Should an operational stoppage be ordered, they may resume once the QEP is satisfied proper mitigation measures are in place.
 - b. The permittee is required to develop a plan for monitoring and assessing river flows and levels, due to weather conditions or spring freshet, to ensure there is no risk of adverse impact to the Fraser River, or the local aquifer. A log of the monitoring must be kept on site and made available to an Inspector upon request.
 - i. Should flood waters impact site conditions work shall immediately cease and not resume until an assessment can be made to determine if flood waters have altered the site landscape, and if so, how to safely resume operations.
 - c. Despite the elevation limit of 38m asl for depth of excavation, should excavations intersect groundwater the permittee must ensure that the groundwater does not become free-flowing surface water.
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D. Environmental Land and Watercourses

1. Cultural Heritage Resources

- a. The Archaeological Chance Find Procedure (CFP) (Document 1.4 – update as required) must be implemented prior to commencement of work. All employees and contractors at the mine site must be trained on the CFP. The plan must be maintained onsite and available to an Inspector upon request.
- b. Prior to any ground disturbance, an archaeological assessment, permitted under the Heritage Conservation Act, in the area of work must be conducted by a qualified professional. Any recommendations resulting from this assessment, provided in a final report, become part of this permit and must be implemented unless specifically waived, or altered, in writing, by the Inspector.
- c. A qualified archaeological monitor is required to be on site at all times during operations. This monitor shall have authority to immediately suspend operations should suspected archaeological artifacts be uncovered. Incidental Finds are to be left in place, unless in immediate threat of being destroyed or lost, or otherwise found and collected.
 - i. Whether left in place, or collected, such Finds will be reported to the S'olh Temexw Stewardship Alliance (STSA) Senior Archaeologist, including the nature and location of the Find.

2. Environmental Protection

- a. "Natural Boundary" means the visible high water mark of any lake, river, stream or other body of water where the presence and action of the water are so common and usual and so long continued as to mark upon the soils of the bed of the lake, river, stream or other body of water a character distinct from that of the banks, thereof, both in respect to vegetation, and in respect to the nature of the soil itself.
 - b. Garbage and other animal attractants must be removed from work sites daily or must be stored in an airtight container until removed from the mine site.
 - c. Water intakes must comply with the Freshwater Intake End-of-Pipe Fish Screen Guideline, 1995 (Department of Fisheries and Oceans), or most recent version thereof.
 - d. Chemicals or mercury must not be used to recover a mineral on the mine site. Mercury must not be stored on the mine site.
 - e. Erosion and sediment must be effectively controlled on the mine site. Sediment laden water must be suitably contained on the mine site and not be allowed access to any watercourse.
 - f. All process or wash water must discharge to a settling pond.
 - g. A minimum of 0.5 meters of freeboard must be maintained at all times in settling ponds.
 - h. Process water or wash water in settling ponds must be re-circulated where possible and must exfiltrate to ground from within the settling pond.
 - i. A riparian setback distance of ten (10) horizontal meters of the natural boundary of any watercourse on the worksite must be clearly marked.
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- j. Forest cover and vegetation within ten (10) horizontal meters of the natural boundary of any watercourse must not be disturbed or removed.
- k. Mining activities must not occur within thirty five (35) horizontal meters of the natural boundary of the Fraser River.
- l. Settling pond(s) must not be located within ten (10) horizontal meters of the natural boundary of any watercourse. Where water infiltrates to ground, suspended solids must not be allowed entry into watercourses.
- m. Water which flows from disturbed areas must be collected and diverted into settling ponds, unless water is effectively exfiltrating.
- n. Settling ponds must be maintained regularly, with maintenance to include [xxx activities].
- o. A schedule and procedure for sediment removal from settling ponds must be implemented to ensure adequate settling of suspended solids. The information must be maintained on site and be available to an Inspector upon request.
- p. Sediment removed from settling ponds must be contained and stockpiled for reclamation.
- q. Dust originating from the mine site must be controlled at the source.
- r. For any discharge of sediment laden water originating from the mine site, immediate measures must be taken to prevent further and future discharges.
 - i. Discharge that reaches a surface water body must be documented with estimates on flow rate and photographs and reported to the Chief Inspector at southwestminesdivision@gov.bc.ca within 24 hours of discovery.

3. Invasive Plants

- a. Invasive plants on the site must be identified, monitored, controlled and documented. Monitoring and treatment records must be made available to an Inspector upon request.
- b. Reasonable efforts must be taken to ensure that invasive plants do not migrate from the site to adjacent areas.
- c. The control of invasive plants must consider using non-toxic means for invasive plants control.
- d. Within 30 days of the commencement of work under this Permit, an Invasive Plants Management Plan must be developed and the plan must be implemented in doing any work under this Permit. This plan is to be made available to an inspector immediately upon request.

4. Receiving Foreign Materials

- a. The receipt, storage, treatment/processing and or use of imported materials including but not limited to garbage, refuse, concrete, asphalt, asphalt shingles, biosolids and soils originating from off site is not permitted except as authorized under the reclamation plan, or otherwise authorized in writing by an Inspector.

5. Inter-seasonal Condition of the Land

- a. Derelict or damaged equipment, supplies, or materials must not be stored or otherwise left or abandoned anywhere on the permitted mine site.
-

- b. At the end of each field season, disturbed areas are to be left in a condition that is neat, clean and safe.

E. Reclamation and Closure Program

1. Reclamation Security

- a. Reclamation security (\$153,400) is to be maintained with the Ministry of Finance c/o the Agricultural Land Commission.

2. Obligation to Reclaim

- a. Reclamation of the surface of the land affected by the operations must be conducted in accordance with the approved Mine Plan and Reclamation Program. The surface of the land and watercourses must be reclaimed to the following end land use: agricultural use.

3. Reclamation

- a. All available topsoil, overburden, and organic material including large woody debris in the disturbance footprint must be salvaged and stockpiled for use in reclamation.
- b. All stockpiled topsoil, overburden, and organic material including large woody debris must:
 - i. be protected from erosion, degradation, and contamination.
 - ii. be clearly marked to ensure that they are protected during construction and mine operations.
 - iii. not be used as fill.
 - iv. not be removed from the mine site without the specific written permission of an Inspector.
- c. Progressive reclamation must be conducted and must include:
 - i. Compacted surfaces must be de-compacted to allow water infiltration and achieve self-sustaining vegetation.
 - ii. Salvaged soil material must:
 - 1. be replaced on disturbed areas to pre-disturbance depth,
 - 2. be treated with a rough and loose site preparation where practicable,
 - 3. be keyed into the underlying materials such that they do not slump off or become unstable,
 - 4. incorporate roots, stumps and other woody debris to reduce erosion and create greater biological diversity, and
 - 5. be re-vegetated promptly to a self-sustaining state using appropriate and/or native plant species that support approved end land use.

4. Roads and Trails

- a. Individual roads and trails will be exempted from the requirement for total reclamation if either:
-

- i. It can be demonstrated that an agency of the Crown has accepted responsibility in writing for the operation, maintenance and reclamation of the road or trail, or
 - ii. The Chief Permitting Officer provides notification that the road should not be reclaimed due to the use or potential use by other users who will assume liability.
-



**CANYON GOLD
& GRAVEL**



*Financial Loan Information Package for
Canyon Gold and Gravel Inc.*

2. Valuation and Summary Explanation





**CANYON GOLD
& GRAVEL**



*Financial Loan Information Package for
Canyon Gold and Gravel Inc.*

Valuation and Summary Explanation

Please note the approximate \$50 million valuation attached includes:

- Gravel as unwashed pit run (ground to truck) at \$11 per tonne. CGG must wash to extract the gold and will size by screening to at least 5 gravel sizes. This will give CGG gravel values at double the valuation estimate and more likely \$23 per tonne on average.
- The Gold was valued at \$2,400CDN and now trades at more than \$3,500 CDN.
- Clean fill fees will result in an additional \$8 per ton income flow.

When these numbers are applied the current valuation should top \$100+ million.

Operation and Resource Valuation Report

**Canyon Gold and Gravel Inc.
Lucky Thirteen
Placer and Aggregate Operation**

January 23, 2022

**Submitted to: Brian Hauff
Canyon Gold and Gravel Inc.**



HOLMES MINING CONSULTANTS

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1.0 Introduction

1.1 Purpose and objectives

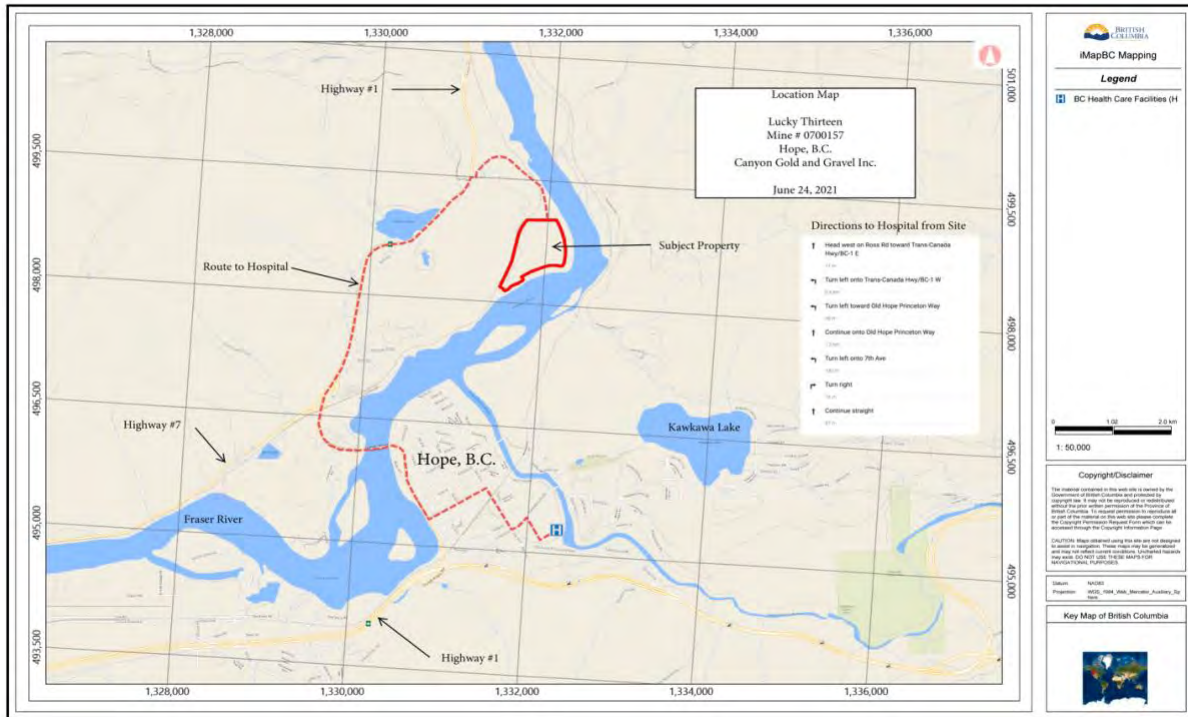
Holmes Mining Consultants Ltd. (HMC) has been retained by Canyon Gold and Gravel Inc. (CGG) to evaluate their proposed sand and gravel extraction along with gold recovery operation (the Project) near Hope, B.C. The purpose of this report is to provide an analysis of the Project and develop a cash flow model (Model) to determine an overall enterprise value. In doing so, various expert reports have been relied upon as well as site visits and information provided by CGG.

1.2 Executive Summary

Based on a total available resource of nearly twenty million tonnes of aggregate including recovery of nearly 63,000 oz of gold over a 33 year operational life, the Project has a net present value based on future cash flows of \$CDN 35,783,746. Residual land value based on comparison of agricultural land in the Fraser Valley of \$100,000 per acre or \$12,500,000 gives a total company valuation of \$48,283,746. A full analysis of the operation and Model and land comparisons is provided in this report along with relevant references.

2.0 Resource Analysis

2.1 Site Ownership and Physical Location



Location Map

Directions to Site: The property is accessed by travelling North on the Trans Canada Highway #1 for a distance of approximately 4.0 km from the town of Hope BC. Turn right at the Hope Refuse Transfer Station and proceed through the lower gate. An existing exploration road travels East from this point for approximately 600 m to the CPR tracks.

The Lucky Thirteen project site (Site) is owned in fee simple by CGG. The legal description of the lands is:

PID: 014-776-880

DISTRICT LOT 57, YALE DIVISION OF YALE LAND DISTRICT, EXCEPT PLAN 286

A Placer Lease over the lands are also held by CGG allowing the company to extract and sell minerals recovered from the site in accordance with the Mineral Tenure Act (MTA).

Placer Lease as follows:
1079782

2.2 Description of Operations

(Based on the 2021 Notice of Work)

The Operation is proposed as a permitted sand and gravel operation with gold recover permit (Permits) that are to be obtained by CGG from the Ministry of Energy, Mines and Low Carbon Innovation (EMLI). The permit application process is ongoing at the time of this report but according to CGG is expected to be finalized in 2022 with production beginning in 2023.

The proposed operation will see sand and gravel materials containing gold resource excavated from CGG's fee simple lands located near Hope, BC. and on the Fraser River. The excavations will proceed to a depth of 2m of the high groundwater level in the area. This excavation level is a generally accepted practice in the industry and avoids complicated ground and surface water modelling details that an excavation in groundwater near a river.

The full operational details are provided in the Notice of Work (NoW) but based on the understanding of HMC will generally consist of the following activities:

1. Clearing, stripping and grubbing of the vegetation and overburden;
2. Access road construction;
3. Railway crossing;
4. Excavation of pit run gravel and transport of the gravel to the processing plant;
5. Screening and washing the aggregate to separate the gold bearing fractions of the gravel and extraction of the gold from the aggregate;
6. Loading screened and washed aggregate on trucks for sale and transport off-site;

7. Acceptance of clean fill materials to replace excavated aggregate from the site and use of the clean fill along with topsoil and overburden salvaged on site for use in reclamation; and
8. Decommissioning and closure.

These activities are consistent with standard aggregate operations that HMC has knowledge of and in the opinion of this author are an accurate description of the scope of the Project.

2.3 Permitting and Authorization

Aggregate and placer operations require permits and authorizations to operate in BC. These permits and authorization may include, but not limited to, the following:

- Road use permits, private and otherwise
- Highway access permits
- Licence to cut trees
- Soil removal permits
- Mines Act permits
- Environmental discharge permits
- Environmental Assessment permits
- Environment Management Act permits

HMC makes no judgement on whether all of the above noted permits and authorizations may be required, however it is our experience that authorization from the Agricultural Land Commission (ALC) for removal of material from lands within the Agricultural Land Reserve (ALR) requires a non-farm use permit and a mining permit from EMLI are two of the key authorizations required and some discussion of each is warranted.

2.3.1 Agricultural Land Commission

Aggregate extraction from Lands within the ALR in excess of 500m³ requires authorization from the ALC. A reclamation plan submitted to the Commission should include the following:

- A detailed soil survey and agricultural capability analysis of the land(s) impacted, including potential soil bound crop options, and any affected or potentially affected neighbouring properties at an appropriate scale (as per ALC Policy P-10). All existing resource information such as government soil survey and agricultural capability mapping must be included and discussed in the context of the detailed survey.
- An inventory and description of the existing land use on the subject land(s) and surrounding lands.
- Detailed site preparation, operating and reclamation activities in-line with the Agricultural Land Commission's Best Management Practices for Aggregate Extraction (Appendix A). This should include, but is not limited to, the following elements:
 - Plans and sections showing original undisturbed grades, current grades (if different from undisturbed grades), final grades in relation to adjacent natural grades, volume of aggregate to be removed, and proposed slope gradient (%) drawn at an appropriate scale and prepared by a Professional Engineer or Registered BC Land Surveyor;
 - A topsoil management plan addressing stripping, storage and replacement of soil;
 - A plan for phased operations and reclamation (if applicable);
 - If backfilling pit areas with fill imported from offsite is being proposed, fill certification procedures and site control measures to ensure that only clean fill material is accepted;
 - Erosion control measures;
 - A weed management plan;
 - A plan for crop/agronomic vegetation establishment;

- Detailed drainage plans for the rehabilitated site to ensure optimum surface and subsurface drainage conditions;
- Final proposed agricultural capability; and,
- Closure procedures and certification of the work.

Reclamation plans are reviewed by the ALC staff for consistency with these requirements and therefore require proper care and attention prior to submission.

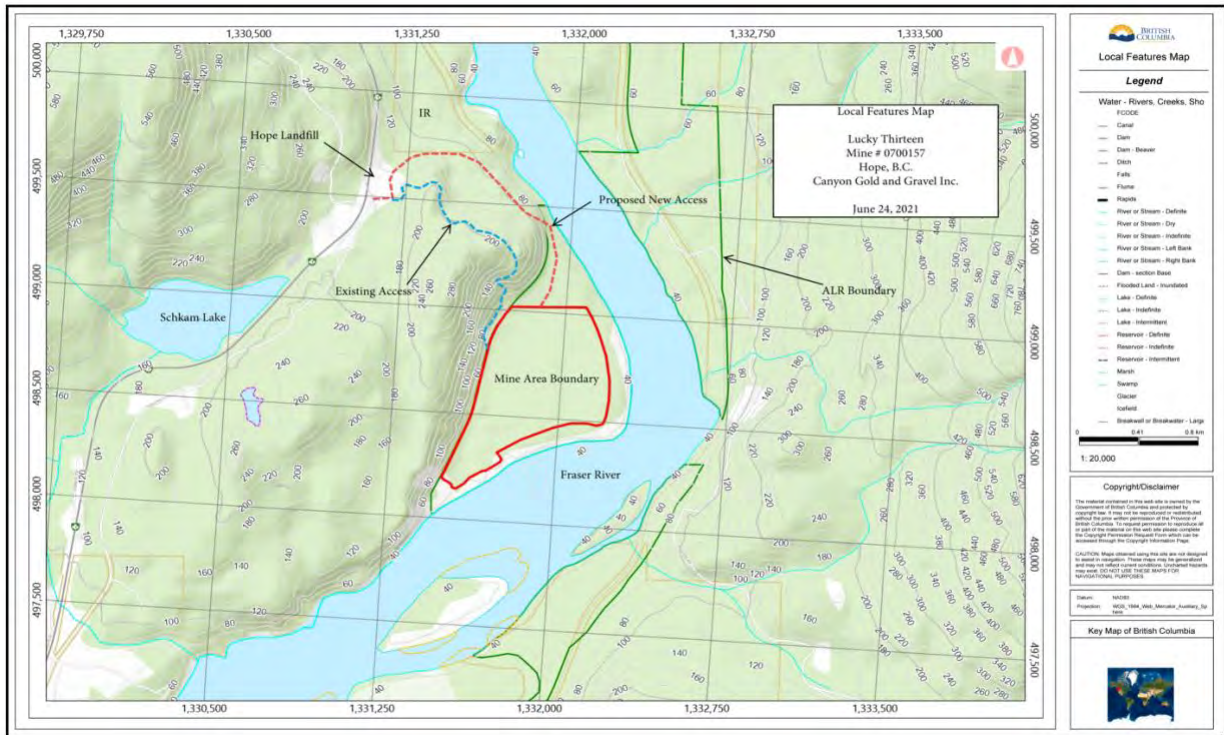
2.3.2 Ministry of Energy, Mines and Low Carbon Innovation

HMC understands that the Notices of Work for the Placer and Aggregate portions of the NoW have been submitted and under active review. Authorization typically take two years to complete so finalization of permits with EMLI in 2022 is reasonable according to CGG.

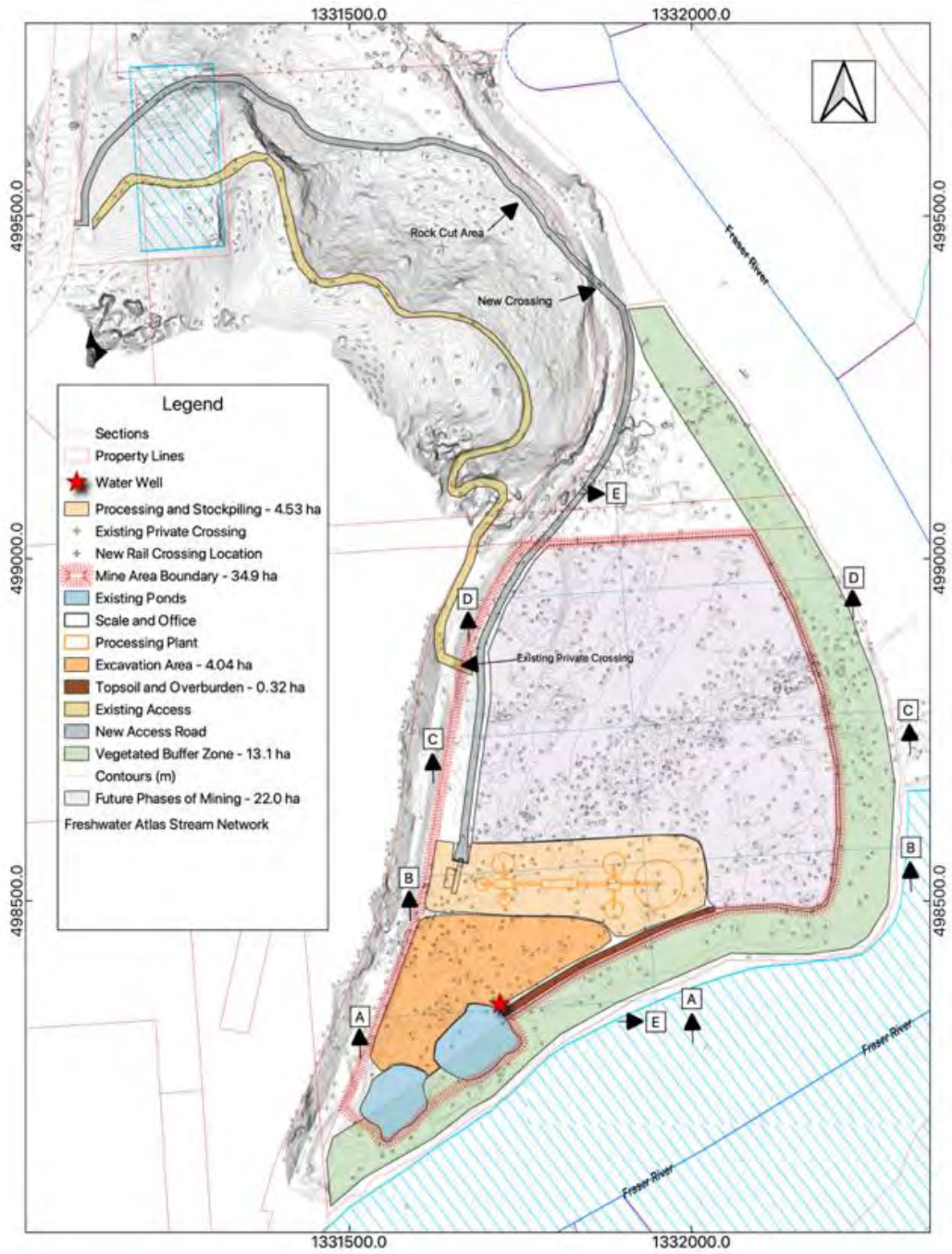
Reclamation objectives for the pit are consistent with existing zoning and designation in the ALR so it is not expected that permit issuance will stumble for technical reasons.

2.4 Local Features Map and Mine Development Plan

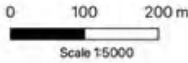
Local Features Map



Mining Development Plan



Mine Development Plan
 Lucky Thirteen
 Mine # 0700157
 Canyon Gold and Gravel Inc.
 June 23, 2021



2.5 Reclamation

Reclamation activities would follow Part 10 of the HSRC consistent with end land use objectives permitted by the ALC. Key reclamation guidelines pertaining to the Property are listed below:

- Sec 10.7.4 – Land Use
- Sec 10.7.5 – Capability
- Sec 10.7.6 – Long Term Stability
- Sec 10.7.9 – Landforms

Reclamation will consist of backfilling the excavation with clean fill and then spreading the topsoil and overburden that was existing on site over the area and seeding. One of the unique features of the operation is that clean, approved fill (excavation materials) will be imported and used to grade the site and fill in the excavation created by removing the gold and aggregate. This reclamation method also has the following advantages:

- Provides a backhaul for aggregate leaving the site, therefore reducing transportation costs;
- Creates a unique revenue stream in addition to gold and aggregate;
- Allows progressive reclamation of the site; and
- Virtually eliminates the reclamation liability expense to the company.

Fill revenue is calculated as a separate line item even though it is directly related to the material excavated in the Model. Fill revenue has only been accounted for in Year 2 of operations to allow time for a hole to be developed where trucks can efficiently arrive on site loaded with fill, dump in the hole, load with aggregate and leave the site. It may be possible to begin this flow of material sooner which would only increase the cash flow potential. The 1 year delay in fill revenue is therefore conservative.

2.6 Impact of Slopes, Setbacks and Water Table

EMLI regulations based on the Health, Safety and Reclamation Code for Mines in British Columbia, April 2021 (HSRC) Part 10 specify permitting, reclamation and closure requirements and conditions for mines. Specific requirements such as a 5 meter setback from property boundaries (HSRC, 10.5.8) and best practices such as a 2 meter excavation buffer to the high groundwater table and practical final reclamation slopes of 25% minimum have been accounted for in the volume calculations. Final excavation volume as determined by Machibroda was 20 million metric tonnes.

3.0 Cash Flow Factors

The Model contains a number of factors that have an effect on the cash flow from operations. These factors and variables are linked to one another so that as the Model is developed, and new information is presented it can be adjusted without lengthy changes. A number of key factors are described below. A further section outlining assumptions is also included in this report.

3.1 Capital Costs

The Project is proposed as a simple extraction and processing operation, relatively speaking. Minimal plant and equipment is required to produce a single fraction of aggregate for sale and recovery of gold from the aggregate. Triple “O” Contracting (Triple O) has provided HMC with a list of mobile and stationary equipment that will be used for the operation and HMC has made assumptions based on experience for the operating costs of the capital equipment along with the production schedule and product pricing.

Capital costs for the equipment have not been verified and are assumed to be accurate based on information provided by Triple O. Operational costs for the equipment are based on generally accepted “Blue Book” rates as published by the Province of British Columbia. Replacement of capital equipment has not been

contemplated in the Model because the analysis is based on an hourly rate which has been extrapolated to a cost per tonne of aggregate produced and sold. As the Project progresses longer hours will be run to account for increases in production which do not require additional capital equipment as the utilization rates for the equipment has been factored in.

Total capital costs of \$6.45 million dollars total have been used based on the Siga Resources report which includes operational equipment by Triple O.

3.2 Production Data

Production data has been developed for the Model based on a starting annual production and sales volume of 250,000 tonnes per year with a 160 day working year. Mine permits require updates every five years based on regulations in the Health, Safety and Reclamation Code for Mines in BC, 2021 (HSRC). During the mine plan updates, changes to the production levels can be applied for and authorized by EMLI in conjunction with other updates to the authorized activities on site. HMC, for the purposes of the Model, has assumed based on experience that production increases of 30% would be applied for and granted at each 5 year mine plan update period. Slow, stepwise increases in production are a good way to increase the site activity in predictable, methodical fashion.

As production levels increase over life of mine to an eventual level of 1,000,000 tonnes per year, where production increases cease, no changes to the capital equipment are required as the capacity of the equipment changes only by the hours of operation required daily. Final production levels for the Model contemplate the same equipment used on day one except 240 day per year operations with 22 hour production days.

Utilization rate for the equipment increases over time and as the utilization rates exceed the hours in a production day then either the production day is lengthened (to a maximum of 22 hours) or an additional piece of equipment is added and the capital cost is logged in the Model.

3.3 Revenue Factors

There are three cash flow streams from the Operation:

1. Sale of aggregate;
2. Recovery and sale of gold; and
3. Importation and placement of fill.

3.3.1 Aggregate

The sale of aggregate is based on a single product, pit run gravel, being sold to existing markets in Abbotsford where that material will then be mixed and processed in to finished products for sale. There are a number of reasons for selling a single product on site:

1. A dedicated backhaul with fill can be organized from the receiving site;
2. Requires minimal processing equipment and simple loading of trucks;
3. There is no waste material generated;
4. Market factors such as product requirements don't change; and
5. No imbalance of final product ratios that may slow production.

The starting selling price was determined from working backwards from the selling price in Abbotsford for washed concrete products of \$18.50 per tonne and subtracting additional processing and freight.

Freight of \$7.72 per tonne to Abbotsford was calculated as 65% of the actual cost to account for the backhaul of fill that will be transported on round trips.

Changes to the selling price over time were only accounted for where the price of aggregate is likely to beat inflation. This has been a moving target in the past but with increased consolidation and depletion of sand and gravel resources in the Fraser Valley it is expected that aggregate prices will beat inflation by 1.5% in the long run.

3.3.2 Gold

An analysis of gold prices for 2021 have shown varied pricing from highs of over \$USD 1900 to under \$USD 1700 with an average of \$USD 1800 for the year.

GOLDHUB

Gold prices



USD

Data as of 10 January, 2022

Sources: FastMarkets, ICE Benchmark Administration, Thomson Reuters, World Gold Council; [Disclaimer](#)

While debate about gold prices and future earnings from gold could be discussed in a standalone report some assumptions to the price for the purposes of the Model were a made:

1. Fixed price of \$USD 1800 for the life of project
2. \$CDN to \$USD exchange rate of 1.25
3. Recovery of gold is fixed at 1 ounce per 200 yards of gravel “in-situ”.

3.3.3 Clean Fill

Importation of clean fill was discussed previously in this report but some further assumptions for the Model are detailed here:

- Fill is being generated in greater volumes than ever before driven by demand for development area in Metro Vancouver;
- Enough fill will be available for 1:1 replacement of aggregate removed from the site;
- Price for fill will beat inflation by 2.5% over the long run; and

- Freight for fill will cover a large portion of the backhaul expense of the aggregate removal.

A starting price of \$0.79 per tonne for clean fill has been assumed to begin with which equals \$10 per box (three boxes on a transfer truck). This number has been worked back from the average cost to dump fill in Abbotsford and then re-load and transport that material to CGG's Project site.

4.0 Discussion

4.1 Assumptions

The Model contains a number of assumptions and has relied on expert reports in it's development. The primary assumption is that all permits have been obtained to allow the Operation, as described, to proceed. Without mining permits and those ancillary permits required for mining to occur, there is no Project. Other assumptions such as the price of aggregate and demand for the product as also important but far less risky as the markets for all of the revenue streams are mature. HMC does not place a great deal of risk to the Operation once permitted and this is reflected in other parts of the Model described below.

Other general assumptions include:

- Gravel is used in every construction project;
- Demand for gravel from the Property will increase over time;
- The price for gravel from the Property will increase over time;
- Royalties payable to the owners will increase over time;
- Permitting new aggregate pits will be more costly and take longer to approve in the future;
- Existing permitted and operating pits are appreciating in value as a result of increased permitting difficulty;

- Amending a Mines Act Permit and expanding an existing aggregate operation is common practice as development of the mine progresses;
- A single gravel product will be sold; and
- The fill and gravel will be transported 1 for 1 as backhaul to an Abbotsford pit location.

4.2 Other Expert Reports

1. Lucky Thirteen Summary and Preliminary Economic Analysis, Siga Resources, 2011;
2. Metallurgical Test Work on Jig Concentrate, Met-Solve Laboratories Inc., November 22, 2011;
3. Preliminary Report on the Possible In-Situ Gravel and Sand Geological Reserves of the Union Bar Gravel and Sand Deposit, P. Machibroda Engineering Ltd., March 28, 1996;
4. Aggregate Prequalification, Metro Testing Group, October 2011; and
5. Lucky Thirteen Technical Report PC 523082, Peter Osha, January 26, 2013.

4.3 Valuation Method

The most reliable way to determine the enterprise value is by analysis of the long term cash flow stream that it generates. This cash flow stream contains a number of generally accepted accounting principles (GAAP) that are standard for the industry. The Model contains the following elements:

- Annual Production along with increases
- Remaining Aggregate Reserves
- Revenue from Gold, Gravel and Fill
- Gross Revenue
- Capital Costs and Depreciation
- Operating Costs (cost of goods sold (COGS))
- Gross Margin
- Selling General and Administration Expenses (SG&A)

- Earnings Before Interest and Tax (EBIT)
- Tax (26%)
- Net Profit After Tax (NPAT)

The valuation is based on the net present value of the net profit after tax. Additionally a residual land value will be applied to the total to determine an overall enterprise value.

4.4 Discount

The discount rate which is used in financial calculations is usually chosen to be equal to the cost of capital. The cost of capital, in a financial market equilibrium, will be the same as the market rate of return on the financial asset mixture the CGG uses to finance capital investment. Some adjustment may be made to the discount rate to take account of risks associated with uncertain cash flows, with other developments.

Risk free rates are very low at the moment analyzing the 10 year Government of Canada Bond yield rate of approximately 1.65%. Other factors such as Beta and equity market risk premium also play key roles in determining the chosen discount.

The key factor, however, is the relative risk of the investment compared with the risk free rate and in the opinion of HMC this investment, once permitted, will be a reliable cash flow producer with little risk. Dividend yields to the investor would be reliable and consistent meaning that the investment is safe leading to a low discount rate.

A discount rate of 8% was used for the calculations.

4.5 Residual Land Value Analysis

The subject property, the Union Bar, gravel bar is located on DL 57, PID014-776-880, 147 acres (59.5ha), Fee Simple, with over 1,000 meters of river front on the Fraser River and is strategically located 1,500 meters from the town center of

Hope, BC, in the District of Hope. Its location is approximately 1hour 40 minutes from Metro Vancouver, BC via HWY 1.

Access is through the Hope Transfer Station via HWY 1, down a recently built temporary road access on the Canyon Gold and Gravel Property which crosses the CPR tracts on the outer edge of the southern boundary of the property. A new road with Bridge over rail tracks will be built in the next 6 months with a less than 6-degree grade to accommodate heavy equipment and tandem trucks.

The Fraser valley is comprised of six municipalities including the city of Abbotsford, city of Chilliwack, District of Mission, District of Hope, District of Kent, and the Village of Harrison Hot Springs. The Fraser Valley is one of the most intensively farmed areas in Canada, generating the largest annual farm receipts of any region in British Columbia. Proximity to large markets (Metro Vancouver 2.5 million population) in combination with high quality soil, favorable climate and accessible water are contributing to ever increasing property values. Adding to this price pressure are diversity of the sector and proximity to research and educational institutions, making the Fraser Valley a superior center for Agricultural production and innovation.

Climate is characterized by mild winters, warm summers and a narrow range of temperatures that only occasionally drop below zero.

The Fraser Valley Population is approximately 300,000 people, growing by 6.6% annually since 2011. Abbotsford, Chilliwack, and Mission make up approximately 90% of the total population.

Land Comparisons for the purpose of this valuation are done within the Fraser Valley Municipalities of which Hope is a member of and adjusted for its infrastructure conditions.

Table 1

Address	Sale Price	Land Size	\$/acre	Land Type
62600 Flood Hope Road	\$6,900,000	63.75 acres	\$109,020	Agriculture
21437 Haig Station	\$2,400,000	7.5 acres	\$324,000	Ag Dev. Potential
8450 Gibson Road	\$4,600,000	34.79 acres	\$132,222	Cranberry
2894 Cameron Road	\$7,950,000	57.57 acres	\$138,092	Cranberry
59710 Lougheed Hwy	\$2,300,000	31.58 acres	\$72,830	Ag Land
Harrison Mills	\$1,498,000	14.4 acres	\$104,027	Ag Land

Based upon the available market data within the Fraser Valley, taking those municipalities closest to Hope along with the water, timber, and infrastructure available at the Property, including the 1,000 meters of Fraser River waterfront a residual value based upon unit price would be approximately: \$100,000 per acre times usable land of 125 acres or \$12,500,000.

4.6 Conclusion

Final enterprise value has been determined using a discounted cash flow analysis of the operation and additional of residual land value at conclusion of operations. NPAT was used to determine the cash flows over the life of mine estimated at 33 years given the known reserves on site. An 8% rate of return was used to determine the discount which gives the company's future cash flow stream a value of \$CDN 35,783,746. Residual land value of \$100,000 per acre or \$12,500,000 gives a final company valuation of \$48,283,746.

5.0 Closure

We trust that this report meets your immediate needs. Should you have any questions or concerns, please do not hesitate to contact the undersigned at 604-309-3028.

5.1 Competency

I, Derek Holmes of 21170 4th Avenue in Langley, B.C., am responsible for the contents of this report. I am currently an independent consultant for numerous clients, both Government and non-government organizations, in the aggregate industry. I previously worked for over 9 years at BURNCO Rock Products Ltd. as manager of Lands and Resources in the Province of B.C. I have been extensively involved in the aggregate industry throughout B.C. for the past 20 years with specific emphasis on permitting, compliance and valuations of aggregate operations. I am Past President of the British Columbia Stone, Sand and Gravel Association and currently act as its Executive Director.

Holmes Mining Consultants Ltd.



Derek Holmes, B.Sc., MBA, P.Chem

Appendix Valuation Model

Capital Costs

Rolling Stock

Item	Model	Cost	Op Cost / Hr
Excavators	Cat 375	\$ 250,000.00	\$ 323.45
	Cat 345	\$ 200,000.00	\$ 244.50
	Komatsu 228	\$ 100,000.00	\$ 145.15
Off Road Trucks	Komatsu HM 400-2	\$ 100,000.00	\$ 217.75
	Komatsu HM 400-2	\$ 100,000.00	\$ 217.75
Wheel Loaders	Cat 980	\$ 250,000.00	\$ 252.25
	Cat 980	\$ 250,000.00	\$ 252.25
Dozer	Cat D8	\$ 250,000.00	\$ 256.68
Total Rolling Stock		\$ 1,500,000.00	

Stationary Equipment

Item	Model	Cost	Rent/month
Screening Plant	Feeder		
	Screen Decks		
	Conveyors		
	Dewatering Screw	\$ 1,500,000.00	
	Generator Set 350kw		
	Water Pumps		
	Slurry Pumps		
Placer Recovery System	Jig Bank		
	Ball Mill		
	Magnets	\$ 500,000.00	
	Floatation System		
	Gold Boom		
Truck Scale	80t Deck	\$ 100,000.00	
Total Stationary Equipment		\$ 2,100,000.00	
Grand Total Equipment		\$ 3,600,000.00	

Operating information	2023-2027	2028-2032	2033-2037	2038-2042	2043-20247	2048-End
Total Annual Tonnage	250000	325000	464750	604175	785428	1000000
Operating Days per year	160	160	200	200	240	240
Tonnes per day	1563	2031	2324	3021	3273	4167
Operating Hours per day	10	12	16	20	20	24
Production Hours per day	8	10	14	16	16	22
Production tonnes per Hour	195.3	203.1	166.0	188.8	204.5	189.4
Highway Truck Haul in Tonnes:	38	38	38	38	38	38
Trucks per day (Transfers)	41.1	53.5	61.2	79.5	86.1	109.6
Trucks per Operating Hour	4.1	4.5	3.8	4.0	4.3	4.6
Bank tonnes / m3	2.2	2.2	2.2	2.2	2.2	2.2

Production Cost \$ 5.89

Based on 250,000 tonnes per year

Productivity (based on Cat Handbook https://wheelercat.com/wp-content/uploads/2018/07/SEBD0351_ED48.pdf)							
	Cat 375	Cat 345	Komatsu 228	Komatsu HM 400-2	Cat D8	Cat 980	Total
Capacity (m3)	4	2	1	23	11.8	6	
Cycles per hour	120	120	120	10	30	60	
Productivity (m3/hr)	480	240	120	230	354	360	
Efficiency	83%	83%	83%	83%	83%	83%	
Actual Productivity (m3/hr)	398.4	199.2	99.6	190.9	293.82	298.8	
Tonnes per hour	876.48	438.24	219.12	419.98	646.404	657.36	
Required Hours	1.78	3.57	7.13	3.72	2.42	4.75	
Cost per day	\$ 576.61	\$ 871.74	\$ 1,035.04	\$ 810.12	\$ 620.45	\$ 1,199.16	\$ 5,113.12
Cost per Tonne	\$ 3.27						

Screening Plant
200 tph
Gold Recovery
17% of total pro
200 tph
\$ 2.62

Based on 325,000 tonnes per year

Productivity (based on Cat Handbook https://wheelercat.com/wp-content/uploads/2018/07/SEBD0351_ED48.pdf)							
	Cat 375	Cat 345	Komatsu 228	Komatsu HM 400-2	Cat D8	Cat 980	Total
Capacity (m3)	4	2	1	23	11.8	6	
Cycles per hour	120	120	120	10	30	60	
Productivity (m3/hr)	480	240	120	230	354	360	
Efficiency	83%	83%	83%	83%	83%	83%	
Actual Productivity (m3/hr)	398.4	199.2	99.6	190.9	293.82	298.8	
Tonnes per hour	876.48	438.24	219.12	419.98	646.404	657.36	
Required Hours	2.32	4.64	9.27	4.84	3.14	6.18	
Cost per day	\$ 749.60	\$ 1,133.26	\$ 1,345.55	\$ 1,053.16	\$ 806.59	\$ 1,558.91	\$ 6,647.06
Cost per tonne	\$ 3.27						

Based on 464,750 tonnes per year

Productivity (based on Cat Handbook https://wheelercat.com/wp-content/uploads/2018/07/SEBD0351_ED48.pdf)							
	Cat 375	Cat 345	Komatsu 228	Komatsu HM 400-2	Cat D8	Cat 980	Total
Capacity (m3)	4	2	1	23	11.8	6	
Cycles per hour	120	120	120	10	30	60	
Productivity (m3/hr)	480	240	120	230	354	360	
Efficiency	83%	83%	83%	83%	83%	83%	
Actual Productivity (m3/hr)	398.4	199.2	99.6	190.9	293.82	298.8	
Tonnes per hour	876.48	438.24	219.12	419.98	646.404	657.36	
Required Hours	2.65	5.30	10.60	5.53	3.59	7.07	
Cost per day	\$ 857.54	\$ 1,296.45	\$ 1,539.30	\$ 1,204.81	\$ 922.74	\$ 1,783.39	\$ 7,604.24
Cost per tonne	\$ 3.27						

Based on 604,175 tonnes per year

Productivity (based on Cat Handbook https://wheelercat.com/wp-content/uploads/2018/07/SEBD0351_ED48.pdf)							
	Cat 375	Cat 345	Komatsu 228	Komatsu HM 400-2	Cat D8	Cat 980	Total
Capacity (m3)	4	2	1	23	11.8	6	
Cycles per hour	120	120	120	10	30	60	
Productivity (m3/hr)	480	240	120	230	354	360	
Efficiency	83%	83%	83%	83%	83%	83%	
Actual Productivity (m3/hr)	398.4	199.2	99.6	190.9	293.82	298.8	
Tonnes per hour	876.48	438.24	219.12	419.98	646.404	657.36	
Required Hours	3.45	6.89	13.79	7.19	4.67	9.19	
Cost per day	\$ 1,114.80	\$ 1,685.39	\$ 2,001.10	\$ 1,566.25	\$ 1,199.56	\$ 2,318.41	\$ 9,885.51
Cost per tonne Rolling Stock	\$ 3.27						

Based on 785,428 tonnes per year

Productivity (based on Cat Handbook https://wheelercat.com/wp-content/uploads/2018/07/SEBD0351_ED48.pdf)							
	Cat 375	Cat 345	Komatsu 228	Komatsu HM 400-2	Cat D8	Cat 980	Total
Capacity (m3)	4	2	1	23	11.8	6	
Cycles per hour	120	120	120	10	30	60	
Productivity (m3/hr)	480	240	120	230	354	360	
Efficiency	83%	83%	83%	83%	83%	83%	
Actual Productivity (m3/hr)	398.4	199.2	99.6	190.9	293.82	298.8	
Tonnes per hour	876.48	438.24	219.12	419.98	646.404	657.36	
Required Hours	3.73	7.47	14.94	7.79	5.06	9.96	
Cost per day	\$ 1,207.70	\$ 1,825.84	\$ 2,167.85	\$ 1,696.78	\$ 1,299.52	\$ 2,511.61	\$ 10,709.30
Cost per tonne Rolling Stock	\$ 3.27						

Based on 1,000,000 tonnes per year

Productivity (based on Cat Handbook https://wheelercat.com/wp-content/uploads/2018/07/SEBD0351_ED48.pdf)							
	Cat 375	Cat 345	Komatsu 228	Komatsu HM 400-2	Cat D8	Cat 980	Total
Capacity (m3)	4	2	1	23	11.8	6	
Cycles per hour	120	120	120	10	30	60	
Productivity (m3/hr)	480	240	120	230	354	360	
Efficiency	83%	83%	83%	83%	83%	83%	
Actual Productivity (m3/hr)	398.4	199.2	99.6	190.9	293.82	298.8	
Tonnes per hour	876.48	438.24	219.12	419.98	646.404	657.36	
Required Hours	4.75	9.51	19.02	9.92	6.45	12.68	
Cost per day	\$ 1,537.64	\$ 2,324.64	\$ 2,760.09	\$ 2,160.32	\$ 1,654.54	\$ 3,197.77	\$ 13,635.00
Cost per tonne Rolling Stock	\$ 3.27						

Item	Value (\$/tonne)	Production per day	Value per day	Value per year	Increase over inflation
Pit Run	\$ 8.28	1562.50	\$ 12,930.08	\$ 2,068,812.50	1.5%
Gold	\$ 6.69	1562.50	\$ 10,450.60	\$ 1,672,095.96	0%
Reclamation Fill	\$ 0.79	1562.50	\$ 1,233.55	\$ 197,368.42	2.5%

Calculation of Aggregate Value

Selling Price in Abbotsford	\$ 18.50
Cost to Produce	\$ 3.00
Freight to Hope	\$ 7.22
Remainder	\$ 8.28

Gold Conversion	\$USD/oz	\$USD/g							
	\$ 1,800.00	\$	57.50						
USD Conversion	1.25								
Gold yield	oz/200yd	oz/152.910972m3	m3/year	oz/m3	oz/t	\$CDN/t	oz/year	\$/year	
	1	1	113636.36	0.00653975	0.01438746	\$ 32.37	743.153759	\$ 1,672,095.96	

Fill Revenue	\$10/box
Boxes per transfe	3
\$/t	0.78947368

Gol



**CANYON GOLD
& GRAVEL**



*Financial Loan Information Package for
Canyon Gold and Gravel Inc.*

3. Investor Presentation – Slide Deck





**CANYON GOLD
& GRAVEL**

Canyon Gold & Gravel Inc. Investor Presentation

**A Significant Gold and Gravel Project
Providing Real Asset Value**

First Quarter 2025

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**CANYON GOLD
& GRAVEL**

Forward Looking Statements

Certain statements contained in this presentation constitute forward-looking statements. These statements relate to future events, the future performance, business prospects or opportunities of Canyon Gold & Gravel Inc. (the "Company"), or possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action and includes future oriented financial information with respect to prospective pro-forma financial performance, financial position or cash flows that is presented either as a forecast or a projection. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified using words such as "seek", "anticipate", "plan", "developing", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "identify", "developing", and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. These statements speak only as of the date specified. The Company does not intend, and does not assume any obligation, to update these forward-looking statements. These forward-looking statements involve risks and uncertainties relating to, among other things, results of exploration activities, the Company's limited experience with development-stage mining and quarrying operations, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, changes in commodity and, particularly, gravel and gold prices, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.

Historical Results Disclaimer – Historic results disclosed in this presentation are not current and therefore cannot be relied upon. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. The Company is not treating the historical estimate as current mineral resources or mineral reserves. None of the projections of revenue, project value, cash flow or any other economic estimates based on the historic data and included in this presentation can be relied upon.

Technical Information Review – Technical information in this presentation has been reviewed by John Ostler, M.Sc., P. Geo., who is a Qualified Person in accordance with NI 43-101 reporting standards.

This presentation is provided for information purposes only. It is not an invitation to buy or sell securities of the Company. Investment in the securities of the Company is highly speculative and risky.

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Introduction to Canyon Gold & Gravel

Key Features and Benefits

Canyon’s gravel from the Union Bar property based on historic data and recent testing, is marketable within the Fraser Valley and the Metro Vancouver construction hub:

- Due to the shortage of high-quality river gravel for concrete the initial annual allowable 250,000 metric tonnes (with a potential yearly increase) is likely to be absorbed by current demand.
- Canyon’s gravel can be used in concrete, building construction, road building, and landscaping.

A Valued Gold and Gravel Project

- Project life expectancy is estimated to be many decades.
- At current gold and gravel prices, we have an estimated project value of \$250 to \$500 million.

Flagstone Project – Now in Production

- 700+ acre quarry of quality flagstone used for fireplaces, walls, floors, counter tops – for both interior and exterior applications.
- Delivered 10 tons of flagstone samples; and an additional sale of 2,500 tons to a major BC landscape company.



3



Canyon Gold & Gravel Union Bar Project

160 privately owned acres with 1,000 meters of riverfront, which includes placer gold rights and the under surface gravel rights to mine the Union Bar property.

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CANYON GOLD & GRAVEL

Cost Effective Production

Reduced Cost of Production for Superior Gravel

- Less than 5 feet of overburden, no clay or debris in our gravel.
- No requirement to crush the gravel as:
 - Over 70% of gravel is less than 1.5 inches in diameter;
 - 10 to 15% heavier than most river gravel.
- This provides a great advantage over competitors due to lower production costs yielding higher profitability.

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3 INCOME STREAMS

Superior Income – Gravel, Gold and Tipping Fees

Projected (not guaranteed) pro-forma Income Streams are:

- **#1 Gold Income**
\$20/0.20 gm/mt (metric tonne) of gold recovered from washed & screened gravel
- **#2 Gravel Income**
\$24/mt from washed, screened and sized gravel sales
- **#3 Tipping Fee Income**
\$8/mt from tipping fees of clean excavation fill arriving from the Fraser Valley with each truck

Projected Pro-forma Net Profit Stream

- \$40/mt after deducting the contracted production cost of \$12 per metric tonne

Note: The Company makes no representations or guarantees that these income streams will be achieved as projected. The actual results may differ materially after the Company commences its operations. All amounts shown in Canadian dollars.



Current Company Status

No Debt

- Company has NO DEBT and owns 100% of the 160-acre fee simple private property, the gold leases and gravel assets outright

Strong Management Team

- The company has assembled a strong corporate team with extensive experience in:
 - Mining alluvial gold, producing gravel, and heavy equipment operation
 - Flagstone
 - Strong construction, marketing and public company experience





Canyon Production Expected to Start in Q2 – 2025

The company is implementing the following:

- Canyon is a fully certified BC mining company having received the final Notice of Work Permit in Q3-2024.
- Recognition by First Nations with profit-sharing.
- Completing road and bridge overpass building for heavy truck access to property. Site logging completed.
- Building site offices, weigh-scale, on-site project roads and settling ponds in process.
- Mobilizing site operations, bulk-testing gravel and gold completed with highly favourable results.
- Providing First Nations employment and training opportunities.



NEW PROJECT Canyon Flagstone Quarry

Commenced operations in June 2024.
Over seven hundred acres of flagstone.
Located in Quesnel, BC.



The Largest Flagstone Operation in Western Canada

- Over seven hundred acres of flagstone.
- Estimated depths of up to one hundred feet.
- Quality of the flagstone found on property has many uses including:
 - Fireplaces, walls, floors, counter tops
 - For both interior and exterior applications
 - As filler for concrete in construction industry
- Project acquired under very favorable terms.
- Permits acquired, access road built, staging area prepared.
- Off-take sales have commenced for smaller sample-size runs.
- Management is in negotiations with major distributors.



Canyon Going Public Status – CSE Canadian Securities Exchange

The going public process includes:

- Canyon has submitted its preliminary public company application
- All required CSE filings and audits are underway
- Canyon intends to go public in the third quarter of 2025 with an IPO – Initial Public Offering
- The completion of a public listing will provide liquidity for shareholders
- The brokerage firm of Leede Jones Gable is Canyon Gold's lead sponsor
- The brokerage firms of Haywood, Mackie and Canaccord will participate in supporting roles

Note: In order to list its shares on the CSE or any other stock exchange, the Company will have to meet all listing requirements.





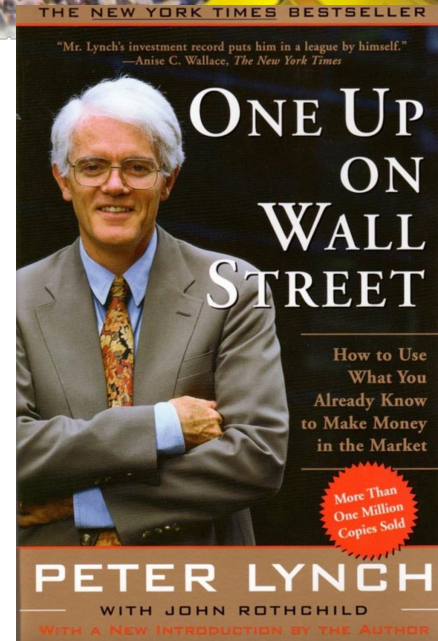
Getting “One Up on Wall Street”

“I'd much rather own a local rock pit than own Twentieth Century-Fox, because a movie company competes with other movie companies, and the rock pit has a niche...

If you've got the only gravel pit in Brooklyn, you've got a virtual monopoly, plus the added protection of the unpopularity of rock pits.”

– Peter Lynch, *One Up on Wall Street*

Peter Lynch
Manager of Magellan Fund
Averaging 29.2% Annual Returns
1977 – 1990



Financial Pro-forma Projections

- Annual Gross Sales 7 Year Projection
- Detailed Projections Breakdown
 - Use of Funds
 - Share Structure



Aggregate Industry Comparables – Public Company Share Value as of June 2024

Capstone Partners Rock Products [MA Coverage Report June-2024](#) provided this data for public companies in the Aggregates Industry. Strong pricing momentum has helped Aggregates players maintain their margin strength in spite of macroeconomic pressures. Notably, public companies in the sector have recorded an average EBITDA margin of 22.7%, up 7.6% from Capstone's previous February 2024 Rock report. The Polaris Materials listing is a BC company that was bought by Vulcan Materials. As a comparison, the Canyon Gold & Gravel numbers show our highest pre-IPO funding price of \$0.15/share with a current market cap of \$40 Million. The future \$1.50 share price and 600% growth is based on the company's current enterprise value. Canyon Gold has the added benefit of substantial revenue coming from the alluvial gold – which as gold prices rise could be over 50% of the income.

Company	Price 01-02-24	% 52 Week High	Market Cap Millions	Enterprise Value	LTM			EV / LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
1. Canyon Gold & Gravel Inc.	\$ 0.15	N/A	N/A	\$ 31.5	\$ 14.8	\$ 10.9	39.0 %	2.1 X	2.8 X
2. Polaris Materials Corp – Sold 2017*	\$ 3.40	68.0 %	\$ 132.0	\$ 319.6	\$ 45.2	\$ 3.9	7.7 %	7.0 X	N/A
3. Holcim Ltd.	\$ 86.47	95.7 %	\$ 48,579.2	\$ 58,252.7	\$ 32,074.9	\$ 7,006.6	21.8 %	1.8 X	8.3 X
4. CRH Plc.	\$ 81.92	93.1 %	\$ 56,176.7	\$ 67,788.7	\$ 35,055.0	\$ 6,178.0	17.6 %	1.9 X	11.0 X
5. Vulcan Materials Company	\$ 259.10	93.7 %	\$ 34,266.6	\$ 37,911.9	\$ 7,678.6	\$ 1,988.2	25.9 %	4.9 X	19.1 X
6. Martin Marietta Materials, Inc.	\$ 580.75	92.7 %	\$ 35,797.5	\$ 37,894.5	\$ 6,674.2	\$ 2,033.5	30.5 %	NM	18.6 X
7. Heidelberg Cement AG	\$ 106.54	94.6%	\$ 19,398.4	\$ 26,419.2	\$ 23,497.8	\$ 4,091.4	17.4 %	1.1 X	6.5 X
8. CEMEX, S.A.B DE C.V.	\$ 0.78	8.4.4%	\$ 11,259.6	\$ 18,958.5	\$ 17,517.3	\$ 3,097.9	17.7%	1.1 X	6.1 X
9. MDU Resources Group, Inc.	\$ 25.48	84.5 %	\$ 5,195.1	\$ 7,568.5	\$ 4,441.1	\$ 666.2	15.0 %	1.7 X	11.4 X
10. Eagle Materials Inc.	\$ 256.30	97.5 %	\$ 8,829.6	\$ 9,842.1	\$ 2,252.7	\$ 789.1	35.0%	4.4 X	12.5 X
11. Summit Materials, Inc.	\$ 40.04	89.2%	\$ 7,025.6	\$ 9,440.0	\$ 2,989.1	\$ 640.2	21.4 %	3.2 X	14.7 X
12. Buzzi Unicem S.p.A.	\$ 43.47	100 %	\$ 8,045.4	\$ 7,579.8	\$ 4,775.3	\$ 1,331.5	27.9%	1.6 X	5.7 X
13. Arcosa, Inc.	\$ 86.57	96.8 %	\$ 4,205.8	\$ 4,673.8	\$ 2,357.3	\$ 342.6	14.5 %	2.0 X	13.6 X

* British Columbia TSX Venture listed Polaris Materials sold in 2017 for \$3.40 per share. • EV = enterprise value; LTM = last twelve months • \$ in millions, except per share data • N/A = Not Available • NM = Not Meaningful
Data Source for Table: Polaris Materials Corporate Presentation, June 2017 • For companies #3 through to #13 – Capstone Partners Rock Products MA Coverage Report June-2024.

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Financial Pro-forma Gross Sales Projections – Seven Years

Annual pro-forma gross sales projections. The Company expects to begin operations in Q2 2025, with a target of initially processing 250,000 MT (metric tonnes) of aggregate annually, then increasing in year 3 to 500,000, year 4 to 750,000 and year 7 to 1,000,000.

Revenue	%	Year 1	Year 2	Year 3	Year 5	Year 7
		250,000 MT	250,000 MT	500,000 MT	750,000 MT	1,000,000 MT
Gold @\$3,056 CDN / \$2,250 US / oz.	35%	5,143,333	5,143,333	10,286,668	15,430,000	20,573,333
Gravel, washed, screened & sized	42%	6,250,000	6,250,000	12,500,000	18,750,000	25,000,000
Clean fill tipping fees	13%	2,000,000	2,000,000	4,000,000	6,000,000	8,000,000
Flagstone (Growth of 200% in Year 2, then 5% YOY)	10%	1,417,500	2,835,000	2,976,750	3,125,588	3,281,867
Total Revenue*	100%	14,810,833	16,228,333	29,763,418	43,305,588	56,855,200

Direct Cost of Revenue	%	Year 1	Year 2	Year 3	Year 5	Year 7
		250,000 MT	250,000 MT	500,000 MT	750,000 MT	1,000,000 MT
Gold	22%	810,075	810,075	1,620,150	2,430,225	3,240,300
Gravel, washed, screened & sized	48%	1,700,000	1,700,000	3,400,000	5,100,000	6,800,000
Clean fill tipping fees	8%	275,000	275,000	550,000	825,000	1,100,000
Flagstone – quarried & shipped	22%	787,500	1,575,000	1,653,750	1,736,438	1,823,259
Total Direct Cost of Revenue**	100%	3,572,575	4,360,075	7,223,900	10,091,663	12,963,559

* Revenue based on the production of gravel @ \$25/mt., with resulting gold production priced @\$3,056 CDN / \$2,250 US / oz., and tipping fee revenue of \$8.00/mt.

** Triple O Contracting has been contracted @ \$10/mt for production. The Company makes no representations or guarantees that these revenues or income will be achieved as projected. The actual results may differ materially after the Company commences its operations. Investors must not rely on these projections in making their investment decisions.

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Financial Pro-forma Profits & Dividends Projections – Seven Years

Detailed pro-forma projections breakdown.

	Year 1 250,000 MT	Year 2 250,000 MT	Year 3 500,000 MT	Year 5 750,000 MT	Year 7 1,000,000 MT
Summary					
Revenue	14,810,833	16,228,333	29,763,418	43,305,588	56,855,200
Direct Expenses	3,572,575	4,360,075	7,223,900	10,091,663	12,963,559
Gross Margin	11,238,258	11,868,258	22,539,518	33,213,925	43,891,641
Gross Margin (%)	76%	73%	76%	77%	77%
Other Expenses	450,000	450,000	540,000	648,000	777,600
Operating Income EBITDA	10,788,258	11,418,258	21,999,518	32,565,925	43,114,041
Income Tax Expense (approx 24%)	2,589,182	2,740,382	5,279,884	7,815,822	10,347,370
Total Expenses	6,611,757	7,550,457	13,043,784	18,555,485	24,088,529
Net Income (Profit)	8,199,076	8,677,876	16,719,634	24,750,103	32,766,671
Profit Margin	55%	53%	56%	57%	58%
Dividend Payments (85% of net income in years 3 to 7)	(6,000,000)	(6,500,000)	(12,550,391)	(18,545,642)	(24,529,077)
Final Balance after Dividends	2,199,076	2,177,876	4,169,243	6,204,461	8,237,594

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Funding and Share Structure

Breakdown of current and proposed future share structure. This shares structure may vary if the Round 2 / 3 financing is done primarily through a Flow Through Share financing @ \$0.20.

Shareholders	Share Total	Funds Raised
Peter Osha, Chairman and President	60,000,000	Founder's Shares*
Brian L Hauff, CEO and Managing Director	50,000,000	Founder's Shares*
Round 1 Financing – Seed Shares @ \$0.10	17,500,000	\$ 1,750,000
Round 2 Financing – Shares @ \$0.15 (current round)	20,000,000	\$ 3,000,000
Round 3 Financing – Flow-Through Shares @ \$0.20 (current round)	10,000,000	\$ 2,000,000
Total Amounts	157,500,000	\$ 6,750,000

* Founders shares were issued for transferring fee-simple property, gravel rights, placer gold rights, and operating expenses based on independent professional valuation report. Founders shares will be escrowed.

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Use of Funds

Details of use of funds currently raised and being raised.

Expenditure Details	Timing	Amount
Public Company filings – CSE – Initial Public Offering, legal, audit, accounting – ongoing	June 2021 – July 2025	\$ 800,000.
Engineering, geology, technical reports, land valuation, permits, mine consulting – ongoing 90% complete	June 2021 – Nov 2024	\$ 500,000.
Operating capital, administration, consulting fees, office expenses, etc.	June 2021 – Nov 2024	\$ 750,000.
Heavy equipment leased by contractor, includes office & security trailers, weigh scale, gravel & gold processing equipment – on-going	June 2021 – Nov 2024	\$ 700,000.
Pre-Production overburden & tree removal, roads, labor camp – Phase One ready – 85% complete	June 2021 – Nov 2024	\$ 1,500,000.
Landfill, road crossing, Highway 1 access	June 2021 – June 2025	\$ 825,000.
Bridge over railway tracks	June 2021 – June 2025	\$ 1,100,000.
Contingency	June 2021 – June 2025	\$ 500,000.
Total Expenditures	June 2021 – June 2025	\$ 6,675,000.



Flow Through Share Financing Regulation Details

APPLICABLE FOR 100% FEDERAL INCOME TAX DEDUCTIONS

Government of Canada:

[Link to regulation details: How the flow-through share \(FTS\) program works](#)

OVERVIEW: Individuals, trusts, corporations, and partnerships can invest in FTSs, but only the original investors can deduct the amounts renounced to them.

The corporation that issues the FTS must be a principal-business corporation (PBC). There must be a written flow-through share agreement between the investor and the corporation. The corporation can then renounce and "flow through" eligible exploration and development expenses to the original investors. The type of expenses a PBC can renounce are:

- Canadian exploration expenses (CEEs), which are added to the cumulative CEE (CCEE) pool and can be deducted up to the maximum of 100%; or
- Canadian development expenses (CDEs), which are added to the cumulative CDE (CCDE) pool and can be deducted up to the maximum of 30%.

FTS investors may benefit from:

- deductions from income through renounced expenses;
- an investment tax credit (ITC) on flow-through mining expenditures for individuals; and
- amounts renounced to the partnership, which can be allocated to the partners.

NOT APPLICABLE – Province of Ontario Government:

[Link to regulation details: Ontario Focused Flow-Through Share Tax Credit](#)

Note: This additional tax credit is not applicable for the Canyon Gold & Gravel Flow Through Share investment because the company is located in BC.

OVERVIEW: Learn how to claim a refundable tax credit if you own flow-through shares in an Ontario mining exploration company that does mining exploration in Ontario. A flow-through share is a type of investment. It takes place when you invest money in a corporation that agrees to spend your money on mining exploration in Ontario.

MAY BE APPLICABLE – Province of British Columbia Government:

[Link to regulation details: B.C. Mining flow-through share income tax credit](#)

Note: This additional 20% tax credit is only applicable if the investor pays BC provincial taxes.

OVERVIEW: The B.C. mining flow-through share (B.C. MFTS) tax credit allows individuals who invest in flow-through shares to claim a non-refundable tax credit of 20% of their B.C. flow-through mining expenditures.

Claiming the credit – You can claim the credit when you file your T1 Income Tax Return, using the British Columbia Mining Flow-Through Share Tax Credit form (T1231). Enter the amount of the credit you're claiming on the British Columbia Tax form (BC428). The tax credit is non-refundable. Any unused credit at the end of a tax year may be carried back 3 years or forward 10 years.



Experienced Management Team

Peter Osha – Chairman & President

Peter has owned, managed and operated all aspects of construction operations including: mining, placer gold, gravel, road building and timber harvesting. With 30 years experience in these fields, Peter will run and manage all phases of the company's day to day site operations.

Brian L. Hauff, BA Hon Ecom, LLB, JD – Managing Director & CEO

Brian has over 30 years experience in public and private markets, real estate investment and development, as well as finance. His responsibilities are management oversight, audit and legal compliance for the public listing and financing.

Derek Anderson – Executive Vice President & Chief Investment Officer

Derek is an accomplished entrepreneur and investor having lead a prominent consulting firm in Vancouver, Canada for over 20 years. During his tenure, the firm engaged in project finance with a focus on capital structure and allocation. His experience spans across multiple sectors, including land and resource development, technology, oil & gas / petroleum, commodities and large scale infrastructure.

Bill Tsang, CPA, CA – Chief Financial Officer

Bill brings over 15 years of accounting experience in the mineral exploration and mining industry with a focus on financial reporting, regulatory compliance, internal controls, and corporate finance activities. He has held several CFO positions and has worked in public practice providing professional services and advice to publicly traded companies on the NYSE, TSX-V and OTC markets. Bill provides public reporting services including; audit requirements, qualifying transactions for reverse takeovers, mergers and acquisitions, and financing transactions.

Rachel Wilson – Corporate Secretary & Chief Administrative Officer

Rachel has over a decade of experience with specializations in Project Management, Controlling Financial Systems and Processes, and Business Office Administration. Her experience spans across the Finance, Real Estate, Hospitality, and Cannabis industries. Rachel's strengths and skills stretch beyond her work experience to include developing company backend financial systems and processes, unifying data and systems of records, and creating accounting policies and procedures for businesses in high growth markets.

Robert A. Millar, B.Ed, LLB, JD – Independent Director

Robert has over 25 years experience working as a senior commercial lawyer, most recently with Fasken's Law in their Vancouver office. He is invaluable in the structuring of Canyon Gold & Gravel's corporate affairs. Robert is sought-after by lending institutions for his expertise in the area of commercial, creditor and debtor litigation, receiverships, foreclosures and restructuring.

Derek Holmes, B.Sc, MBA, P.Chem – Mine Consultant

Derek has vast experience in Aggregates, Mining Permits, Project Feasibility and Management and is involved in all aspects of the company's pre-production and production activities. Derek leads the marketing team who are actively developing sales contracts for the company's gravel products.



Experienced Management Team – Continued

Ullrich Schade – Marketing Communications

Ullrich has worked as an art director and creative director for national advertising agencies in Toronto and Vancouver Canada. For over 25 years, he has created successful marketing and branding campaigns for regional and international public companies. His major successes include branding five publicly traded unicorns. Ullrich has been a director and president of numerous industry organizations, and several public companies.

Virgil Hlus, LLB, BCom, Cozen O'Connor LLP – Public Company Legal Counsel

Whether a company wants to go public, engage in a reverse takeover, restructure their company, conduct cross-border financings or complete a tax-driven spin-off, Virgil makes it happen with efficiency and precision, putting his powerful solutions and connections to work for his clients. This requires strategic agility, tactical creativity and strong relationships, all of which define Virgil's service in helping clients structure a foundation on which to grow their business and succeed in the markets they serve.

Chartwell Resource Group – Multi-disciplinary Engineers & Consultants

The company provides natural resource management consulting services to a wide range of clients in government, industry and First Nations. Their interdisciplinary services offered by their team combines experience in forest management, resource and land management, road and bridge engineering, GIS and mapping, LIDAR, asset inventory, environmental science, planning, ecology, and recreation.

Davidson & Company LLP – Corporate Accounting Auditors

A Vancouver auditing and assurance firm, Davidson is widely recognized as a dependable choice when it comes to public company auditing. Their team is registered with both CPAB and PCAOB, and are experts in acquisition transactions and all financing aspects relating to public companies including initial public offerings, brokered private placements, prospectus offerings, and debt financings. Their clients operate globally, which has given Davidson significant experience in virtually every country, language, and industry.



**CANYON GOLD
& GRAVEL**

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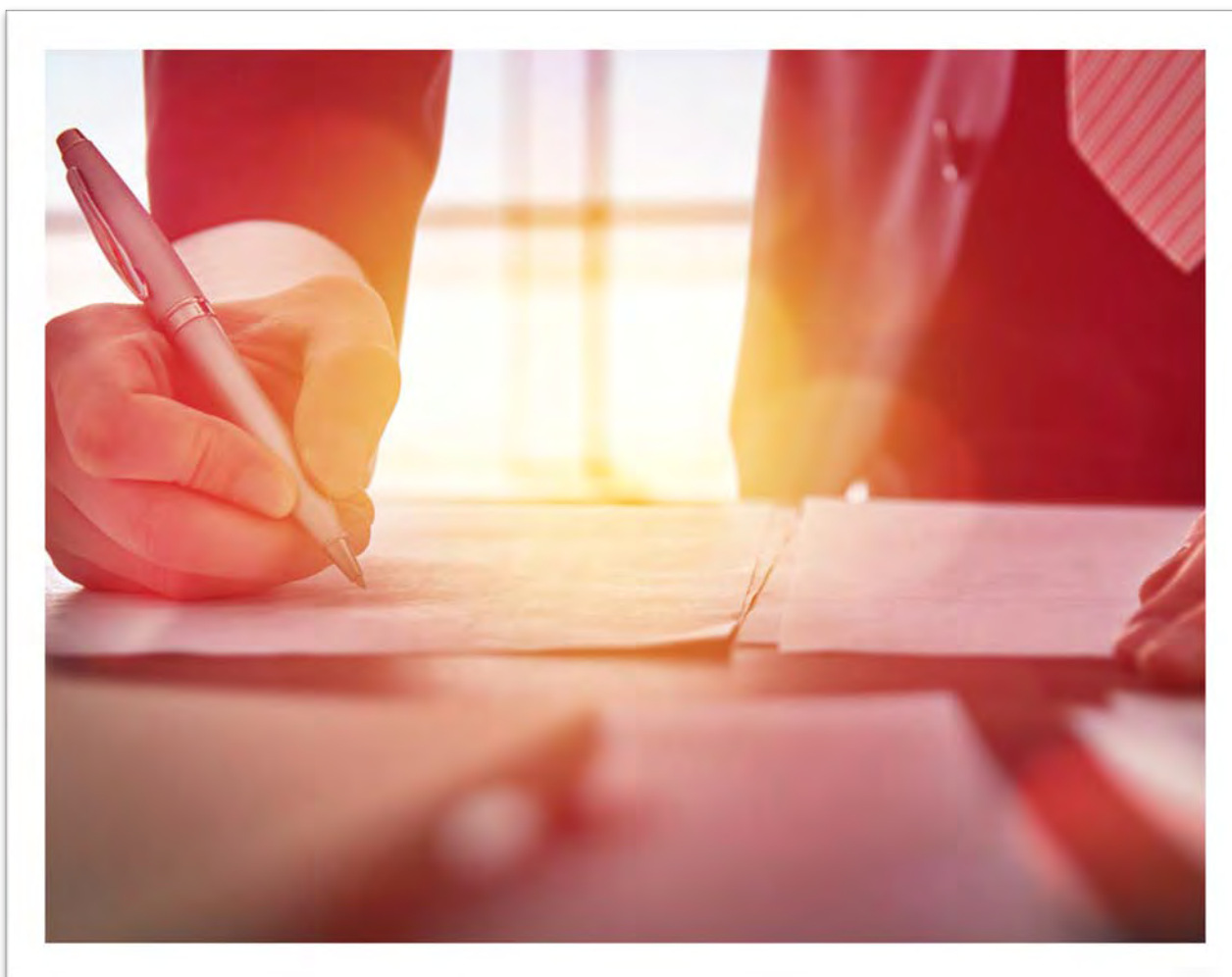


**CANYON GOLD
& GRAVEL**



*Financial Loan Information Package for
Canyon Gold and Gravel Inc.*

4. Financial Statements





CANYON GOLD AND GRAVEL INC.

(formerly American Hill Aggregates Ltd.)

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED NOVEMBER 30, 2022 AND 2021

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Canyon Gold and Gravel Inc. (formerly American Hill Aggregates Ltd.)

Opinion

We have audited the accompanying consolidated financial statements of Canyon Gold and Gravel Inc. (formerly American Hill Aggregates Ltd.) (the "Company"), which comprise the consolidated statements of financial position as at November 30, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has not identified a known body of commercial-grade minerals on any of its properties, has not achieved profitable operations, and has accumulated losses since its inception. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.




Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Vancouver, Canada

Chartered Professional Accountants

January 10, 2025

CANYON GOLD AND GRAVEL INC.
(formerly American Hill Aggregates Ltd.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)



	November 30 2022	November 30 2021
ASSETS		
Current assets		
Cash	\$ 551,412	\$ 300,950
GST recoverable	53,556	1,200
Prepaid expenses (Note 4)	5,100	33,455
Total current assets	610,068	335,605
Non-current assets		
Exploration advances (Note 5)	681,641	7,828
Exploration and evaluation assets (Note 5)	955,928	81,680
Total non-current assets	1,637,569	89,508
TOTAL ASSETS	\$ 2,247,637	\$ 425,113
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 78,593	\$ 16,682
Share subscriptions (Note 6)	310,000	525,000
Due to related parties (Note 8)	10,892	198,293
TOTAL CURRENT LIABILITIES	399,485	739,975
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 7)	2,927,106	19
Deficit	(1,078,954)	(314,881)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	1,848,152	(314,862)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 2,247,637	\$ 425,113

Nature and continuance of operations (Note 1)

Events after reporting date (Note 13)

These consolidated financial statements were authorized for issuance by the Board of Directors on January 10, 2025.

Approved by the Board of Directors

"Peter Osha" Director

"Brian L. Hauff" Director

The accompanying notes are an integral part of these consolidated financial statements.

CANYON GOLD AND GRAVEL INC.
(formerly American Hill Aggregates Ltd.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)



	Year ended November 30 2022	Year ended November 30 2021
General and administrative expenses		
Consulting fees (Note 8)	\$ 285,528	\$ 40,014
Office and other	89,423	24,196
Professional fees (Note 8)	228,462	193,367
Rent	28,165	1,325
Shareholder communication	65,182	12,500
Transfer agent and filing	2,746	5,000
Travel and related	63,790	11,103
	763,296	287,505
Loss from operations	(763,296)	(287,505)
Foreign exchange	(777)	(376)
LOSS AND COMPREHENSIVE LOSS	\$ (764,073)	\$ (287,881)
Basic and diluted loss per common share	\$ (0.01)	\$ (3,347.45)
Weighted average number of common shares outstanding - basic and diluted	96,628,980	86

The accompanying notes are an integral part of these consolidated financial statements.

CANYON GOLD AND GRAVEL INC.
(formerly American Hill Aggregates Ltd.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)



	Year ended November 30 2022	Year ended November 30 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (764,073)	\$ (287,881)
Changes in non-cash working capital items:		
GST recoverable	(52,356)	(1,200)
Prepaid expenses	28,355	(33,455)
Accounts payable and accrued liabilities	61,911	(10,318)
Due to a related party	(187,401)	198,302
Net cash used in operating activities	(913,564)	(134,552)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(805,761)	(81,680)
Exploration advances	(673,813)	(7,818)
Net cash used in investing activities	(1,479,574)	(89,498)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued in private placement	2,333,600	-
Share subscriptions received	310,000	525,000
Net cash provided by financing activities	2,643,600	525,000
Change during the year	250,462	300,950
Cash, beginning of year	300,950	-
Cash, end of year	\$ 551,412	\$ 300,950
Non-cash investing and financing activities		
Shares issued for exploration and evaluation assets	\$ 68,487	\$ -
Shares issued to offset due to related parties	-	9
Shares issued to offset subscriptions received in advance	525,000	-

The accompanying notes are an integral part of these consolidated financial statements.

CANYON GOLD AND GRAVEL INC.

(formerly American Hill Aggregates Ltd.)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)



	Number of common shares		Share capital		Deficit		Total
Balance, November 30, 2020	10	\$	10	\$	(27,000)	\$	(26,900)
Shares issued for cash	90		9		-		9
Loss for the year	-		-		(287,881)		(287,881)
Balance, November 30, 2021	100		19		(314,881)		(314,862)
Shares issued for cash (Note 7)	25,769,327		2,858,600		-		2,858,600
Acquisition of American Hill (Note 3)	110,000,000		68,487		-		68,487
Loss for the year	-		-		(764,073)		(764,073)
Balance, November 30, 2022	135,769,427	\$	2,927,106	\$	(1,078,954)	\$	1,848,152

The accompanying notes are an integral part of these consolidated financial statements.



1. NATURE AND CONTINUANCE OF OPERATIONS

Canyon Gold and Gravel Inc. (the “Company” or “Canyon”; formerly American Hill Aggregates Ltd.) was incorporated under the British Columbia Business Corporations Act on January 15, 2001. The Company’s principal business activities are the acquisition, exploration, and development of mineral properties. These consolidated financial statements are comprised of the Company and its subsidiary.

In January 2022, the Company acquired American Hill Resources Ltd. (Note 3), which became a wholly-owned subsidiary of the Company.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether they contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete their exploration and development, confirmation of the Company’s interest in the underlying claims and leases, ability to obtain the required permits to mine and future profitable production or proceeds from the disposition of these assets.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from the carrying values shown, and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company’s continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to seek joint venture partners. At the date of these consolidated financial statements, the Company has not identified a known body of commercial-grade minerals on any of its properties. The Company has not achieved profitable operations and has accumulated losses since its inception. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of presentation

These annual consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The preparation of these consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the application of the policies and reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Basis of consolidation

These consolidated financial statements comprise the accounts of the parent company, and its subsidiaries, after the elimination of all material intercompany balances and transactions.

Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. The Company's wholly owned subsidiary is American Hill Resources Ltd.

Foreign currencies

The functional and presentation currency of the Company is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the period-end exchange rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Financial instruments

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income ("FVTOCI"), or fair value through profit or loss ("FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

Financial liabilities are designated as either FVTPL or amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

Impairment of financial assets

The expected credit loss model includes a three-stage assessment for calculating impairment for financial assets. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Exploration and evaluation assets and expenditures

Exploration and evaluation expenditures incurred for regional reconnaissance or property investigations prior to the acquisition of a property or the right to explore are obtained are expensed in the period in which they are incurred. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and evaluation assets.

Exploration and evaluation expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Management reviews the carrying value of exploration and evaluation assets quarterly. In the case of undeveloped projects, there may be only limited data to form a basis for the impairment review. The review is based on a status report regarding the Company's intentions for exploration and development of the undeveloped property.

Once an economically viable resource has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to capital work in progress. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If the property is put into production, the costs of acquisition and exploration and evaluation will be depreciated over the life of the property. If a project does not prove viable, all non-recoverable costs associated with the project net of any impairment provisions are written down to its recoverable amount.

Impairment

At each reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell ("FVLCS") and value in use ("VIU"). FVLCS is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is established to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss for the period.

For the purposes of impairment testing, mineral properties are allocated to cash-generating units to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share capital

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity.

Transaction costs directly attributable to the issuance of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share capital (cont'd...)

As an incentive to complete private placements the Company may issue common shares, which by agreement are designated as flow-through shares. Such agreements require the Company to spend the funds from these placements on qualified exploration expenditures and renounce the expenditures and income tax benefits to the flow-through shareholders, resulting in no exploration deductions for tax purposes to the Company. The shares are usually issued at a premium to the value of the Company's non-flow-through common shares. The premium reflects the value of the income tax benefits that the Company must pass on to the flow-through shareholders. On issue, share capital is increased only by the non-flow-through share equivalent value. Any premium is recorded as a flow-through share premium liability. The reversal of the flow-through share premium liability is recorded as other income as the required exploration expenditures are completed.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable regarding previous years.

Deferred tax is provided for using temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Restoration, rehabilitation, and environmental obligations

An obligation to incur restoration, rehabilitation, and environmental costs arises when an environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through depreciation using either the unit-of-production or the straight-line method. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for the restoration of subsequent site damage, which is created on an ongoing basis during production, are provided for at their net present values and charged against profit or loss as extraction progresses. The Company has no material restoration, rehabilitation, and environmental costs as the disturbance to date is minimal.

Earnings (loss) per share

Basic earnings (loss) per share ("EPS") is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders, and the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Significant accounting judgments and estimates

The preparation of consolidated financial statements in conformance with IFRS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

Exploration and evaluation assets

Management is required to make judgments on the status of each mineral property and the future plans with respect to finding commercial resources. The nature of exploration and evaluation activity is such that only a few projects are ultimately successful, and some assets are likely to become impaired in future periods.

New accounting standards issued but not yet effective

Disclosure of accounting policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments)

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those consolidated financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed.

Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four step materiality process described in IFRS Practice Statement 2.

The effect of such new accounting standards or amendments are not expected to have a material impact on the Company's consolidated financial statements.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New accounting standards issued but not yet effective (cont'd...)

Presentation and disclosure in financial statements (IFRS 18)

IFRS 18 is effective for reporting periods beginning on or after January 1, 2027. It introduces several new requirements that are expected to impact the presentation and disclosure of most, if not all, entities. The Company is in the process of assessing the impact on the financial statements of the new standard.

Classification of liabilities as current or non-current (Amendments to IAS 1)

In January 2020, the IASB issued amendments to IAS 1 - Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. These amendments are effective for annual periods beginning on or after January 1, 2024, and are not expected to have a material impact on the Company's future reporting periods.

The IASB issued certain new accounting standards or amendments that are mandatory for accounting periods on or after January 1, 2024, including amendments to IFRS 16 "Leases", amendments to IAS 7 "Statement of Cash Flow" and IFRS 7 "Financial Instruments Disclosures". The effect of such new accounting standards or amendments are not expected to have a material impact on the Company's consolidated financial statements.

3. ACQUISITION OF AMERICAN HILL RESOURCES LTD.

On January 30, 2022, the Company completed the acquisition of American Hill Resources Ltd. ("American Hill") by issuing 110,000,000 common shares, valued at \$68,487, for 100% ownership of American Hill. Through the acquisition, the Company acquired the undersurface rights of the Lucky Thirteen Project (Note 5). As both the Company and American Hill are controlled by the same shareholders, the acquisition is considered to be a common control transaction. At the time of the acquisition, the Company determined that American Hill did not constitute as a business as defined under IFRS 3 Business Combinations and accounted for the transaction as an asset acquisition. As at the time of acquisition, American Hill had no identifiable assets and liabilities, other than the undersurface rights on the Lucky Thirteen Project. The consideration paid by the Company was attributable to this exploration and evaluation asset.



4. PREPAID EXPENSES

	November 30 2022	November 30 2021
Prepaid expenses	\$ 5,100	\$ 33,455
	\$ 5,100	\$ 33,455

5. EXPLORATION AND EVALUATION ASSETS

	Lucky Thirteen Project	Rock Pit Flagstone Project	Total
As at November 30, 2020	\$ -	\$ -	\$ -
Exploration costs			
Consulting	3,160	-	3,160
Equipment	2,843	-	2,843
Exploration supplies	386	-	386
Geology and geophysics	15,125	-	15,125
License and permits	56,206	-	56,206
Property taxes	3,960	-	3,960
As at November 30, 2021	81,680	-	81,680
Acquisition costs	68,487	50,000	118,487
Exploration costs			
Assays	22,001	-	22,001
Consulting	106,435	-	106,435
Drilling	31,249	-	31,249
Equipment	63,804	-	63,804
Exploration supplies	6,593	-	6,593
General exploration	112,001	-	112,001
License and permits	8,454	-	8,454
Property taxes	1,359	-	1,359
Roads and infrastructure	312,207	-	312,207
Storage and transport	59,493	32,165	91,658
As at November 30, 2022	\$ 873,763	\$ 82,165	\$ 955,928

Lucky Thirteen Project, BC

Through the acquisition of American Hill (Note 3), the Company acquired the undersurface rights of the Lucky Thirteen Project. In addition, the sellers transferred the Placer Lease of the project to the Company as well.



5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Rock Pit Flagstone Project, BC

In June 2022, the Company entered into an option agreement with the President of the Company to acquire up to a 100% interest in the Rock Pit Flagstone Project, which consists of certain mining claims located in the Cariboo Mining Division near Quesnel, BC. Pursuant to the option agreement, to exercise the option the Company is required to pay the optionor:

- \$50,000 upon signing of the agreement (paid);
- \$50,000 on or before September 1, 2022 (paid subsequently in December 2022); and
- \$100,000 on or before April 1, 2023 (extended subsequently to April 1, 2026).

After the initial earn-in for the first 70% interest, the Company has the right to acquire the remaining 30% with common shares of the Company after a valuation is completed.

As of November 30, 2022, the Company has advanced \$681,641 (2021 - \$7,828) to a company controlled by a related party for future exploration work. The advances are secured against equipment and the Company's common shares held by the related party.

In the event the Company reaches commercial production, any unused exploration advances will become payable based on not less than 20% of the total advanced, to be settled through the withholding of dividends declared on the Company's common shares held by the related party.

6. SHARE SUBSCRIPTIONS

As of November 30, 2022, the Company has received share subscriptions and recorded \$10,000 (2021 - \$525,000) in connection with its \$0.10 non-brokered private placement, \$30,000 (2021 - \$Nil) in connection with its \$0.15 non-brokered private placement and \$270,000 (2021 - \$Nil) in connection with its \$0.20 non-brokered flow-through private placement (Note 13).

7. SHARE CAPITAL

Authorized

As at November 30, 2022 and 2021, the authorized share capital of the Company was an unlimited number of common shares without par value.

In November 2022, the Company closed its \$0.15 non-brokered private placement raising \$845,000 through the issuance of 5,633,327 common shares.

In November 2022, the Company closed the second and final tranche of its \$0.10 non-brokered private placement raising \$853,600 through the issuance of 8,536,000 common shares.

In July 2022, the Company closed the first tranche of its \$0.10 non-brokered private placement raising \$1,160,000 through the issuance of 11,600,000 common shares.

In January 2022, the Company issued 110,000,000 common shares valued at \$68,487 for the acquisition of American Hill Resources (Note 3).

In January 2021, the Company issued 90 shares to two directors and principal shareholders of the Company for gross proceeds of \$9.



8. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are those persons with the authority and responsibility for planning, directing and controlling the Company's activities, including the directors and officers of the Company. The aggregate value of transactions and outstanding balances relating to key management personnel are as follows:

For the year ended	November 30 2022	November 30 2021
A company controlled by a director (professional fees)	\$ 57,600	\$ 135,000
A company controlled by a VP (consulting fees)	223,800	27,300
Family of President (exploration fees)	23,060	10,000
Former CFO (professional fees)	97,500	50,000
	\$ 401,960	\$ 222,300

During the year ended November 30, 2022, the Company issued 110,000,000 shares to the President and CEO of the Company for the acquisition of American Hill (Note 3).

During the year ended November 30, 2022, the Company entered into an option agreement with the President of the Company and made option payments totaling \$50,000 (Note 5).

Amounts advanced (due) to related parties, as at November 30, 2022, and 2021, were as follows:

	November 30 2022	November 30 2021
Advanced to		
A company controlled by the President	\$ 681,641	\$ 7,828
Family of President	-	10,580
Due to		
CEO	(10,892)	(13,293)
A company controlled by a director	-	(135,000)
Former CFO	\$ (13,125)	\$ (50,000)



9. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	November 30 2022	November 30 2021
Financial assets - amortized costs:		
Cash	\$ 551,412	\$ 300,950
Financial liabilities - amortized costs:		
Accounts payable and accrued liabilities	78,593	16,682
Share subscriptions	310,000	525,000
Due to related parties	10,892	198,293

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c) Level 3: inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

The carrying value of cash, accounts payable and accrued liabilities, share subscriptions, and due to related parties approximated their fair value due to the short-term nature of these instruments.

10. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial risk management

The Company's financial instruments are exposed to certain financial risks, which include credit risk, market and interest rate risk, and liquidity risk.

Credit risk

The Company's cash is mainly held through large Canadian financial institutions and are mainly held in interest-bearing accounts. Accordingly, the credit risk is minimized. The Company assesses the collectability of other receivables and records allowances for non-collection based on management's assessment of specific accounts.

Market and interest rate risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in values because of the volatility of quoted market prices. Interest rate risk is the risk that the fair value of cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company's cash is held mainly in interest-bearing bank accounts.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company manages liquidity risk through the management of its capital resources as outlined below. The Company is exposed to liquidity risk.



10. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

Management of capital

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern to pursue the development of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties, which enables it to conserve capital and reduce risk. In the management of capital, the Company includes the components of shareholders' equity. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates to ensure sufficient capital to meet ongoing obligations. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less. Management believes that the Company may have to raise additional capital to fund its operations for the next twelve months. The Company is not subject to any capital restrictions, and there were no changes to capital management during 2022.

11. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, the exploration and development of exploration and evaluation assets. All of the Company's assets and expenditures are located and incurred in Canada.

12. INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

For the year ended	November 30 2022	November 30 2021
Loss for the year	\$ (764,073)	\$ (287,881)
Combined federal and provincial statutory income tax rates	27.0%	27.0%
Expected income tax expense (recovery)	(206,300)	(77,728)
Change in statutory, foreign exchange rates and other	-	-
Permanent difference	-	-
Change in unrecognized deductible temporary differences	206,300	77,728
Total income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	November 30 2022	November 30 2021
Deferred tax assets		
Non-capital losses available	\$ 291,318	\$ 85,018
	291,318	85,018
Unrecognized deferred tax assets	(291,318)	(85,018)
Deferred tax assets	\$ -	\$ -

As at November 30, 2022, the Company has non-capital losses of approximately \$1,079,000 (2021 - \$315,000) to reduce future income tax in Canada. The losses in Canada expire between 2041 and 2042. Tax attributes are subject to review, and potential adjustments, by tax authorities.



13. EVENTS AFTER REPORTING DATE

Subsequent to November 30, 2022, the Company:

- a) issued 6,222,331 common shares at \$0.15 per share for gross proceeds of \$933,350;
- b) issued 6,075,000 flow-through common shares at \$0.20 per share for gross proceeds of \$1,215,000;
- c) issued 550,200 common shares to settle accounts payable of \$82,530;
- d) cancelled 525,000 common shares and returned subscription proceeds of \$52,500;
- e) adopted a rolling 20% omnibus equity incentive plan during September 2023 that is comprised of deferred share units (“DSUs”), performance share units (“PSUs”), restricted share units (“RSU”), and incentive stock options (“Option”). The Board of Directors may from time to time, grant DSUs, PSUs, RSUs, and/or Options to directors, officers, employees or consultants. The vesting terms are at the discretion of the Board of Directors; and
- f) granted 5,400,000 stock options to officers and consultant, where each is exercisable at \$0.15 per share for 4 years.

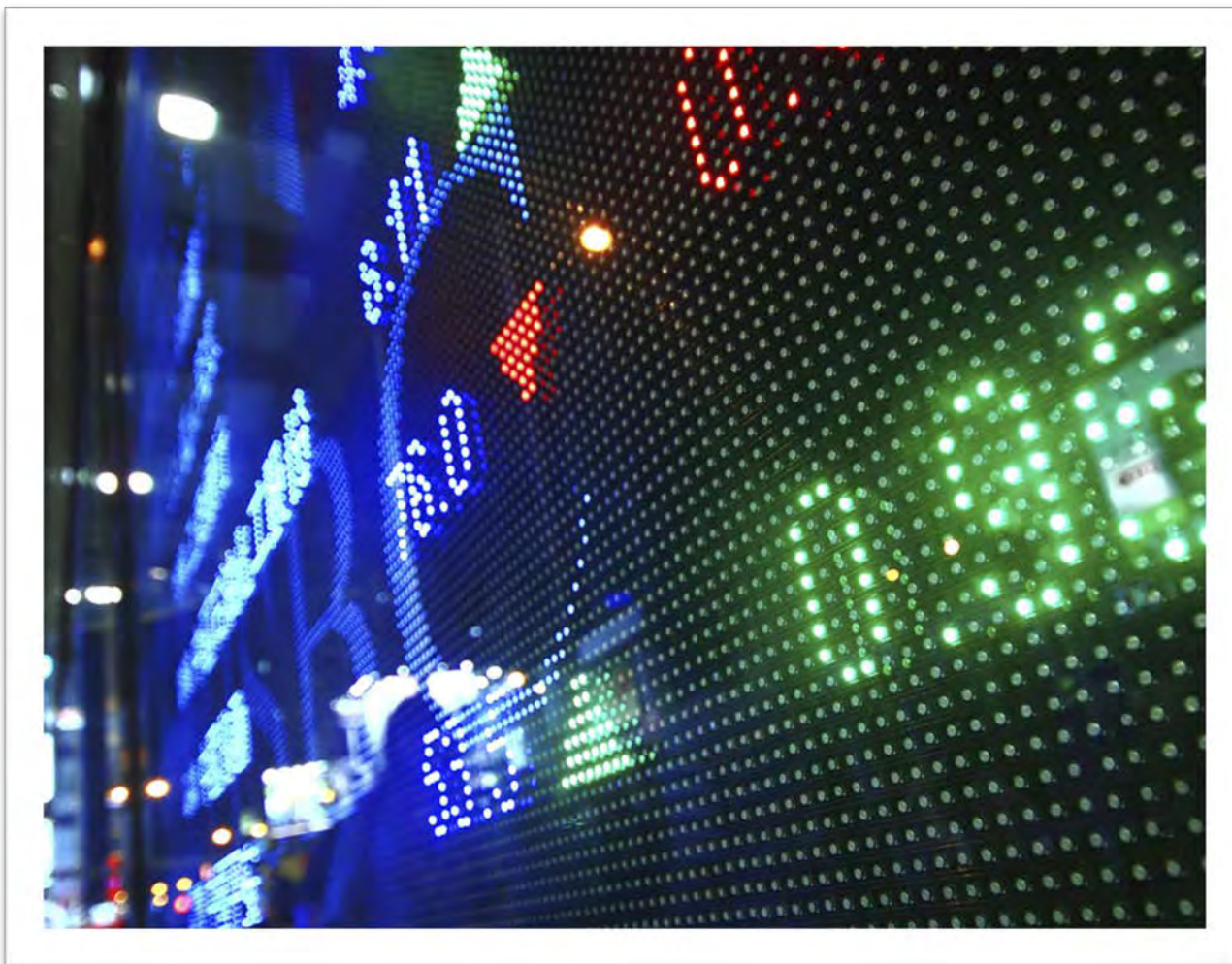


**CANYON GOLD
& GRAVEL**



*Financial Loan Information Package for
Canyon Gold and Gravel Inc.*

5. Going Public – CSE Canadian Securities Exchange





**CANYON GOLD
& GRAVEL**



*Financial Loan Information Package for
Canyon Gold and Gravel Inc.*

Going Public – CSE Canadian Securities Exchange

GGG has engaged Vancouver’s premier security lawyer firm, Virgil Hlus of Cozen O’Connor LLP, to take us PUBLIC with our official sponsors Leeds Jones Gable of Vancouver who will do a small IPO at listing.

Presently we are finishing two final documents, audit and one of the two 43-101’s to be completed by November, 2024 when final submission can be made to the CSE. We expect full listing and trading summer of 2025. All other documents are complete and ready to go.



**CANYON GOLD
& GRAVEL**



*Financial Loan Information Package for
Canyon Gold and Gravel Inc.*

6. Gold and Gravel Testing Results

Sepro and Metro





**CANYON GOLD
& GRAVEL**



*Financial Loan Information Package for
Canyon Gold and Gravel Inc.*



Sepro Laboratories Data

The Au assay results of the 16 samples

Scoping flotation test results (test CQ102)

Each of the respective 16 samples were dried, homogenized, and subsampled for Au assays. The remaining material were combined into a single composite for the flotation test.

For the flotation test, we simply applied a gold reagent suite to the sample which evaluated a number of different gold collectors. The primary goal was to make sure we recover the Au, and no optimization was undertaken. We also had to screen the sample at 300um (remove +300um) prior to the flotation test as the sample was otherwise too coarse.

Overall, the flotation results were positive as 97.2% of the overall Au was recovered into 0.5% of the mass, with a concentrate grade of 3319.7 g/t Au. Additional flotation stages increased the Au recovery to 99.95% by diluting the concentrate grade to 949.89 g/t Au.



SAMPLE RECEIVING LOG SHEET

Company:	HomeGold Resources LTD	Courier:	
Project No:		Date:	Apr-27-22
Receiver:	Daniel	Page:	1

Count	Sample Label	Container Type	Sample Type (C, R, P, Sl, S)	Wet/Dry	Top Size	Weight (kg)
1	GL1 Sample #1	Bucket	sl	w		1.11
2	GL1 Sample #2	Bucket	sl	w		0.90
3	GL2 DH2	Bucket	sl	w		1.15
4	GL2 DH3	Bucket	sl	w		1.07
5	GL2 DH4	Bucket	sl	w		0.66
6	GL3 DH2	Bucket	sl	w		0.61
7	GL3 DH3	Bucket	sl	w		1.02
8	GL3 DH4	Bucket	sl	w		1.66
9	GL4 DH1	Bucket	sl	w		1.27
10	GL4 DH2	Bucket	sl	w		1.32
11	GL4 DH3	Bucket	sl	w		1.19
12	GL4 DH4	Bucket	sl	w		0.98
13	GL4 DH5	Bucket	sl	w		1.06
14	GL5 DH1	Bucket	sl	w		1.07
15	GL5 DH2	Bucket	sl	w		1.62
16	GL5 DH3	Bucket	sl	w		1.12
Note : Water on all samples						17.81
Core, Reject, Pulp, Slurry, Solution						

Picture:





FIRE ASSAY REPORT

Method: Au, Fire Assay, 30g fusion, AAS finish. Detection 0.01-100 g/t Au.

Project: MS2060

Sample Name	Sample Number	Assay (ppm)
		Au
GL1 Sample #1	125881	5.64
GL1 Sample #2	125882	17.82
GL2 DH2	125883	25.21
GL2 DH3	125884	25.53
GL2 DH4	125885	12.31
GL3 DH2	125886	17.46
GL3 DH3	125887	8.77
GL3 DH4	125888	16.85
GL4 DH1	125889	17.78
GL4 DH2	125890	54.57
GL4 DH3	125891	10.92
GL4 DH4	125892	9.10
GL4 DH5	125893	18.47
GL5 DH1	125894	11.07
GL5 DH2	125895	6.55
GL5 DH3	125896	24.82
Head (Average)	-	17.68



FLOTATION TEST WORKSHEET

Client: Home Gold Resources
Test: CQ102
Sample: Head Sample (Undersize -300 µm)

Date: 12-May-22
Project: MS2060
Operator: Ja.T

Objective: Conduct scoping Au flotation on undersize (-300µm) sample to investigate the Au recovery.

Conditions:

Stage	Reagents added, g/t						Time, minutes			pH	ORP (mV)	Observations
	Lime	CuSO ₄	PAX	AMG900	3418A	MIBC	Grind	Cond.	Froth			
<i>Reagent Preparation</i>	10%	10%	0.5%	Drop	Drop	Drop						
Grind							0			6.63	228.0	
<i>Conditioning</i>			35		20			2		6.83	8.5	
Rougher 1						20			3	6.74	29.9	Floated to barren
<i>Conditioning</i>			30	10				2				
Rougher 2						25			4	7.20	-34.9	Floated to barren
<i>Conditioning</i>		300	40	10	15			8		5.97	246.0	Not much floated
Rougher 3						25			5			
Total		300	105		35	70	0	12	12			

Stage	Rougher
Flotation Cell	3L
Speed: r.p.m.	1200



FLOTATION TEST REPORT

Client: Home Gold Resources
Test: CQ102
Sample: Head Sample

Date: 12-May-22
Project: MS2060
Operator: Ja.T

Objective: Conduct scoping Au flotation on undersize (-300 μ m) sample to investigate the overall Au recovery.

Metallurgical Balance

Product	Weight		Assays, g/t ¹	Distribution, %
	g	%		
Total Oversize (+1mm)	350.9	15.0	0.01	0.01
Total Oversize (-1mm+300 μ m)	965.3	41.4	0.01	0.02
Rougher Concentrate 1	12.3	0.5	3319.70	97.20
Rougher Concentrate 2	16.0	0.7	62.12	2.37
Rougher Concentrate 1-2	28.3	1.2	1477.96	99.57
Rougher Concentrate 3	15.9	0.7	10.00	0.38
Rougher Concentrate 1-3	44.2	1.9	949.89	99.95
Rougher Tails	973.6	41.7	0.01	0.02
Calculated Head	2,334.0	100.0	18.00	100.00
Assayed Head			17.68	



PARTICLE SIZE ANALYSIS

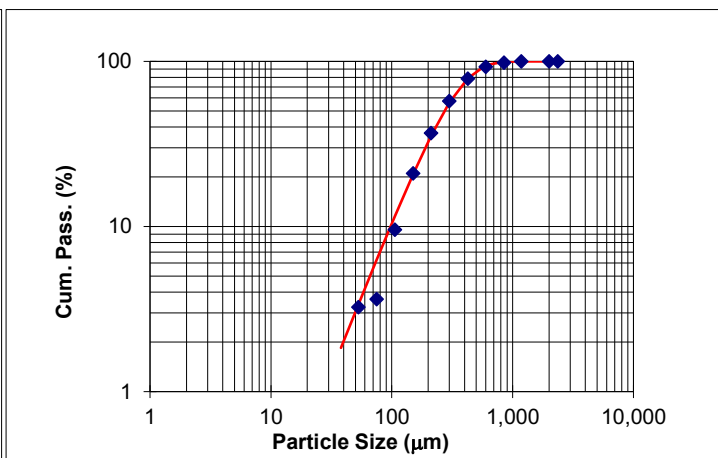
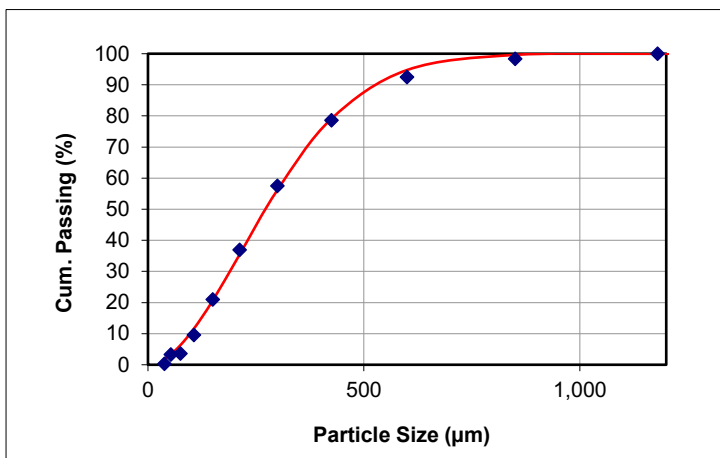
Client: Home Gold Resources
Test: CQ202
Sample: Head Sample

Date: 9-May-22
Project: MS2060

Sieve Size		Weight		Cumulative (%)	
Tyler Mesh	Microns	(g)	(%)	Retained	Passing
8	2,360	0.0			
9	2,000	0.0			
14	1,180	0.0			
20	850	2.5	1.62	1.62	98.38
28	600	9.0	5.84	7.47	92.53
35	425	21.4	13.90	21.36	78.64
48	300	32.6	21.17	42.53	57.47
65	212	31.7	20.58	63.12	36.88
100	150	24.5	15.91	79.03	20.97
150	106	17.6	11.43	90.45	9.55
200	75	9.1	5.91	96.36	3.64
270	53	0.6	0.39	96.75	3.25
400	38	4.5	2.92	99.68	0.32
Undersize	-38	0.5	0.32	100.00	
TOTAL:		154.0	100.0		

Rosin-Rammler Model	
Size (um)	Passing P (%)
431	80
273	50

Linear Interpolation	
Size (um)	Passing P (%)
442	80
268	50





METRO TESTING & ENGINEERING
AGGREGATE TESTING FOR USE IN CONCRETE PRODUCTION



PROJECT NO. VE40608

CLIENT CANYON GOLD & GRAVEL INC
 C.C.

TO
 CANYON GOLD & GRAVEL INC
 SUITE 200 - 100 PARK ROYAL S
 WEST VANCOUVER, BC
 V7T 1A2

ATTN: BRIAN HAUFF

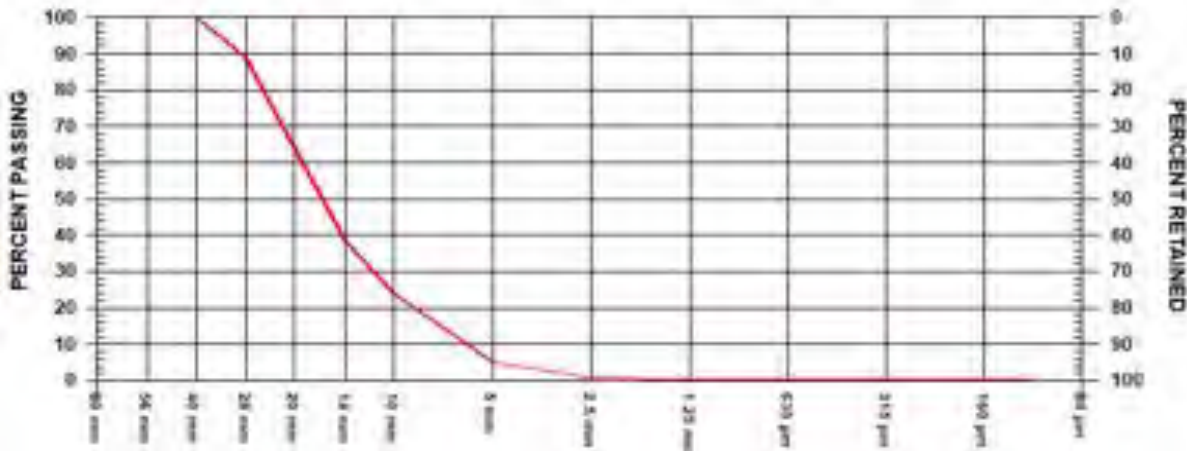
PROJECT PRE-QUAL FOR CONCRETE/ASPHALT AGG
 PRE-QUAL
 CONTRACTOR CANYON GOLD & GRAVEL INC

TBD
 TBD

SIEVE TEST NO. 1 DATE RECEIVED 2022.Apr.16 DATE TESTED 2022.Apr.25 DATE SAMPLED 2022.Apr.15

SUPPLIER CANYON GOLD & GRAVEL INC.
 SOURCE NOT PROVIDED
 SPECIFICATION
 MATERIAL TYPE 75 mm PITRUN

SAMPLED BY CLIENT
 TESTED BY EX
 TEST METHOD ASTM C-117



GRAVEL SIZES	PERCENT PASSING	GRADATION LIMITS
80 mm		
56 mm		
40 mm	100.0	
28 mm	88.7	
20 mm	64.1	
14 mm	38.4	
10 mm	24.3	

SAND SIZES AND FINES	PERCENT PASSING	GRADATION LIMITS
5 mm	5.0	
2.5 mm	0.8	
1.25 mm	0.5	
630 µm	0.4	
315 µm	0.3	
160 µm	0.3	
80 µm	0.2	

COMMENTS

Result is the average of 4 location sample



PROJECT NO. VE40608

CLIENT CANYON GOLD & GRAVEL INC
 C.C.

TO
 CANYON GOLD & GRAVEL INC
 SUITE 200 - 100 PARK ROYAL S
 WEST VANCOUVER, BC
 V7T 1A2

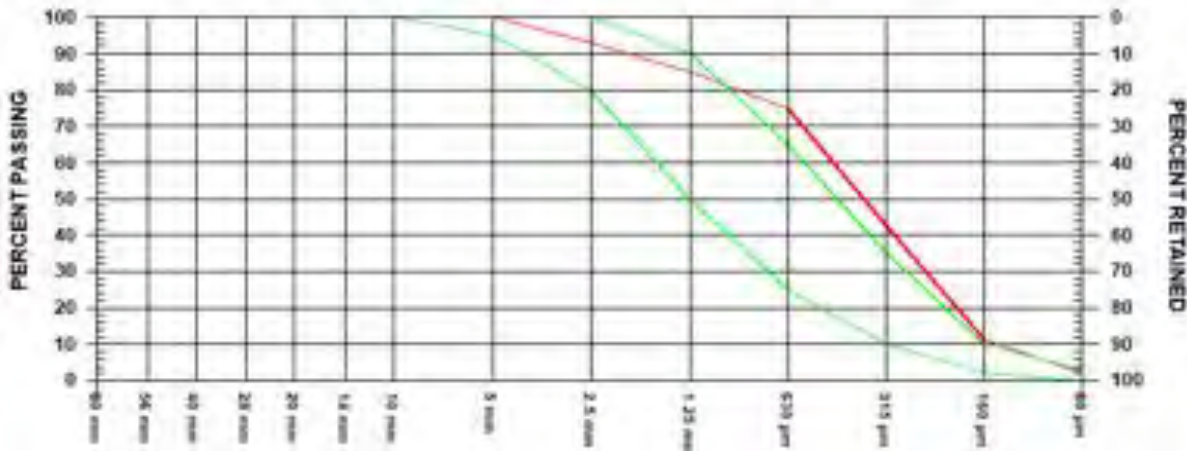
ATTN: BRIAN HAUFF

PROJECT PRE-QUAL FOR CONCRETE/ASPHALT AGG
 PRE-QUAL
 CONTRACTOR CANYON GOLD & GRAVEL INC

TBD
 TBD

SIEVE TEST NO. 2 DATE RECEIVED 2022.Apr.16 DATE TESTED 2022.Apr.28 DATE SAMPLED 2022.Apr.15

SUPPLIER CANYON GOLD & GRAVEL INC SAMPLED BY CLIENT
 SOURCE NOT PROVIDED TESTED BY EX
 SPECIFICATION CSA FINE AGGREGATE FA1 TEST METHOD ASTM C-136
 MATERIAL TYPE SAND



GRAVEL SIZES	PERCENT PASSING	GRADATION LIMITS
80 mm		
56 mm		
40 mm		
28 mm		
20 mm		
14 mm		
10 mm		100.0-100.0

SAND SIZES AND FINES	PERCENT PASSING	GRADATION LIMITS
5 mm	100.0	95.0-100.0
2.5 mm	93.0	80.0-100.0
1.25 mm	84.9	50.0-90.0
630 µm	74.7	25.0-65.0
315 µm	42.7	10.0-35.0
160 µm	11.3	2.0-10.0
80 µm	2.0	0.0-3.0

FINENESS MODULUS 1.93 SPEC LIMITS 0.00 - 0.00

COMMENTS
 Result is the average of 4 location sample.

TO: **CANYON GOLD & GRAVEL INC.**
Suite 200 100 Park Royal St
West Vancouver, BC., V7T 1A2

REPORT DATE: 11-May-22
PROJECT NO: VE40608

ATTN: **BRIAN HAUFF**

PROJECT: AGGREGATE PRE-QUALIFICATION TESTING 2022
SCOPE: AGGREGATE TESTING FOR USE IN CONCRETE PRODUCTION

**CSA A23.2-12A
RELATIVE DENSITY AND ABSORPTION OF COARSE AGGREGATE**

SAMPLE DATA			
SUPPLIER	CANYON GOLD & GRAVEL INC.	DATE SAMPLED:	16-Apr-22
SOURCE:	HOPE PIT	DATE RECIEVED:	16-Apr-22
SAMPLE TYPE:	COARSE AGGREGATE (28-5 mm SIZE)	DATE TESTED:	11-May-22

Trial No.	Mass (g)	Relative Density Dry (Gsb)	Relative Density SSD (Gssd)	Apparent Relative Density (Gsa)	Absorption (%)
1	2643.9	2.668	2.697	2.749	1.10
2	2430.6	2.669	2.698	2.748	1.08
AVERAGE:		2.668	2.697	2.748	1.09

Per:



Jaime Rivero
Laboratory Supervisor

Reviewed by:



Jim Hernandez, ASCT
Laboratory Manager

TO: **CANYON GOLD & GRAVEL INC.**
 Suite 200 100 Park Royal St
 West Vancouver, BC., V7T 1A2

REPORT DATE: 12-May-22
 PROJECT NO: VE40608

Attn: **BRIAN HAUFF**

PROJECT: AGGREGATE PRE-QUALIFICATION TESTING 2022
SCOPE: AGGREGATE TESTING FOR USE IN CONCRETE PRODUCTION


CSA A23.2 - 6A
RELATIVE DENSITY AND ABSORPTION OF FINE AGGREGATE

SAMPLE DATA			
SUPPLIER	Canyon Gold & Gravel Inc.	DATE SAMPLED:	16-Apr-22
SOURCE:		DATE RECIEVED:	16-Apr-22
SAMPLE TYPE:	CONCRETE SAND	DATE TESTED:	11-May-22

Trial No.	Mass (g)	Relative Density Dry (Gsb)	Relative Density SSD (Gssd)	Apparent Relative Density (Gsa)	Absorption (%)
1	500	2.628	2.668	2.739	1.54
2	500	2.624	2.665	2.737	1.58
AVERAGE:		2.626	2.667	2.738	1.56

The test data reported pertains to the sample provided, and may not be applicable to materials from other production zones.

Per: 
Jaime Rivero
 Laboratory Supervisor

Reviewed by: 
Jim Hernandez, ASCT
 Laboratory Manager

TO: **CANYON GOLD & GRAVEL INC.**
Suite 200 100 Park Royal St
West Vancouver, BC., V7T 1A2

REPORT DATE: 2-May-22
PROJECT NO: VE40608

ATTN: **BRIAN HAUFF**

PROJECT: AGGREGATE PRE-QUALIFICATION TESTING 2022
SCOPE: AGGREGATE TESTING FOR USE IN CONCRETE PRODUCTION

CSA A23.2-29A
RESISTANCE OF COARSE AGGREGATES TO DEGRADATION BY ABRASION IN THE MICRO DEVAL APPARATUS

Sample Data		Test Data	
Sample Supplier	Canyon Gold & Gravel Inc.	Number of Revolutions:	100±5 rpm
Sample Location:	N/A	Diameter of Spheres:	9.5 mm
Sample Type:	Coarse Agg (28mm -5mm)	Mass of Spheres:	5000±5 grams
Date Sampled:	16-Apr-22	Mass of Sample Tested:	1500.2
Date Received:	16-Apr-22	Grading Category	Clause 6.2
Date Tested:	19-Apr-22	Tested By:	JR

Results:


ABRASION LOSS	3.6%
----------------------	-------------

Note: Calibration Aggregate (Drain Brothers), % Loss : 13.9%
Calibration Date: Dec 6, 2021

APPLICABLE REQUIREMENTS				
Standard	Section	Reference	Type	Max Loss (%)
CSA A23.1		Table 12	Coarse	17/21
			Fine	20

The test data reported pertains to the sample provided and may not be applicable to materials from other production zones

Per: 
Jaime Rivero
Laboratory Coordinator

Reviewed By: 
Jim Hernandez, ASCT
Laboratory Manager

TO: **CANYON GOLD & GRAVEL INC.**
Suite 200 100 Park Royal St
West Vancouver, BC., V7T 1A2

REPORT DATE: 2-May-22
PROJECT NO: VE40608

ATTN: **BRIAN HAUFF**

PROJECT: AGGREGATE PRE-QUALIFICATION TESTING 2022
SCOPE: AGGREGATE TESTING FOR USE IN CONCRETE PRODUCTION

CSA A23.2-23A
RESISTANCE OF FINE AGGREGATES TO DEGRADATION BY ABRASION IN THE MICRO DEVAL APPARATUS

Sample Supplier	Canyon Gold & Gravel Inc.	Number of Revolutions:	100±5 rpm
Sample Location:	N/A	Diameter of Spheres:	9.5 mm
Sample Type:	CONCRETE SAND	Mass of Spheres:	5000±5 grams
Date Sampled:	16-Apr-22	Mass of Sample Tested:	500.0
Date Received:	16-Apr-22	Grading Category	
Date Tested:	19-Apr-22	Tested By:	JR


Results:

ABRASION LOSS	10.8%
----------------------	--------------

Note: Calibration Aggregate (Sutherland), % Loss : 17.9%
Test completed on Dec 3, 2021

APPLICABLE REQUIREMENTS				
Standard	Section	Reference	Type	Max Loss (%)
CSA A23.1		Table 12	Fine	20

Per: 
Jaime Rivero
Laboratory Supervisor

Reviewed By: 
Jim Hernandez, ASCT
Laboratory Manager

To: Canyon Gold & Gravel Inc.
 Suite 200-100 Park Royal S
 West Navcouver, BC V3T 1A2

Date: 16-May-22
 Project No.: VE40608

Project: Pre- Qualification for Concrete/ Asphalt Agg.

**Resistance to Degradation of Small-Size Coarse Aggregate
 by Abrasion and Impact in the Los Angeles Machine
 CSA A23.2-16A**


The Los Angeles test is a measure of degradation of mineral aggregates of standard gradings resulting from a combination of actions, including abrasion or attrition, impact, and grinding in a rotating steel drum. The test is an indicator of the relative quality or competence of various sources of aggregate.

Product	Date Sampled	Sample Source	Grading Used	Percent Loss of Tested Sample (0.1%)
40mm Coarse Aggregate	15-Apr-22	n/a	A	17.3
Contract Requirement:				n/a
CSA Specified Limit:				max 50

Comment:

Los Angeles abrasion loss is 17.3% which meets CSA requirements of max 50% loss for concrete exposed to freezing, or other exposure conditions.

Conducted by: 
Peregrina Israel
 Senior Laboratory Technician

Reviewed by: 
Andy Bernardino, AScT
 Quality Supervisor/Technical Lead
 for Asphalt and Aggregate Laboratory
 CCIL Certified

TO: **CANYON GOLD & GRAVEL INC.**
 Suite 200 100 Park Royal St
 West Vancouver, BC., V7T 1A2

REPORT DATE: 11-May-22
 PROJECT NO: VE40608

ATTN: **BRIAN HAUFF**

PROJECT: AGGREGATE PRE-QUALIFICATION TESTING 2022
SCOPE: AGGREGATE TESTING FOR USE IN CONCRETE PRODUCTION

CSA A23.2-3A
STANDARD TEST METHOD FOR CLAY LUMPS AND FRIABLE PARTICLES IN AGGREGATE

Sample Data	Test Data
Supplier	Date Sampled: 16-Apr-22
Sample Location:	Date Received: 16-Apr-22
Sample Type: Coarse Aggregates (28mm-5mm Gradation)	Date Tested: 19-Apr-22
Fine Aggregates (Concrete Sand)	Tested By: JR


Results:


Clay Lumps - Sand	0.20%
Clay Lumps - Coarse	0.05%

Comments:

Test results meet the requirement as per CSA specifications as shown on table below:

Standard	Reference	Type	Max Limit (%)
CSA 23.1-09	Table 12	Fine	1.0
CSA 23.1-09	Table 12	Coarse	0.3/0.5

Per: 
Jaime Rivero
 Laboratory Supervisor

Reviewed By: 
Jim Hernandez ASCT
 Laboratory Manager

TO: **CANYON GOLD & GRAVEL INC.**
Suite 200 100 Park Royal St
West Vancouver, BC., V7T 1A2

REPORT DATE: 11-May-22
PROJECT NO: VE40608

ATTN: **BRIAN HAUFF**

PROJECT: AGGREGATE PRE-QUALIFICATION TESTING 2022
SCOPE: AGGREGATE TESTING FOR USE IN CONCRETE PRODUCTION

**CSA A23.2-4A
LOW-DENSITY GRANULAR MATERIAL IN AGGREGATE**

SAMPLE DATA	
SUPPLIER	DATE SAMPLED:
SOURCE:	DATE RECEIVED:
SAMPLE TYPE: Coarse Aggregates (28-5mm Aggregates)	DATE TESTED:
Fine Aggregates (Concrete Sand)	TESTED BY: JR

**Results:
COARSE AGGREGATES**

Content of Low-Density Particles (% by mass)	0.0
---	------------

FINE AGGREGATE


Content of Low-Density Particles (% by mass)	0.01
---	-------------


Comments:

Test results meet the requirements as per CSA specifications as shown on table below.

Standard	Section	Reference	Type	Max Limit (%)
CSA	A23.1-09	Table 12	Fine	0.5
			Coarse	0.5

The test data reported pertains to the sample provided and may not be applicable to materials from other production zones

Per: 
Jaime Rivero
Laboratory Supervisor

Reviewed By: 
Jim Hernandez, ASCT
Laboratory Manager

TO: **CANYON GOLD & GRAVEL INC.**
Suite 200 100 Park Royal St
West Vancouver, BC., V7T 1A2

REPORT DATE: 30-Apr-22
PROJECT NO: VE40608

ATTN: **BRIAN HAUFF**

PROJECT: AGGREGATE PRE-QUALIFICATION TESTING 2022
SCOPE: AGGREGATE TESTING FOR USE IN CONCRETE PRODUCTION

CSA A23.2-13A
FLAT AND ELONGATED PARTICLES IN COARSE AGGREGATE

Sample Data		Test Data	
Supplier	Upland Contracting Ltd.	Date Sampled:	16-Apr-22
Sample Location:	Upland Pit #1	Date Received:	16-Apr-22
Sample Type:	Coarse Aggregates	Date Tested:	25-Apr-22
	(40-5mm Aggregates)	Tested By	JR

Results:

FLAT AND ELONGGATED PARTICLES	1.70%
--------------------------------------	--------------

Note:


Procedure A (Length to Thickness Ratio 4:1)

Comments:

Standard	Section	Reference	Type	Max Limit (%)
CSA	A23.1:19	Table 12	Coarse	20.0

The test data reported pertains to the sample provided and may not be applicable to materials from other production zones.

Per: 
Jaime Rivero
Laboratory Supervisor

Reviewed By: 
Jim Hernandez, ASCT
Laboratory Manager

TO: **CANYON GOLD & GRAVEL INC.**
 Suite 200 100 Park Royal St
 West Vancouver, BC., V7T 1A2











REPORT DATE: 9-May-22
 PROJECT NO: VE40608

ATTN: **BRIAN HAUFF**

PROJECT: AGGREGATE PRE-QUALIFICATION TESTING 2022
 SCOPE: AGGREGATE TESTING FOR USE IN CONCRETE PRODUCTION

CSA A23.2 - 7A
TEST FOR ORGANIC IMPURITIES IN FINE AGGREGATES FOR CONCRETE

SAMPLE DATA		Test Data	
Supplier :	CANYON GOLD & GRAVEL INC.	Date Sampled:	16-Apr-22
Sample Location:	HOPE PIT, HOPE BC	Date Received:	16-Apr-22
Sample Type:	Concrete Sand	Date Tested:	5-May-22
		Tested By:	JR

Test Scope	Test Results	Ref. Organic Plate No.	
This test method covers the procedure for an approximate determination of the presence of possibly injurious organic compounds in natural sands that to be used in cement mortar or concrete. <div style="text-align: right; margin-top: 10px;">→</div>			1 (Light Yellow)
			2 (Yellow)
			3 (Standard, Orange)
			4 (Brown)
			5 (Black)

Note: When the color is darker than the standard color (Orange) , or organic plate #3, the fine aggregate under this test shall be considered to possibly contain injurious organic impurities.
 As per CSA A 23.2-7A fine aggregate failing the test may be used, if the amounts not exceeding 0.5% as determined in accordance with CSA Test Method A23.2-4A.

Per:



Jaime Rivero
 Laboratory Supervisor

Reviewed by:



Jim Hernandez, ASCT
 Laboratory Manager

TO: **CANYON GOLD & GRAVEL INC.**
Suite 200 100 Park Royal St
West Vancouver, BC., V7T 1A2

REPORT DATE: 16-May-22
PROJECT NO: VE40608

ATTN: **BRIAN HAUFF**

PROJECT: AGGREGATE PRE-QUALIFICATION TESTING 2022
SCOPE: AGGREGATE TESTING FOR USE IN CONCRETE PRODUCTION

CSA A23.2-24A
RESITANCE OF UNCONFINED COARSE AGGREGATE TO FREEZING AND THAWING

Sample Data		Test Data	
Sample Supplier	CANYON GOLD & GRAVEL INC.	Date Sampled:	16-Apr-22
Sample Location:	HOPE PIT, HOPE BC	Date Received:	16-Apr-22
Sample Type:	COARSE AGGREGATE	Date Tested:	1-May-22
	28 mm -5 mm	Tested By:	JR

Material Size Retained (mm)	Suggested Weights of Test Samples	Weight of Test Fractions Before Test	Weight of Test Fractions After Test	%Loss of Test Fraction	Grading of Tested Sample (%)	Weighted Percent Loss (%)
28 mm - 20 mm	2500.0	2503.1	2497.7	0.22	47.62	0.10
20 mm - 14 mm	1250.0	1250.2	1242.4	0.62	23.81	0.15
14 mm - 10 mm	1000.0	999.5	983.2	1.63	19.05	0.31
10 mm - 5 mm	500.0	499.9	484.9	3.00	9.52	0.29
TOTAL	5250.0	5252.7	5208.2		100.0	0.8

Results:


Loss after 5 cycles	0.8%
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Note: Calibration Aggregate (Drain Brothers), % Loss (Freeze & Thaw): 11.1%
Test completed on Dec 15, 2021

Comments:

Standard	Section	Reference	Type	Max Limit (%)
CSA	A23.1-09	Table 12	Coarse	6.0

The test data reported pertains to the sample provided and may not be applicable to materials from other production zones.

Per: 
Jaime Rivero
Laboratory Supervisor

Reviewed By: 
Jim Hernandez, ASCT
Laboratory Manager

TO: **CANYON GOLD & GRAVEL INC.**
 Suite 200 100 Park Royal St
 West Vancouver, BC., V7T 1A2

REPORT DATE: 25-May-22
 PROJECT NO: VE40608

ATTN: **BRIAN HAUFF**

PROJECT: AGGREGATE PRE-QUALIFICATION TESTING 2022
 SCOPE: AGGREGATE TESTING FOR USE IN CONCRETE PRODUCTION

CSA A23.2-5A
 AMOUNT OF MATERIAL FINER THAN 80 µm IN AGGREGATE

SAMPLE DATA	Test Data
Sample I.D.	Date Sampled: 16-Apr-22
Sample Location: HOPE PIT, HOPE BC	Date Received: 16-Apr-22
Sample Type: COARSE & FINE AGGREGATES	Date Tested: 23-May-22
	Tested By: JR


Material Type	Material passing 80 µm screen (% by mass)
Fine Aggregates (SAND)	2.0%
Coarse AggregateS	0.2%

Comments

APPLICABLE REQUIREMENTS				
Standard	Section	Reference	Type	Max Limit (%)
CSA	A23.1-09	Table 12	Fine	3.0
MoTI	211	Table 211E	Fine	3.0

The test data reported pertains to the sample provided, and may not be applicable to materials from other production zones

Per: 
Jaime Rivero
 Laboratory Supervisor

Reviewed By: 
Jim Hernandez, AScT
 Laboratory Manager

TO: **CANYON GOLD & GRAVEL INC.**
 Suite 200 100 Park Royal St
 West Vancouver, BC., V7T 1A2

REPORT DATE: 2-May-22
 PROJECT NO: VE40608

ATTN: **BRIAN HAUFF**

PROJECT: AGGREGATE PRE-QUALIFICATION TESTING 2022
SCOPE: AGGREGATE TESTING FOR USE IN CONCRETE PRODUCTION

CSA A23.2-9A

SOUNDNESS OF COARSE AGGREGATE BY USE OF MAGNESIUM SULPHATE


Sample Data		Test Data	
Sample I.D.	Canyon Gold & Gravel Inc.	Solution Used:	MgSO ₄ -7H ₂ O
Sample Location:	N/A	Solution Specific Gravity:	1.300
Sample Type:	Coarse Agg	Solution Temperature:	21 ± 1 °C
Date Sampled:	16-Apr-22	Mass of Sample Tested:	1300.0
Date Received:	16-Apr-22	Test No:	1
Date Tested:	19-Apr-22	Tested By:	JR


Results:

Weighted Loss after 5 cycles	3.2%
------------------------------	-------------

Comments: Test result meets the requirement as per CSA specs as shown on table below.

Standard	Section	Reference	Type	Max Limit (%)
CSA	A23.1-19	Table 12	Fine	12.0
			Coarse	16.0

Per: 
Jaime Rivero
 Laboratory Supervisor

Reviewed By: 
Jim Hernandez, ASCT
 Laboratory Manager

To: CANYON GOLD & GRAVEL INC.
Suite 200 100 Park Royal St
West Vancouver, BC., V7T 1A2

TECHNICAL REPORT

Project No.: VE40608
Test Date: 25-May-2022
Sample #: 1
Client Ref.: 01-Coarse

Attention: BRIAN HAUFF

PROJECT: Aggregate Prequalification Testing

SUBJECT:

ASTM C295 Standard Guide for Petrographic Examination of Aggregates for Concrete
CSA A23.2 15A Petrographic Examination of Aggregates

Sieve fraction: 40 -5 mm Source: Canyon Gold Pit at Hope
Date sampled: Not provided
Date received: 16-Apr-2022
Tested by: HX Pit Run -Coarse Fraction

ESTIMATE PERCENT CRUSHED (ε)	15%
ESTIMATE PERCENT FLAT AND ELONGATE	<1%

Rock Type	Number of particles	Weight of particles (g)	Percent of sample (%)	Petrographic		Classification	Notes
				Multiplier	Factor		
Granite (-Diorite)	-	842.0	18.4	1	18.4	GOOD	Subangular to subround, coarse grained, w/ porphyritic K-felspar, massive, fresh, hard. Varied colors (pink/greenish and gray speckles).
	-	120.0	2.6	3	7.8	FAIR	
	-	17.0	0.4	6	2.2	POOR	
				10	0.0	DELETERIOUS	
Quartzite*	-	736.0	16.0	1	16.0	GOOD	Subangular to subround, massive, fresh to surface weathered, some particles fractured, very hard, pale.
	-	107.0	2.3	3	7.0	FAIR	
				6	0.0	POOR	
				10	0.0	DELETERIOUS	
Volcanic Basalt	-	799.0	17.4	1	17.4	GOOD	Subangular, fine grained, partially with vesicular texture, hard, signs of rust staining, strong to medium strong, dark gray.
	-	68.0	1.5	3	4.4	FAIR	
	-	60.0	1.3	6	7.8	POOR	
	-	26.0	0.6	10	5.7	DELETERIOUS	
Volcanic-Andesite*	-	1298.0	28.3	1	28.3	GOOD	Subangular, medium grained, fresh to surface weathered, some porphyritic, hard and strong, greenish gray.
	-			3	0.0	FAIR	
	-	55.0	1.2	6	7.2	POOR	
				10	0.0	DELETERIOUS	
Rhyolite-(volcanic tuff)	-	209.0	4.6	1	4.6	GOOD	Subangular, porphyritic, fresh, hard to moderate hard, pale to white.
				3	0.0	FAIR	
				6	0.0	POOR	
				10	0.0	DELETERIOUS	
Gneiss*	-	237.0	5.2	1	5.2	GOOD	Subangular, foliated, fine grained, minor surface weathered, very hard, light gray and white banded.
				3	0.0	FAIR	
	-	3.0	0.1	6	0.4	POOR	
				10	0.0	DELETERIOUS	
Schist	-	10.0	0.2	1	0.2	GOOD	Angular, platy, fine grained, fresh moderate strong, light gray.
				3	0.0	FAIR	
				6	0.0	POOR	
				10	0.0	DELETERIOUS	
Total	n/a	4587.0					

Minimum Particle count	Minimum mass 4000g
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Petrographic Number (PN)	133
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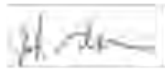
Comments: (1) The PN is not related to the potential of alkali-aggregate reactivity (AAR) of this aggregate when used in Portland cement concrete. AAR potential must be separately assessed.

(2) Rock types indicated by * may have potential for alkali-aggregate reaction (AAR). See CSA A23.1 and CSA A23.2 for information on the assessment of AAR in new concrete construction.

(3) Particles above 40 mm (<=10% of total wt.) were not included for analysis.

Product Type	PN limits
Concrete class C1, C2, F1	125 max
Other concrete classes	140 max
Shotcrete	125 max
Railroad ballast	125 max
Granular base	150 max
Select granular sub base	160 max

Per:


Henry H. Xu, P.Eng.
Sr. Materials Engineer

Reporting of these test results constitutes a testing service only. Engineering interpretation or evaluation of test results is provided only on written request.

To: CANYON GOLD & GRAVEL INC.
 Suite 200 100 Park Royal St
 West Vancouver, BC., V7T 1A2

TECHNICAL REPORT

 Project No.: VE40608
 Test Date: 25-May-2022
 Sample #: 1
 Client Ref.: 01-Fine

Attention: BRIAN HAUFF

PROJECT: Aggregate Prequalification Testing
SUBJECT:

 ASTM C295 Standard Guide for Petrographic Examination of Aggregates for Concrete
 CSA A23.2 15A Petrographic Examination of Aggregates

Sieve fraction: < 5 mm (Fine)
Date sampled: not provided
Date received: 16-Apr-2022
Tested by: HX

Source: Canyon Gold Pit at Hope
 Pit Run -Fine Fraction

	Total per Sieve Fraction (%)						Weighted Content %
	5.0- 2.5 mm	2.5- 1.25 mm	1.25- 0.630 mm	0.630- 0.315 mm	0.315- 0.160 mm	0.160- 0.08 mm	
Percentage of Sample (%)	7.1%	8.3%	10.4%	32.7%	32.0%	9.5%	**
Rock/ Mineral Type							
Volcanic-andesite	33	35	20	6			9.3
Volcanic-basalt & Amphoblite	22	11	7	5			4.8
Volcanic-felsic	8	5	7	3			2.7
Granite (-Diorite)	21	26	6	3			5.3
Garbro	3	2					0.4
Quartzite*	7	6	2	1			1.5
Gneiss*	1	1					0.2
Schist	4	3	1				0.6
Quartz (plus quartz vein particles)*		10	27	42	48	55	38.0
Plagioclase Feldspar			12	18	16	12	13.4
Alkali Feldspar			6	8	7	8	6.2
Hornblende			3	3	7	8	4.3
Mica-biotite				1	1	1	0.7
Mica-muscovite				2	2	1	1.4
Pyroxene			6	6	13	11	7.8
Garnet			1	1	3		1.4
Chlorite					2	3	0.9
Pyrite			1	1			0.4
Magnetite/iron oxides					1	1	0.4
Polyminerals							
Brittle particles							
Weathered Particles	1	1	1				0.3
Totals	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(2) **percentage recalculated/normalized, if certain sieve(s) less than 5% and not included in analysis.

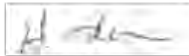
Petrographic Number (PN)/Grade **Good**
Comments:

(1) Rock types predominately consists of volcanics with lesser amount of other species. Mineral grains comprised of about 75.2% of the evaluated sample and primarily consisted of quartz, feldspars, hornblende, proxene, lesser amount of mica, garnet, pyrite. Rock particles mostly persisted when the size is finer than 315 um. The mineral grains are generally hard to medium hard. Weathered and/ brittle particles are about 0.3% in the sample.

(2) The PN grade is not related to the potential of alkali-aggregate reactivity (AAR) of this aggregate when used in Portland cement concrete. AAR potential must be separately assessed.

(3) Rock types indicated by * may have potential for alkali-aggregate reaction (AAR). See CSA A23.1/2-2019 for information on the assessment of AAR in new concrete construction.

Per:



 Henry H. Xu, P.Eng.
 Sr. Materials Engineer

Reporting of these test results constitutes a testing service only. Engineering interpretation or evaluation of test results is provided only on written request.



**CANYON GOLD
& GRAVEL**



*Financial Loan Information Package for
Canyon Gold and Gravel Inc.*

7. Trickle: Independent Research Report



Trickle Research

Every raging river, every great lake, every
deep blue sea starts ... with a trickle



Company Profile



Canyon Gold & Gravel Inc.

Profile Date: 10/31/22

Prepared By:
David L. Lavigne
Senior Analyst, Managing
Partner Trickle Research

Disclosure: Portions of this report are excerpted from Canyon Gold and Gravel's website(s), presentations or other public collateral. We have attempted to identify those excerpts by *italicizing* them in the text.

Company Overview

Canyon Gold & Gravel is a Canadian resource-based enterprise. The Company is headquartered in West Vancouver, British Columbia, Canada. Its lead project is located about 120 km due east of Vancouver in the New Westminster Mining Division of British Columbia with access directly off Trans Canada HWY 1. The project covers approximately 168.16 hectares of placer gold leases and 160 with 1,000 meters of Fraser Riverfront, centered on Union Bar, a level gravel bar on the west acres of private land bank of the Fraser River approximately 2 km upstream from the town of Hope, B.C. The land, referred to as “Lot 57” is privately held by Canyon Gold and Gravel Inc., and it includes the placer rights and the under-surface gravel rights to mine the Union Bar property.

The Company’s primary objective is to develop the property as a rock/gravel source to the gravel and concrete industry in and around Vancouver BC’s Fraser Valley. The Company believes, and this overview will attempt to support, that the industry includes sufficient demand to support the project. Further, the property is relatively unique on multiple fronts. Beyond the notion that many developing portions of North America are experiencing shortages of construction-based materials like sand and gravel, the property is essentially an old gravel bar, as such the rock source is already relatively fine. That is, over 70% of the source is less than 1.5 inches diameter rock, which means that unlike many quarry operations, it does not require significant amounts of crushing or other processes to make it amenable to concrete and construction requirements. Secondly, because the gold source was laid down blanket by blanket over 5,000 years, it contains mineable amounts of alluvial gold throughout the property as shown in lab tested results, which the Company believes they will be able to economically capture up to one third of their income at today’s gold prices. As a result of these two advantages, the Company’s financial model reflects a favorable cost profile (due to the naturally occurring size of the contained aggregate, which requires less processing) as well as gold credits that again should be markedly additive to their profitability. The Company is in the process of preparing a 43-101 reserve profile of the gold potential in the source. In addition, the Company believes they are in a position to collect tolling fees from surrounding projects for the acceptance of noncontaminated waste (dirt, rock, etc.) that will essentially replace the aggregate material they remove from the property.

From an operating perspective, the Company has completed much of the heavy lifting required to get the project into production. That has required permits numerous professional reports, and other regulatory processes we will address in the overview, as well as other infrastructure and site preparation items we will cover as well. The Company’s intent is to be in production in Q1 2023.

To date, the Company has raised capital via an initial equity seed round of CAN\$1.75 million at CAN\$.10 per share, and they are currently completing a second round (CAN\$3 million) at CAN\$.15 per share. Further, the Company has submitted its preliminary public company application to the CSE and is in the process of completing audits and a prospectus, with *the goal* of getting the Company public in Q1 2023.

The Company believes that the size, the location, and the profile of the source, provide the basis for extraordinary valuation potential. Specifically, they believe the source could support a project life of 100+ years, and, depending on prevailing resource prices, an intrinsic value in excess of \$1 billion. We will attempt to address some of that analysis through this Overview as well. Lastly, the Company is also evaluating additional projects and will likely continue to do so going forward.

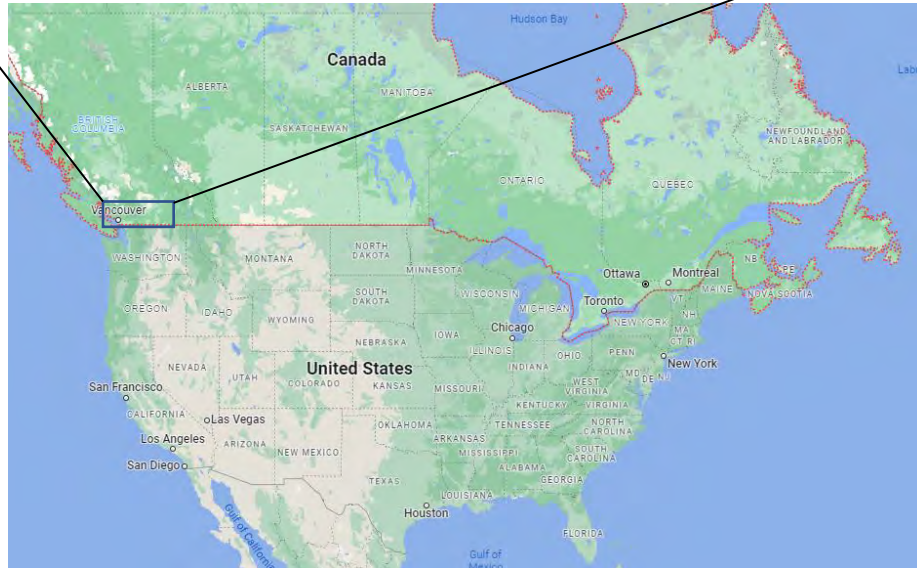
Industry and Technical Overview

From an industry perspective, our analysis here is perhaps a bit different than in some of our other research. To edify, because their product is heavy and expensive to move, Canyon’s “addressable market” will likely be largely confined to the Fraser River Valley of southwestern Canada, which is roughly reflected by **Illustration 1** below, and includes an area of British Columbia Canada stretching from Vancouver BC on the west and Hope BC to the east (approximately 100 miles).

Illustration 1.



Illustration 2.



According to Canadian census data, the Greater Vancouver area had a population of 2.6 million in 2021, making it the third-largest metropolitan area in Canada. Further, the Fraser River Valley holds approximately 300,000 people as well. Census data also reflects that “the province of British Columbia has four of Canada’s five fastest-growing metropolitan areas, all of which are outside the Metro Vancouver region. The city of Chilliwack for instance was the second fastest metro area in Canada from 2016 through 2021, growing from roughly 83,000 to 93,000. Chilliwack is located in the heart of the Fraser River Valley and is approximately 30 miles northwest of the Company’s project. Ostensibly, continued population and associated economic growth throughout the region would likely include strong construction spending and thus demand for Canyon’s aggregate.

Beyond above average growth, the Fraser River Valley has some perhaps more dubious characteristics that we think may contribute to infrastructure spending and by extension demand for Canyon’s product(s) well into the future.

In November 2021, the Fraser River Valley experienced catastrophic flooding because of record rainfall throughout the region. Some industry estimates peg the cost of the flooding at over CAN \$25 billion. From the British Columbia Ministry of Transportation and Commerce: “...during the BC flooding of November 2021, a series of atmospheric river events dropped an unprecedented

Illustration 3.



*volume of water across the southwestern area of the province, resulting in a widespread flood and catastrophic damage. Major bridges were destroyed, large sections of highways sunk into rivers. Every major route connecting the Lower Mainland to the rest of Canada was cut-off, stranding tens of thousands of people, damaging homes, impacting huge volumes of livestock, and halting the movement of citizens and billions of dollars in goods and services. It was intense and unprecedented. This is the story of our role during the incredible event, our work to re-establish connections in and out of the province **and our plans to rebuild BC highways better.** All 4 highways damaged split off from Hope, BC where Canyon is located and require gravel to repair over an estimated 10 years. Again, the event was catastrophic for the area.*

[Damaged Coquihalla highway opens for essential traffic next week | Canada's National Observer: News & Analysis](#)

We would add, for reference, **Illustration 3** above is from an area close to the Company’s project, while **Illustration 4** below provides a visual of the flooding in Sumas Prairie, which is approximately 50 miles from the Canyon’s project. Further, ([It will cost B.C. billions to rebuild key highways for climate change | Vancouver Sun](#)). “The extreme rainfall events of Nov. 14 and 15 have had major impacts on highways and highway structures throughout the southern Interior and Lower Mainland,” read the Nov. 26 release from the B.C. highway reinstatement program. Consequently, the Ministry of Transportation and Infrastructure was “conducting assessments of each impacted area in preparation for repairing compromised highways. The permanent rebuild of Highways 1 and 8 and the Coquihalla will take a long time — there’s no question about it,” Transportation Minister Rob Fleming conceded in that day’s media briefing. “But the planning has already started. We have also gone out to the market and construction firms, to engineering and design firms, with

requests for qualifications.” Clearly, the area has/will be engaged in considerable construction, repairing the damages from the event.

Illustration 4.



While the 2021 flood was certainly extraordinary, if our reading of the issue is close to accurate, many Canadian officials and other associated constituents view the potential for more events like this as increasing:

From: [B.C.'s Fraser Valley is no stranger to floods. Experts warn extreme weather is likely to become more common | CBC News](#) "...Ward said officials at the local and provincial level will need to re-examine preventative planning, flood protection and overall infrastructure through the lens of a changing climate as they move to rebuild communities and repair major highways. Existing dikes and culverts, he explained, were likely made to outdated climate standards and will be too small to withstand stronger, fiercer storms. The same could go for ditches running alongside critical highways, like Highway 1, which was originally built in the early 1960s".

From: [Major Fraser River flood could cause \\$30 billion in economic impact - Surrey Now-Leader \(surreynowleader.com\)](#) "Current diking infrastructure along the Fraser River from Hope to Richmond does not have what it takes to stop a major flooding event if and when it comes. And the Fraser Basin Council estimates in a 2016 study the economic impacts of a major flooding event in the Lower Mainland could be \$20 to \$30 billion".

"There are likely to be larger and more frequent Fraser River and coastal floods in the future because of sea level rise and other projected impacts of climate change – and current diking infrastructure is inadequate to withstand a major flood," said Steve Litke, a senior program manager with the Fraser Basin Council. "It's timely for leaders to look at options for more robust mitigation works as well as more effective land use strategies for floodplain areas, and to come together on a plan that meets priorities across the region."

From: <https://canada.constructconnect.com/joc/news/infrastructure/2022/01/b-c-infrastructure-ministry-prepares-for-next-climate-catastrophe> "Climate change has changed the ministry's calculus on replacing infrastructure that hasn't aged out, he said. "The next thing now is to look at if we're going to proactively replace things early. Most things we replace because they've hit the end of their

design life,” Pilkington said. “Things that haven’t hit their end of life from a materials point of view but needed to be upgraded due to climate change, that’s something we’re wrapping our heads around, recognizing we have all this aging infrastructure that needs to be replaced.”

Recognize, the second of these two comments was made 3 years prior to the 2021 flood, and was based on a 2016 report. Our point here is that the Fraser River Valley is a major contributor to British Columbia’s agricultural output, and from a more national perspective, it connects Canada to the Pacific coast making it an important link for air, rail, road and river transportation, as well as communications, natural gas and electricity utilities. Consequently, we expect the region to continue to see marked investment into construction and other associated industries that should positively impact demand for Canyon’s product(s), and that should be driven both by growth in the region, as well as by efforts to mitigate the impact of future natural disasters.

Aside from the issues addressed above, there is another notion that we think is worth covering in terms of the macro portion of the story. Generally speaking, Canyon’s project is subject to two separate permitting and associated governance scenarios. The first of these is related to the mineral/placer rights of the project, which essentially address the gold they hope to isolate from the project, and the second is related to the sand and gravel (“non-metallic”) they will gather.

Unlike the U.S., while private Canadian citizens may own the surface rights to their properties, they do not typically own the minerals rights to that land. Conversely, most of the mineral rights in Canada (roughly 90%) are owned by the government, which is often referred to as “Crown Land”. As a result, individuals or other enterprises looking to exploit mineral resources in Canada must first stake a claim or obtain the mineral right by means of an application. Further, once claims are staked, they must be officially registered/recorded in applicable jurisdictions. Thereafter, claims must be maintained by providing certain work requirements each year to keep them in good standing.

Once an individual or entity secures claims to the mineral rights of a particular portion of land, they can proceed to the development and disposition of those minerals. However, mining operations ultimately require applicable permits that are typically administered by provincial governments. Those permits incorporate federal laws regarding minerals and mining, including environmental protection and conservation issues as they affect federal jurisdictions as well as other requirements that may be applied provincially.

As noted by Indigenous Services Canada, the issuing of unconsolidated non-metallic substances permits/leases *“is a complex process that requires the input and participation of several Aboriginal Affairs and Northern Development Canada (“AANDC”) regional staff. The lead role is bestowed to a Regional Land Management Officer. However, some AANDC regions use a Natural Resources Officer in addition to a Land or Environment Officer. The Responsible Officer guides and is guided by First Nations to ensure that the intentions of the First Nations are clearly stated within the actual permit/lease issued”*. [Guidelines for Unconsolidated Non-Metallic Substances on Reserve Land \(Sand and Gravel\) \(sac-isc.gc.ca\)](#).

To edify, Canyon’s “Lot 57” project requires the issuance of separate permits for the extraction of minerals (gold) as well as for unconsolidated non-metallic substances (gravel). The Company indicates that despite a variety of challenges, they *have satisfied* the complex requirements of each of these permits and expects them to be issued shortly. We would add that process includes a royalty agreement they were able to negotiate and complete with First Nations representatives, effectively mitigating any future claims or other legal objections around potential First Nation rights. In our view, the fact that they have the permit “heavy lifting” behind them is an attractive attribute of the project. Moreover, as we understand it, First Nations issues are front and center in this process as well, which makes the fact that they have also put that issue behind them is also favorable. We will provide some color to that.

Recognize, Canada's relationship with and recognition of First Nations is in our view a bit ambiguous. To illustrate the point, we have provided a few excerpts from Canadian government narratives to help illuminate the issued:

From: [building_relationships_with_first_nations_english.pdf \(gov.bc.ca\)](#)

The province (British Columbia) is home to a diversity of indigenous peoples (also known as First Nations or Aboriginal peoples) who have inhabited this land for many generations. As indigenous people were the original occupants of the land, they have certain legal rights (Aboriginal or treaty) that other British Columbians do not have. This shapes the provincial government's relationship with indigenous people – it is a government-to-government relationship where First Nations are rights-holders not stakeholders.

The relationship between the Province and First Nations has evolved to include meaningful consultation with First Nations on Crown actions that impact land and resources and greater opportunities for First Nation participation in social and economic development. The B.C. Government takes an inclusive approach to land and resource management and increasingly seeks First Nations' input into decision making processes. Also, government shares revenues from resource development with First Nations in an effort to stimulate local economies and improve social conditions.

The motivation for a more inclusive approach is, in part, based on government's desire to ensure a stable investment environment that allows business to tap B.C.'s full potential. As the Province develops its relationships with First Nations, companies looking for investment and growth opportunities in British Columbia have important relationships to consider building as well. These relationships include engaging First Nations as part of the Crown's consultation process and perhaps creating business partnerships or opportunities with First Nations that are mutually beneficial. Relationships between many companies and First Nations are evolving – many businesses understand an important component to succeeding in British Columbia is involving First Nations from initial stages of development. The business community is increasingly aware of the role responsible business practices can play in fostering stability for communities and business alike.

Further, from [Consulting with First Nations - Province of British Columbia \(gov.bc.ca\)](#) :

Consulting with First Nations -

“The Province (British Columbia) is legally obligated to consult and accommodate First Nations, where required, on land and resource decisions that could impact their Indigenous Interests. While the Province is responsible for ensuring adequate and appropriate consultation and accommodation, it may involve the proponent in the procedural aspects of consultation.

Also, proponents are generally encouraged to engage with First Nations as early as possible in the planning stages to build relationships and for information sharing purposes that may support consultation processes”.

Again, in our view this is all a bit abstract, however, what is clear to us, with many business pursuits in Canada and/or British Columbia, especially if those pursuits involve natural resources, dealing with First

Nations early, and preferably reaching a mutual agreed upon arrangement, will likely eliminate future issues, and make the process of getting the asset into production less problematic. To reiterate, Canyon **has checked that box** when it comes to Lot 57.

Lastly, there is one additional macro issue that we think is worth reviewing with respect to the gravel industry in Canada.

Recognize, Canyon's resource is different than many of the rock sources throughout British Columbia and more broadly Canada. As noted, Canyon's resource is a gravel bar laid down during floods over 5,000 years, which means the resource is essentially recovered with a loader, sent through a wash plant that cleans it, screened to separate the resource into different sizes of aggregate and then is shipped to its destination based on the size of the aggregate the customer is looking for. That is quite different from the recovery and treatment process required by a more typical rock quarry source.

Generally, rock quarries are open pit operations that require blasting rock from the mountain side, crushing then screening it to its desired size, washing and then shipping it to the customer. Optimally, quarry operators would identify sources as close to end use projects as possible. More times than not, that means sources closer to urban and/or residential areas as possible, because that is where most of the construction (roads, buildings, retail etc.) is going to occur. The trouble is, quarries are noisy, dusty and heavy traffic operations. They are not the type of businesses people want in their neighborhoods.

In addition, quarry operations seem to be creating increasing alarm amongst environmental groups that suggest these activities include a variety of potential environmental hazards that require added regulatory scrutiny. These hazards include issues such as land degradation, erosion, air pollution, water pollution, noise pollution, damage to biodiversity and others. Quarry opposition groups have used various means to attempt to stop or at least delay the permitting of additional quarries in various parts of Canada, and those means have included legal pathways as well as protests and/or other activities aimed at forcing regulators to consider/reconsider particular permits and/or the processes used to authorize them. From a practical standpoint, this sort of opposition is not dissimilar to many environmental dilemmas in that some operations create clear environmental costs, but the benefits from those operations are so necessary that they outweigh those costs. However, as we have seen from the global green movement, many cost/benefit assumptions around legacy processes are being challenged, which has resulted in alternatives to legacy processes.

In the case of gravel operations, one of the "solutions" that seems to be becoming more prevalent is the notion that these operations should be located in proximities where at least some of the typical problems can be mitigated. For instance, noise, dust and traffic can be mitigated by quarries that are further from urban/residential corridors. That direction could result in lower supplies of aggregate and/or higher prices for the same as available aggregate must be shipped further distances adding to costs. Succinctly, we think that environment may provide some relative tailwinds for Canyon's project going forward. Given that their project does not require some of the same processes as a typical quarry (blasting and crushing) and we suspect has a better overall environmental footprint, as well as not being located in or around an urban or residential area, we think Lot 57 could ultimately benefit from some of the impact that environmental scrutiny is bringing to the industry.

Project and Operating Overview

The following description is from the Company's technical report regarding the property. We provide several excerpts from the technical report in this overview which we have denoted with the following: (TR).

Ⓜ The claim is located about 120 km due east of Vancouver in the New Westminster Mining Division of BC, NTS Sheet 092H/06. It covers an approximate area of 168.16 hectares, centered on Union Bar, a level gravel bar on the west bank of the Fraser River approximately 2 km upstream from the town of Hope, B.C. The northern part of the area of interest is Crown Land, the southern part, the site of the recent work is covered by Lot 57 which is privately held by Canyon Gold and Gravel Inc. Elevations across the bar range from 35 to 60 meters with the Fraser River high water level set at 36 metres. After descending the steep mountainside following the exploration access road and crossing the CPR tracks, the topography of the bar is gently sloping. It is covered with relatively dense underbrush, 150cm - 300cm of shallow humus overlying fluvial sand and gravel. The west part of the Placer Lease and Lot 57 is above the flood plain of the Fraser River”.

Illustration 5.



As we noted, the Company intends to generate revenues from 3 primary sources on the property; aggregate sales, gold sales and tolling fees collected from material fill that will replace removed aggregate. The project’s material base is extensive in fact the technical report we noted, estimates that the available aggregate resource is approximately 19 million tonnes down only 60 feet, and perhaps 63,000 ounces (1,500 ounces per year for 80 years = 120,000 ounces) of gold. Recognize, the Company has commissioned a National Instruments 43-101 resource report to better assess/define the potential gold resource. As of this writing that report is not yet available but is expected to be completed soon. Recognize, the valuation matrices we have modeled here have not been prepared with the benefit of that 43-101 information.

To put the above resource estimate into perspective, **Illustration 6** below is from Canada’s **Guidelines for Unconsolidated Non-Metallic Substances on Reserve Land (Sand and Gravel)** and it indicates that per *their* classifications, Canyon’s resource a (relatively) large commercial use sized deposit:

Illustration 6.

Table 1. Deposit size classification and potential use (sand and gravel)

Volume of deposit (m ³)	Suggested uses	Life span (years)	Scale of development project	Affected area (hectares)
1,000 - 10,000	First Nation use	1 - 3	Small road maintenance	<1
10,000 - 100,000	First Nation or commercial use	1 - 5	10 km of basic road construction	1 - 5
100,000 - 1,000,000	Commercial use	5 - 10	Major road construction project, small commercial	5 - 30
1,000,000+	Commercial use	10+	Major commercial development	>30

While the size of the potential resource is considerably larger, the Company is currently permitted to produce 250,000 tonnes per year. However, as we understand it, after the first year of operation the permittee may apply for increased tonnage but that requires additional environmental studies. We believe Canyon has already completed and submitted these environmental studies and will apply to increase their production thresholds after their first year of operation. In that regard, we believe they could be able to increase production in calendar 2025. Consequently, our model/matrix reflects that initial level of annual production but provides iterations that assume higher levels in out years.


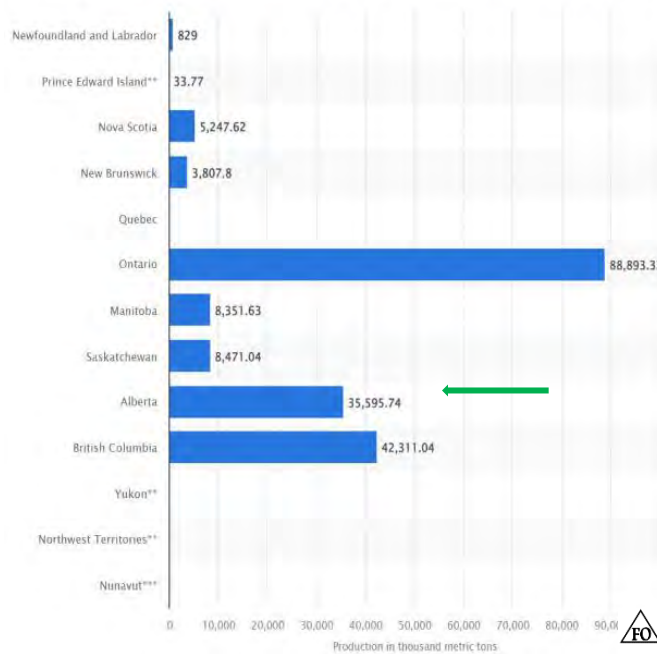
We just provided a reference to the size of the Company’s operation relative to Canada’s applicable classifications of the same. From another perspective, we have provided some information below that is excerpted from a Fairness Opinion that was drafted to address the Founders’ transaction with/into the current company. (We have noted those excerpts with ). That document notes, among other things that in 2021, sand and gravel production in British Columbia was 42.3 million tons. Those data are compiled in **Illustration 7**. Recognize that the Company’s anticipated initial annual production of 250,000 tons, represents a small fraction of that whole (roughly 1/2 of 1%). Further to that point, the Company’s industry consultants believe the Company’s production will be “*easily absorbed by current market demand*”.

Illustration 7.

*Sand and Gravel Production in Canada in 2021, by province (in 1,000 metric tons)**



We are not in a position to argue the merits of that view (“*easily absorbed by current market demand*”), but we have consulted industry experts of our own who have suggested that view is certainly not unreasonable. That brings us to our next point.

To understand the potential demand for Canyon’s product(s), it is probably helpful to understand the advantages and perhaps disadvantages of their product(s). First, Company collateral notes that “*according to the U.S. Geological Survey Mineral Commodity Summary, 75% of the 1.4 billion tons of crushed stone produced in the U.S. was used in construction. Meanwhile, of the almost 1 billion tons of sand and gravel produced, 24% was used in road construction, 12% in asphalt, and 44% in concrete. In Canada, the market is more than C\$2.5 billion and the use of aggregates is similar to that of the U.S. on a percentage basis*”.

Sand and gravel aggregates collectively comprise 60% to 80% of a typical concrete mix, and that mix dictates the characteristics of the concrete including its strength, durability, workability, thermal properties, elasticity, and of course its cost. Ultimately the specific mix of those characteristics are often dictated by the customer. For instance, provincial standards may dictate that concrete for bridges meet standards for strength and durability, while residential concrete professionals may be more concerned about workability and elasticity. Again, those characteristics are often dictated by the aggregates and their portions of the whole.

Recall, Canyon’s source is river rock that has been deposited in layers over years of flooding and receding as well as changes in the direction and flow of the river. As river rock is tumbled and shaped by the rushing water, its surface becomes rounded and smoothed (**Illustration 8**). In contrast, crushed rock is typically sheared and jagged because it is created by taking large rocks and breaking them into smaller pieces (**Illustration 9**).

Illustration 8.



Illustration 9.



As the two illustrations above reflect visually, there is a clear difference between these two products, and we would suggest that the river rock is likely to be more appealing as a decorative or landscaping choice than the crushed rock. That is an important distinction because we believe that while Canyon will certainly market into their products into the large construction markets, we also think they will attempt to develop markets in the decorative/landscape industry because some of their rock (unlike a crushed counterpart) should be amenable to that market. Succinctly, decorative/landscape rock may sell for 5X or 10X the price of industrial aggregate, so we believe they will likely attempt to market into that portion of the aggregate business.

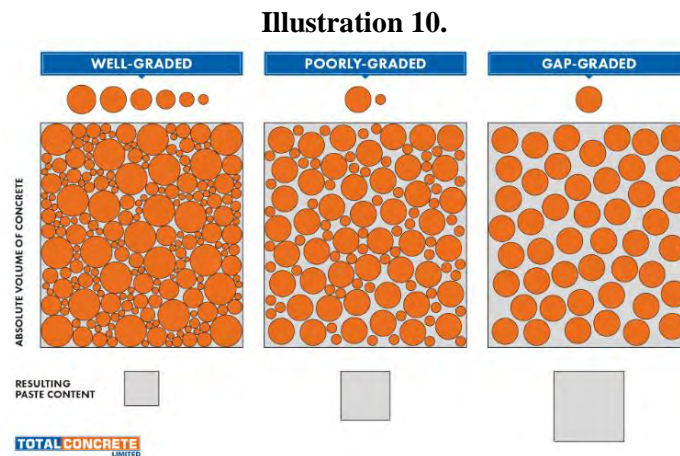
On the industrial/construction side of the business, river rock *sometimes* has both advantages and disadvantages vis-à-vis most crushed rock and the competitive posture of those pros and cons is generally related to the desired customer mix issue we covered above.

First, not all rocks are the same. Some are harder than others, some are heavier than others, some are more porous than others, some are more abundant than others etc. Again, the relative mix of those differences make some rocks better construction and/or concrete aggregate than others. For instance, harder rock (all

other things being equal) should make a road more durable than softer rock. Consequently, some rock sources are better than others.

Second, the value of aggregate is not just determined by its rock type, but also its size and its shape. For instance, some research suggests that because crushed rock has a rougher surface, as well as more angular surfaces, it may create a stronger bond with the cement creating a higher strength. At the same time the smooth surfaces of river rock often may make the concrete more workable, which includes easier to pour. Also, the rounded river rock is sometimes assumed to require less cement, again because the round surfaces may leave fewer voids.

Third, aggregates are generally more effective when they are added to cement in differing sizes. **Illustration 10** below from <https://www.totalconcrete.co.uk/news/what-is-aggregate-and-why-is-it-used-in-concrete/>, reflects the more efficient spacing provided by varying aggregate sizes, which improves strength, and as the illustration depicts, reduces the amount of cement (“paste”) required thus lowering costs.



To summarize a bit, given the above nuances to aggregate characteristics, our industry sources tell us that in terms of overall “performance” they believe Canyon’s resource should prove to be, as the Company has suggested, quite competitive with other sources including those from quarry/crushing operations for industrial and construction markets and that includes different sized aggregates to achieve the improved grading illustrated above. Moreover, as we also covered above, we think they may also be able to address landscaping/decorative markets where margins could be markedly more attractive. To that end, we would add that the Company recently acquired an additional property that we are not including in our model matrix. As we understand it, this property largely contains decorative flagstone like that in **Illustration 11**, and we believe they have provided some of the product to prospective customers. We think that acquisition provides additional support to our sense that the Company will ultimately seek to brand and provide products into the higher margin landscaping/decorative space.



To reiterate, we believe the Company’s product(s) should prove quite competitive from a quality standpoint, and we also believe that they should have some processing cost advantages over some quarry competitors in terms of processing, crushing etc. That said, we submit that a measurable portion of their success will likely rest on their proximity to projects and as such the comparative advantages that proximity provides in terms of transportation and related issues.

As we alluded to above, we have attempted to model the business around some of the assumptions the Company has provided us with, and we will cover some of those assumptions below. We have in turn used that framework to develop a set of matrices that attempt to derive fair valuations of the Company given a handful of what we view as cogent variables, and differing iterations of those variables. (It sounds more complicated than it is.)

Here are some of the cogent variables that we think will determine the Company's success or failure.

Currently, the Company's three anticipated revenue streams are the sale of aggregates, the sale of gold as a byproduct of the aggregate extraction, and the collection of fees from parties disposing of inert natural materials (rock, soil, yard waste etc.)

- **Aggregate Sales**

As we stated previously, the Company's permit allows them to process 250,000 tonnes of aggregate per year. Our model assumes a January 1, 2023 start, which could prove aggressive, although we are also assuming an eventual ramp to the 250,000 tonne annual run rate. Clearly their ability to produce and sell this amount of aggregate is one of our "cogent" variables. Keep in mind, we believe they will ultimately seek to increase this production profile, so production levels are one of the variable inputs we have included in our matrix iterations. River gravel is in short supply and a diminishing resource In the Fraser Valley. Derek Holmes, Canyon's well respected mines expert says, "Canyons 250,000 tonnes will be easily absorbed."

We submit, aggregate pricing could be volatile until the Company is able to create established customer and/or project relationships. Further, pricing around market supply and demand forces may also lead to pricing volatility, and that could include changing demand profiles for one type of aggregate versus another. Our comment regarding "established...relationships", underlies this notion, as we suspect they would like to engage at least some longer-term contractual arrangements with stated delivery and pricing thresholds to smooth overall product demand. Regardless, like production amounts, pricing is another of the variable inputs we are using to generate our various valuation matrices and those assumed thresholds are referenced in the matrix iterations. We would add, while our modeling includes multiple eventual products with varying contributions to product mix and varying pricing and margin assumptions, for the sake of the matrix presentations in this document, we have assumed a single product. To edify, the Company will almost certainly sell various products (different sized aggregates, sand, decorative/landscaping rock etc.) and they will all likely be priced differently.

- **Gold Sales**

As we stated prior, the Company is in the process of having a 43-101 resource/reserve estimate prepared by a third party that should help delineate the potential gold credits of the project. However, random excavator testing on the property in 2022 was done by Sepro Labs where they confirmed gold availability at 99.8 % recovery and as they stated a minable property. Our model provides for these inputs, but we have not included them in the matrix iterations. Rather, we have provided some additional analysis to help frame the potential contribution from various gold yields (grades) and assumed gold prices from historic records.

- **Tolling Fees**

The modeling and associated matrices include assumptions around tolling tonnage as well as tolling pricing. Here again, the matrices include various levels of each, which we have noted respectively. We would add,

our recent discussions with management suggest that tolling fees are currently more robust than some of *their* original modeling assumed. For example, tipping fees have jumped from \$80 per load to \$180 per load in one year.

Cost of Goods

As the management profiles below reflect, the Company’s two founders are Peter Osha and Brian Hauff. Mr. Osha ‘s experience and expertise is in the operation of aggregate deposits, and the Company has contracted with Mr. Osha’s Company to fully operate the property for a flat rate (C\$10 per tonne). The Company believes this rate is significantly lower than market prices would otherwise demand. They also note that Mr. Osha, along with Mr. Hauff are substantial and controlling shareholders of the Company and as such part of Mr. Osha’s motivation in engaging a below market contract with the Company is tied to his equity interest in the enterprise. Our modeling and associated matrices have assumed these costs on a per tonne of production basis.

Operating Expenses

The Company has provided some guidance on Operating Expense line items as well, and we have largely assumed those in our model. Clearly, since they are pre-operations at this writing but will be transitioning to operations shortly, we have no relevant past Opex numbers to extrapolate from. That said, we think the Operating numbers we are assuming are reasonable given what we perceive to be the size and applicable activities if the business. We would add, the Company has provided some additional guidance through their Use- of-Proceeds information that we think addresses some startup Opex, which we have also worked into our model.

Capitalization

As we covered in the opening overview of this document, the Company has completed a transaction with the founders effectively swapping the project as assets owned by the Founders in exchange for all the outstanding shares of the Company. Subsequently, the Company completed a seed round of financing at C\$.10 per share and is currently finishing a second round (the “RTO” round) at C\$.15, which implies a post money valuation of C\$21.75 million. As the chart below suggests, they are contemplating an addition (“flow-through”) round at C\$.25, which should concur with their entre into the public markets. That round implies a future post money value of C\$37.75 million. We have assumed this capitalization in our modeling and associated valuation analysis.

Illustration 11.

Breakdown of current and proposed future share structure.

Shareholders	Share Total	Funds Raised
Peter Osha, Chairman and President	60,000,000	Founder’s Shares*
Brian L Hauff, CEO and Managing Director	50,000,000	Founder’s Shares*
Round 1 Financing – Seed Shares @ \$0.10	15,000,000	\$ 1,500,000
Round 2 Financing – RTO Shares @ \$0.15 (live)	20,000,000	\$ 3,000,000
Round 3 Financing – Flow-Through Shares @ \$0.25 (future round)	6,000,000	\$ 1,500,000
Total Amounts	151,000,000	\$ 6,000,000

* Founders shares were issued for transferring fee-simple property, gravel rights, placer gold rights, and operating expenses based on valuation report. Founders shares will be escrowed.

Management Overview

Peter Osha – Chairman & President

Peter has owned, managed and operated all aspects of construction operations including: mining, placer gold, gravel, road building and timber harvesting. With over 30 years experience in these fields, Peter will run and manage all phases of the company's day to day site operations.

Brian L. Hauff, BA Hon Ecom, LLB, JD – Managing Director & CEO

Brian has over 30 years' experience in public and private markets, real estate investment and development, as well as finance. His responsibilities are management oversight, audit and legal compliance for the public listing and financing.

Derek Anderson – Executive Vice President

For the past decade, Derek has been president of a consulting firm in Vancouver, Canada. The firm is engaged in project finance with a focus on capital structure and allocation – for a range of industries, including land and resource development, technology, cannabis and infrastructure.

Muhammad Memon, CPA, CGA, FCCA – CFO & Corporate Secretary

Muhammad has over 10 years of experience in managing finance and compliance functions of public companies in various sectors including mining, investment management, real estate, and technology. He is a member of the Chartered Professional Accountants of Canada and a fellow of the Association of Chartered Certified Accountants, United Kingdom.

Kiki Smith, CPA, CGA – Senior Corporate Administrator

Kiki has over 20 years of experience assisting private and public companies in the roles of Corporate Controller in mining, oil and gas, real estate, high technology, food production and investment fund management. She currently provides consulting services in mergers and acquisitions, financial reporting and regulatory compliance to several public and private companies in various sectors.

Anna Gou – Independent Director

Anna is VP of Pacific Rim Real Estate Holdings Corp. and has over 25 years of marketing and management experience in China and Canada. She also has an extensive and diverse work background in the IT and Real Estate industry. She is currently on the Board of Directors for several companies where she oversees company growth and investor relations. Anna received her MBA in Finance and Marketing from Oklahoma City University in 2005.

Robert A. Millar, B.Ed, LLB, JD – Legal Council & Independent Director

Robert has over 25 years experience working as a senior commercial lawyer, most recently with Fasken's Law in their Vancouver office. He is invaluable in the structuring of Canyon Gold & Gravel's corporate affairs. Robert is sought-after by lending institutions for his expertise in the area of commercial, creditor and debtor litigation, receiverships, foreclosures and restructuring.

Ullrich Schade – Branding and Marketing Communications

Ullrich has worked as an art director and creative director for national advertising agencies in Toronto and Vancouver Canada. For over 25 years, he has created successful marketing and branding campaigns for regional and international public companies. His major successes include branding five publicly traded unicorns. Ullrich has been a director and president of numerous industry organizations, and several public companies.

Steve Graham, PhD Eng.P, Geol. APLG, LHD, LEG, S. Graham Engineering and Geological Consultants. Registrations: British Columbia, Washington State, Alberta, Ontario. University: PhD., Environmental Engineering, John Hopkins, PhD. Civil (hydraulic) Engineering, University of Florida (ABD), APEO, BA

(Hon), Geology/ Physical Geography, McGill University. Since 1971 Steve has been highly sought after as a professional by private corporations, governments, First Nations, and public companies for contaminated sites, real estate development, mining and mineral processing, government study's, hydroelectric, oil and gas pipelines, and marine ports and harbors. He is recognized as a superior report writer with vast hands on experience.

Derek Holmes, B.Sc, MBA, P.Chem

Mine Consultants and Permits, Holmes Mining Consultants Derek has vast experience in Aggregates, Mining Permits, Project Feasibility and Management and is involved in all aspects of the company's pre-production and production activities. Derek leads the marketing team who are actively developing sales contracts for the company's gravel products.

Linus Antanavicius, J.D., LL.M. – Public Company Legal Counsel

Linus has been practicing securities law for over 15 years. He has represented and advised public and private companies, law firms and individuals on a variety of matters in the areas of corporate, securities, and civil litigation. His primary area of focus is securities, corporate, and regulatory law working with the Canadian Securities Exchange and the Toronto Stock Exchange and Venture Exchange.

Risks and Caveats

While we have presented several positive elements to Canyon and its project(s), like many early-stage ventures, the Company also entails risks that we think should be illuminated.

Canyon is dependent on the guidance and contributions of a small group of individuals, most notably Founders Peter Osha and Brian Hauff. Their absence and/or departures could have a materially adverse impact on the Company.

As we noted, the Company is waiting on the permits necessary for them to commence production. They believe they have satisfied and presented all the requirements necessary for the granting of these permits. However, in our view until they are received/recorder their absence remains a risk.

Our analysis assumes that demand from aggregates like those Canyon intends to sell will remain relatively stable and/or will continue to experience modest growth going forward. The precarious nature of the current economic environment could adversely impact those assumptions. If the Canadian economy were to experience a recession in the coming quarters, especially a deep and and/or extended recession, it would likely have a negative impact on the Company. In a similar context, an extension of the current inflationary environment would likely also create marked challenges for the Company.

The Company may face competition from companies that are better capitalized and/or better economically positioned than themselves. Further, they may also have to compete with enterprises with well established and deep relationships in the areas and industries they intend to address. In our experience, those types of relationships can be difficult to overcome

Given the nature of the project (a riverbed) we believe the Company's resource should be relatively consistent across the area. That may not be the case, which could compromise the accuracy of the assumptions regarding the size and the quality of the resource. That may be especially true of any anticipated gold credits.

While the Company has completed much of the preproduction development of the property, there is still further work and equipment required to get them to commercialization. Their ability to add all those pieces

will likely depend on their ability to continue to raise capital in an environment where that is particularly difficult. There is no assurance that they will be able to attract additional capital at anticipated prices or perhaps at all in the near or intermediate terms.

The Company intends to be publicly traded in the first quarter of calendar 2023. That may or may not have happened, and if it does not it will likely negatively impact the liquidity options of shareholders. Further, there is no assurance that a public event will considerably enhance liquidity either.

These are just some of the more apparent risks we see. There are likely others we have either overlooked or are not apparent at this time.

Valuation Matrices

The following pages include a series of matrices. Each matrix includes a set of variables that we have defined in the heading of each matrix. The variables include inputs that will impact Canyon's success going forward. Those inputs include the following.

Forward Production Levels. The permitting the Company is waiting on allows them to produce 250,000 tonnes of aggregate per year. However, following their first year of operation, they can increase that amount given certain requirements, many of which they have already addressed. As a result, we have provided a set of matrices that include constant year-over-year production of 250,000 tonnes of aggregate, and others assuming 350,000 tonnes of aggregate. Obviously, if they can sell 350,000 tonnes of aggregate on an annual basis, the Company will be worth more than if they sell 250,000 tonnes. Further, recognize the 350,000 tonnes of "future production" is an arbitrary number. That is, they could ultimately end up producing over 350,000 tonnes on an annual basis. We believe that their eventual annual level of production provides one of the open ends of Canyon's (larger) potential.

Aggregate Prices. Clearly, the price the Company receives for their aggregate will be an important factor in their success. As we sit today, we think the Company believes they can get an average of CAN \$24 per tonne for the various sizes/types of aggregate they intend to sell. The intent of providing these various matrices is to illustrate the sensitivity of the changes of these inputs on the fair value of the Company. Notice, we have cast some of the matrices with constant assumed pricing of \$20 per tonne, which we believe is below what the Company expects to get for the aggregate. We have used that (lesser) level of pricing in the vein of conservatism more than anything. We would add, while nobody knows for sure what Canyon will be able to sell their aggregate for over time, our discussions with our own industry contacts lead us to believe that blended aggregate pricing assumptions of \$24 or perhaps even higher, while not ironclad, are also not unreasonable. Again, providing a matrix of a spectrum of pricing variables is part of the value of this exercise.

Tipping Fees. Frankly, tipping fees may be the best wildcard in the story as it represents an opportunity for the Company to generate revenue for simply filling up the holes they create extracting aggregate. As we see it, they represent a nearly pure margin revenue stream. Here again, we have had some discussion about this portion of the business with people who know the industry far better than we do, and their general view is that finding places to dispose of even natural waste such as that which Canyon will be accepting, is becoming more difficult and as a result, more expensive. Some of the matrices below include varying tipping fee assumptions, while others assume a constant tipping fee of CAN \$4 per tonne. As with our constant \$20 aggregate pricing assumptions, our sense is that \$4 per tonne may be conservative, as we think the Company believes this number today is likely in excess of \$8 per tonne. To reiterate that is the value of sensitivity analysis.

Gold Production. The Company believes they will capture gold from their aggregate extraction, and they have several reasons to believe that to be the case, however, as of this writing they do not have a 43-101 to support the breadth of that view. They will have that shortly. Consequently, our approach here is to provide matrices that assume they will have *no gold* production, as well as others that assume varying levels of

sensitivity to corresponding valuations. We would add, for those familiar with gold projects, the assumed concentrations (“grade”) of gold they intend to capture is quite modest comparatively, although we submit, we have not analyzed many placer projects so that opinion may lack context.

Discount Rates. The last remaining variable we have included in the matrices is discount rate(s). As our readers are familiar, our typical approach to valuation and/or price targets as it relates to our research on public companies, is heavily weighted on simple Discounted Cash Flow and corresponding Net Present Value methodologies. In theory, the appropriate discount rate to apply to a Company would be their Weighted Average Cost of Capital. While computing the cost of debt is straightforward, small companies tend to have to rely on their equity for financing (as opposed to debt) and that analysis is rooted in financial theory that generally boils down to the more potentially volatile of those returns (often expressed as “beta”), the more risk associated with the Company, so the higher the appropriate discount rate. It is hardly an exact science. That said, our coverage is generally restricted to small and/or early-stage enterprises, where cash flow is often unestablished making visibility poor, and by extension risk and appropriate discount rates high. The above noted, we have provided 3 different discounts rates with each matrix set, a 10% discount rate, a 15% discount rate and a 20% discount rate. As a (very) general rule 10% rates are typical for public equity, 15% for private company equity and for equities with higher risk profiles higher discounts rates (20%+) are common. With respect to Canyon, as with the other variables, we have provided multiple iterations to reflect the relative volatility between different mixes of inputs. The discount rates provide similar volatility from one rate to the next. For a variety of reasons, we tend to think the appropriate discount at this stage of Canyon’s development is probably in the 15% to 20% range to reflect the risks associated with lack of visibility in several important inputs. However, for iterations that eliminate certain input contributions altogether, (the NO GOLD SALES matrices for instance), lower discount rates are likely appropriate because they have already discounted any contribution from those variables. Also, as milestones are reached and visibility improves (for instance, permits in hand, first sales, 43-101), we would argue that lower discount rates would then be appropriate.

Lastly, in each matrix we have highlighted boxes in **ORANGE** that we think represent our most comfortable “guess” of the appropriate valuation based on the relevant inputs of each. Also, Matrices 13, 14 & 15 represent what believe to be the Company’s current view regarding where they see these levels of variables unfolding. Further, each of these boxes represents the implied Fair Value of Canyon shares *today* based on each variable mix. In that regard, keep in mind the Company’s current raise is priced at CAN \$.15, and they anticipate the next round will be done at CAN \$.25.

Matrix Iteration #1											
Variables:											
1). Constant year-over year Production of 250,000 tonnes Per Year											
2). Aggregate Pricing per Tonne (Horizontal Axis)											
3). Tipping Fees Per Tonne (Assumed 80% tipping Tonnes to Aggregate Tonnes)											
4). Assume NO GOLD SALES											
Cell Valuations Represent Our Conclusions of Fair Value (per share) using NPV and Associated DCF Methodologies and a Discount Rate of 10%											
Aggregate Pricing CAN\$		\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00	\$ 22.00	\$ 24.00	\$ 26.00	\$ 28.00	\$ 30.00
Tippings Fees CAN\$	\$ -	\$ 0.01	\$ 0.03	\$ 0.06	\$ 0.09	\$ 0.12	\$ 0.15	\$ 0.17	\$ 0.20	\$ 0.23	\$ 0.26
	\$ 2.00	\$ 0.03	\$ 0.05	\$ 0.08	\$ 0.11	\$ 0.14	\$ 0.17	\$ 0.19	\$ 0.22	\$ 0.25	\$ 0.28
	\$ 4.00	\$ 0.05	\$ 0.08	\$ 0.10	\$ 0.13	\$ 0.16	\$ 0.19	\$ 0.22	\$ 0.24	\$ 0.27	\$ 0.30
	\$ 6.00	\$ 0.07	\$ 0.10	\$ 0.12	\$ 0.15	\$ 0.18	\$ 0.21	\$ 0.24	\$ 0.26	\$ 0.29	\$ 0.32
	\$ 8.00	\$ 0.09	\$ 0.12	\$ 0.15	\$ 0.17	\$ 0.20	\$ 0.23	\$ 0.26	\$ 0.29	\$ 0.31	\$ 0.34
	\$ 10.00	\$ 0.11	\$ 0.14	\$ 0.17	\$ 0.19	\$ 0.22	\$ 0.25	\$ 0.28	\$ 0.31	\$ 0.33	\$ 0.36
	\$ 12.00	\$ 0.13	\$ 0.16	\$ 0.19	\$ 0.21	\$ 0.24	\$ 0.27	\$ 0.30	\$ 0.33	\$ 0.36	\$ 0.38
Matrix Iteration #2											
Variables:											
1). Constant year-over year Production of 250,000 tonnes Per Year											
2). Aggregate Pricing per Tonne (Horizontal Axis)											
3). Tipping Fees Per Tonne (Assumed 80% tipping Tonnes to Aggregate Tonnes)											
4). Assume NO GOLD SALES											
Cell Valuations Represent Our Conclusions of Fair Value (per share) using NPV and Associated DCF Methodologies and a Discount Rate of 15%											
Aggregate Pricing CAN\$		\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00	\$ 22.00	\$ 24.00	\$ 26.00	\$ 28.00	\$ 30.00
Tippings Fees CAN\$	\$ -	\$ -	\$ 0.02	\$ 0.04	\$ 0.06	\$ 0.08	\$ 0.10	\$ 0.12	\$ 0.13	\$ 0.15	\$ 0.17
	\$ 2.00	\$ 0.02	\$ 0.04	\$ 0.06	\$ 0.07	\$ 0.09	\$ 0.11	\$ 0.13	\$ 0.15	\$ 0.17	\$ 0.19
	\$ 4.00	\$ 0.03	\$ 0.05	\$ 0.07	\$ 0.09	\$ 0.11	\$ 0.13	\$ 0.14	\$ 0.16	\$ 0.18	\$ 0.20
	\$ 6.00	\$ 0.05	\$ 0.06	\$ 0.08	\$ 0.10	\$ 0.12	\$ 0.14	\$ 0.16	\$ 0.18	\$ 0.20	\$ 0.21
	\$ 8.00	\$ 0.06	\$ 0.08	\$ 0.10	\$ 0.12	\$ 0.13	\$ 0.15	\$ 0.17	\$ 0.19	\$ 0.21	\$ 0.23
	\$ 10.00	\$ 0.07	\$ 0.09	\$ 0.11	\$ 0.13	\$ 0.15	\$ 0.17	\$ 0.19	\$ 0.20	\$ 0.22	\$ 0.24
	\$ 12.00	\$ 0.09	\$ 0.11	\$ 0.13	\$ 0.14	\$ 0.16	\$ 0.18	\$ 0.20	\$ 0.22	\$ 0.24	\$ 0.26
Matrix Iteration #3											
Variables:											
1). Constant year-over year Production of 250,000 tonnes Per Year											
2). Aggregate Pricing per Tonne (Horizontal Axis)											
3). Tipping Fees Per Tonne (Assumed 80% tipping Tonnes to Aggregate Tonnes)											
4). Assume NO GOLD SALES											
Cell Valuations Represent Our Conclusions of Fair Value (per share) using NPV and Associated DCF Methodologies and a Discount Rate of 20%											
Aggregate Pricing CAN\$		\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00	\$ 22.00	\$ 24.00	\$ 26.00	\$ 28.00	\$ 30.00
Tippings Fees CAN\$	\$ -	\$ -	\$ 0.02	\$ 0.03	\$ 0.04	\$ 0.06	\$ 0.07	\$ 0.09	\$ 0.10	\$ 0.11	\$ 0.13
	\$ 2.00	\$ 0.01	\$ 0.03	\$ 0.04	\$ 0.06	\$ 0.07	\$ 0.08	\$ 0.10	\$ 0.11	\$ 0.12	\$ 0.14
	\$ 4.00	\$ 0.02	\$ 0.04	\$ 0.05	\$ 0.07	\$ 0.08	\$ 0.09	\$ 0.11	\$ 0.12	\$ 0.14	\$ 0.15
	\$ 6.00	\$ 0.03	\$ 0.05	\$ 0.06	\$ 0.08	\$ 0.09	\$ 0.10	\$ 0.12	\$ 0.13	\$ 0.15	\$ 0.16
	\$ 8.00	\$ 0.04	\$ 0.06	\$ 0.07	\$ 0.09	\$ 0.10	\$ 0.11	\$ 0.13	\$ 0.14	\$ 0.16	\$ 0.17
	\$ 10.00	\$ 0.06	\$ 0.07	\$ 0.08	\$ 0.10	\$ 0.11	\$ 0.12	\$ 0.14	\$ 0.15	\$ 0.17	\$ 0.18
	\$ 12.00	\$ 0.07	\$ 0.08	\$ 0.09	\$ 0.11	\$ 0.12	\$ 0.14	\$ 0.15	\$ 0.16	\$ 0.18	\$ 0.19

Matrix Iteration #4												
Variables:												
1). Initial Production of 250,000 tonnes thru 2024 and 350,000 Tonnes Thereafter												
2). Aggregate Pricing per Tonne (Horizontal Axis)												
3). Tipping Fees Per Tonne (Assumed 80% tipping Tonnes to Aggregate Tonnes)												
4). Assume NO GOLD SALES												
Cell Valuations Represent Our Conclusions of Fair Value (per share) using NPV and Associated DCF Methodologies and a Discount Rate of 10%												
Aggregate Pricing CAN\$		\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00	\$ 22.00	\$ 24.00	\$ 26.00	\$ 28.00	\$ 30.00	
Tippings Fees CAN\$	\$ -	\$ 0.01	\$ 0.05	\$ 0.09	\$ 0.13	\$ 0.16	\$ 0.20	\$ 0.24	\$ 0.28	\$ 0.31	\$ 0.35	
	\$ 2.00	\$ 0.04	\$ 0.08	\$ 0.12	\$ 0.15	\$ 0.19	\$ 0.23	\$ 0.27	\$ 0.30	\$ 0.34	\$ 0.38	
	\$ 4.00	\$ 0.07	\$ 0.11	\$ 0.14	\$ 0.18	\$ 0.22	\$ 0.26	\$ 0.29	\$ 0.33	\$ 0.37	\$ 0.41	
	\$ 6.00	\$ 0.10	\$ 0.13	\$ 0.17	\$ 0.21	\$ 0.25	\$ 0.28	\$ 0.32	\$ 0.36	\$ 0.40	\$ 0.43	
	\$ 8.00	\$ 0.12	\$ 0.16	\$ 0.20	\$ 0.24	\$ 0.27	\$ 0.31	\$ 0.35	\$ 0.39	\$ 0.43	\$ 0.46	
	\$ 10.00	\$ 0.15	\$ 0.19	\$ 0.23	\$ 0.27	\$ 0.30	\$ 0.34	\$ 0.38	\$ 0.42	\$ 0.45	\$ 0.49	
	\$ 12.00	\$ 0.18	\$ 0.22	\$ 0.26	\$ 0.29	\$ 0.33	\$ 0.37	\$ 0.41	\$ 0.44	\$ 0.48	\$ 0.52	
Matrix Iteration #5												
Variables:												
1). Constant year-over year Production of 250,000 tonnes Per Year												
2). Aggregate Pricing per Tonne (Horizontal Axis)												
3). Tipping Fees Per Tonne (Assumed 80% tipping Tonnes to Aggregate Tonnes)												
4). Assume NO GOLD SALES												
Cell Valuations Represent Our Conclusions of Fair Value (per share) using NPV and Associated DCF Methodologies and a Discount Rate of 15%												
Aggregate Pricing CAN\$		\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00	\$ 22.00	\$ 24.00	\$ 26.00	\$ 28.00	\$ 30.00	
Tippings Fees CAN\$	\$ -	\$ 0.01	\$ 0.04	\$ 0.06	\$ 0.09	\$ 0.11	\$ 0.14	\$ 0.17	\$ 0.19	\$ 0.22	\$ 0.25	
	\$ 2.00	\$ 0.03	\$ 0.06	\$ 0.08	\$ 0.13	\$ 0.13	\$ 0.16	\$ 0.19	\$ 0.21	\$ 0.24	\$ 0.26	
	\$ 4.00	\$ 0.05	\$ 0.07	\$ 0.10	\$ 0.13	\$ 0.15	\$ 0.18	\$ 0.21	\$ 0.23	\$ 0.26	\$ 0.28	
	\$ 6.00	\$ 0.07	\$ 0.09	\$ 0.12	\$ 0.15	\$ 0.17	\$ 0.20	\$ 0.23	\$ 0.25	\$ 0.28	\$ 0.30	
	\$ 8.00	\$ 0.09	\$ 0.11	\$ 0.14	\$ 0.17	\$ 0.19	\$ 0.22	\$ 0.25	\$ 0.27	\$ 0.30	\$ 0.32	
	\$ 10.00	\$ 0.11	\$ 0.13	\$ 0.16	\$ 0.19	\$ 0.21	\$ 0.24	\$ 0.26	\$ 0.29	\$ 0.32	\$ 0.34	
	\$ 12.00	\$ 0.13	\$ 0.15	\$ 0.18	\$ 0.21	\$ 0.23	\$ 0.26	\$ 0.28	\$ 0.31	\$ 0.34	\$ 0.36	
Matrix Iteration #6												
Variables:												
1). Constant year-over year Production of 250,000 tonnes Per Year												
2). Aggregate Pricing per Tonne (Horizontal Axis)												
3). Tipping Fees Per Tonne (Assumed 80% tipping Tonnes to Aggregate Tonnes)												
4). Assume NO GOLD SALES												
Cell Valuations Represent Our Conclusions of Fair Value (per share) using NPV and Associated DCF Methodologies and a Discount Rate of 20%												
Aggregate Pricing CAN\$		\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	\$ 20.00	\$ 22.00	\$ 24.00	\$ 26.00	\$ 28.00	\$ 30.00	
Tippings Fees CAN\$	\$ -	\$ 0.01	\$ 0.03	\$ 0.05	\$ 0.07	\$ 0.08	\$ 0.10	\$ 0.12	\$ 0.14	\$ 0.16	\$ 0.18	
	\$ 2.00	\$ 0.02	\$ 0.04	\$ 0.06	\$ 0.08	\$ 0.10	\$ 0.12	\$ 0.14	\$ 0.16	\$ 0.18	\$ 0.20	
	\$ 4.00	\$ 0.04	\$ 0.06	\$ 0.08	\$ 0.09	\$ 0.11	\$ 0.13	\$ 0.15	\$ 0.17	\$ 0.19	\$ 0.21	
	\$ 6.00	\$ 0.05	\$ 0.07	\$ 0.09	\$ 0.11	\$ 0.13	\$ 0.15	\$ 0.17	\$ 0.19	\$ 0.21	\$ 0.23	
	\$ 8.00	\$ 0.07	\$ 0.08	\$ 0.10	\$ 0.12	\$ 0.14	\$ 0.16	\$ 0.18	\$ 0.20	\$ 0.22	\$ 0.24	
	\$ 10.00	\$ 0.08	\$ 0.10	\$ 0.12	\$ 0.14	\$ 0.16	\$ 0.18	\$ 0.20	\$ 0.22	\$ 0.24	\$ 0.26	
	\$ 12.00	\$ 0.09	\$ 0.11	\$ 0.13	\$ 0.15	\$ 0.17	\$ 0.19	\$ 0.21	\$ 0.23	\$ 0.25	\$ 0.27	

Matrix Iteration #7

Variables:

- 1). Initial Production of 250,000 tonnes thru 2024 and 350,000 Tonnes Thereafter
- 2). Grams of Gold Per Tonne (Horizontal Axis)
- 3). Price of Gold Per Ounce CAN\$ (Vertical Axis)
- 4). Assume Aggregate prices of \$20 per Tonne & Tipping Fees of \$4 per Tonne

Cell Valuations Represent Our Conclusions of Fair Value (per share) using NPV and Associated DCF Methodologies and a Discount Rate of **10%**

Grams of Gold Per Tonne		0.10	0.12	0.14	0.16	0.18	0.20	0.22	0.24	0.26	0.28
Gold Price Per Ounce CAN\$	\$ 1,600	\$ 0.31	\$ 0.32	\$ 0.34	\$ 0.36	\$ 0.37	\$ 0.39	\$ 0.41	\$ 0.43	\$ 0.44	\$ 0.46
	\$ 1,800	\$ 0.32	\$ 0.34	\$ 0.36	\$ 0.37	\$ 0.39	\$ 0.41	\$ 0.43	\$ 0.45	\$ 0.47	\$ 0.49
(\$2000 Canadian is Approximately \$1460 per ounce U.S.)	\$ 2,000	\$ 0.33	\$ 0.35	\$ 0.37	\$ 0.39	\$ 0.41	\$ 0.44	\$ 0.46	\$ 0.48	\$ 0.50	\$ 0.52
	\$ 2,200	\$ 0.34	\$ 0.36	\$ 0.39	\$ 0.41	\$ 0.43	\$ 0.46	\$ 0.48	\$ 0.50	\$ 0.53	\$ 0.55
(\$2400 Canadian is Approximately \$1752 per ounce U.S.)	\$ 2,400	\$ 0.35	\$ 0.37	\$ 0.40	\$ 0.43	\$ 0.45	\$ 0.48	\$ 0.50	\$ 0.53	\$ 0.56	\$ 0.58
	\$ 2,600	\$ 0.36	\$ 0.39	\$ 0.42	\$ 0.44	\$ 0.47	\$ 0.50	\$ 0.53	\$ 0.56	\$ 0.58	\$ 0.61
(\$2800 Canadian is Approximately \$2044 per ounce U.S.)	\$ 2,800	\$ 0.37	\$ 0.40	\$ 0.43	\$ 0.46	\$ 0.49	\$ 0.52	\$ 0.55	\$ 0.58	\$ 0.61	\$ 0.64

Matrix Iteration #8

Variables:

- 1). Initial Production of 250,000 tonnes thru 2024 and 350,000 Tonnes Thereafter
- 2). Grams of Gold Per Tonne (Horizontal Axis)
- 3). Price of Gold Per Ounce CAN\$ (Vertical Axis)
- 4). Assume Aggregate prices of \$20 per Tonne & Tipping Fees of \$4 per Tonne

Cell Valuations Represent Our Conclusions of Fair Value (per share) using NPV and Associated DCF Methodologies and a Discount Rate of **15%**

Aggregate Pricing CAN\$		0.10	0.12	0.14	0.16	0.18	0.20	0.22	0.24	0.26	0.28
Tippings Fees CAN\$	\$ 1,600	\$ 0.22	\$ 0.23	\$ 0.24	\$ 0.26	\$ 0.27	\$ 0.28	\$ 0.29	\$ 0.31	\$ 0.32	\$ 0.33
	\$ 1,800	\$ 0.22	\$ 0.24	\$ 0.25	\$ 0.27	\$ 0.28	\$ 0.30	\$ 0.31	\$ 0.32	\$ 0.34	\$ 0.35
(\$2000 Canadian is Approximately \$1460 per ounce U.S.)	\$ 2,000	\$ 0.23	\$ 0.25	\$ 0.26	\$ 0.28	\$ 0.30	\$ 0.31	\$ 0.33	\$ 0.34	\$ 0.36	\$ 0.38
	\$ 2,200	\$ 0.24	\$ 0.26	\$ 0.28	\$ 0.29	\$ 0.31	\$ 0.33	\$ 0.35	\$ 0.36	\$ 0.38	\$ 0.40
(\$2400 Canadian is Approximately \$1752 per ounce U.S.)	\$ 2,400	\$ 0.25	\$ 0.27	\$ 0.29	\$ 0.31	\$ 0.32	\$ 0.34	\$ 0.36	\$ 0.38	\$ 0.40	\$ 0.42
	\$ 2,600	\$ 0.26	\$ 0.28	\$ 0.30	\$ 0.32	\$ 0.34	\$ 0.36	\$ 0.38	\$ 0.40	\$ 0.42	\$ 0.44
(\$2800 Canadian is Approximately \$2044 per ounce U.S.)	\$ 2,800	\$ 0.26	\$ 0.29	\$ 0.31	\$ 0.33	\$ 0.35	\$ 0.38	\$ 0.40	\$ 0.42	\$ 0.44	\$ 0.46

Matrix Iteration #9

Variables:

- 1). Initial Production of 250,000 tonnes thru 2024 and 350,000 Tonnes Thereafter
- 2). Grams of Gold Per Tonne (Horizontal Axis)
- 3). Price of Gold Per Ounce CAN\$ (Vertical Axis)
- 4). Assume Aggregate prices of \$20 per Tonne & Tipping Fees of \$4 per Tonne

Cell Valuations Represent Our Conclusions of Fair Value (per share) using NPV and Associated DCF Methodologies and a Discount Rate of **20%**

Aggregate Pricing CAN\$		0.10	0.12	0.14	0.16	0.18	0.20	0.22	0.24	0.26	0.28
Tippings Fees CAN\$	\$ 1,600	\$ 0.16	\$ 0.17	\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.22	\$ 0.23	\$ 0.24	\$ 0.25
	\$ 1,800	\$ 0.17	\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.22	\$ 0.23	\$ 0.24	\$ 0.25	\$ 0.26
(\$2000 Canadian is Approximately \$1460 per ounce U.S.)	\$ 2,000	\$ 0.17	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.22	\$ 0.23	\$ 0.24	\$ 0.26	\$ 0.27	\$ 0.28
	\$ 2,200	\$ 0.18	\$ 0.19	\$ 0.21	\$ 0.22	\$ 0.23	\$ 0.24	\$ 0.26	\$ 0.27	\$ 0.28	\$ 0.30
(\$2400 Canadian is Approximately \$1752 per ounce U.S.)	\$ 2,400	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.23	\$ 0.24	\$ 0.26	\$ 0.27	\$ 0.28	\$ 0.30	\$ 0.31
	\$ 2,600	\$ 0.19	\$ 0.21	\$ 0.22	\$ 0.24	\$ 0.25	\$ 0.27	\$ 0.28	\$ 0.30	\$ 0.31	\$ 0.33
(\$2800 Canadian is Approximately \$2044 per ounce U.S.)	\$ 2,800	\$ 0.20	\$ 0.21	\$ 0.23	\$ 0.25	\$ 0.26	\$ 0.28	\$ 0.30	\$ 0.31	\$ 0.33	\$ 0.35

Matrix Iteration #10											
Variables:											
1). Constant year-over year Production of 250,000 tonnes Per Year											
2). Grams of Gold Per Tonne (Horizontal Axis)											
3). Price of Gold Per Ounce CAN\$ (Vertical Axis)											
4). Assume Aggregate prices of \$20 per Tonne & Tipping Fees of \$4 per Tonne											
Cell Valuations Represent Our Conclusions of Fair Value (per share) using NPV and Associated DCF Methodologies and a Discount Rate of 10%											
Grams of Gold Per Tonne											
Gold Price Per Ounce CAN\$											
		0.10	0.12	0.14	0.16	0.18	0.20	0.22	0.24	0.26	0.28
\$ 1,600	\$ 0.22	\$ 0.24	\$ 0.25	\$ 0.26	\$ 0.27	\$ 0.29	\$ 0.30	\$ 0.31	\$ 0.32	\$ 0.34	
\$ 1,800	\$ 0.23	\$ 0.25	\$ 0.26	\$ 0.27	\$ 0.29	\$ 0.30	\$ 0.32	\$ 0.33	\$ 0.35	\$ 0.36	
(\$2000 Canadian is Approximately \$1460 per ounce U.S.)	\$ 2,000	\$ 0.24	\$ 0.25	\$ 0.27	\$ 0.29	\$ 0.30	\$ 0.32	\$ 0.33	\$ 0.35	\$ 0.37	\$ 0.38
	\$ 2,200	\$ 0.25	\$ 0.26	\$ 0.28	\$ 0.30	\$ 0.32	\$ 0.33	\$ 0.35	\$ 0.37	\$ 0.39	\$ 0.40
(\$2400 Canadian is Approximately \$1752 per ounce U.S.)	\$ 2,400	\$ 0.25	\$ 0.27	\$ 0.29	\$ 0.31	\$ 0.33	\$ 0.35	\$ 0.37	\$ 0.39	\$ 0.41	\$ 0.43
	\$ 2,600	\$ 0.26	\$ 0.28	\$ 0.30	\$ 0.32	\$ 0.35	\$ 0.37	\$ 0.39	\$ 0.41	\$ 0.43	\$ 0.45
(\$2800 Canadian is Approximately \$2044 per ounce U.S.)	\$ 2,800	\$ 0.27	\$ 0.29	\$ 0.31	\$ 0.34	\$ 0.36	\$ 0.38	\$ 0.40	\$ 0.43	\$ 0.45	\$ 0.47
Matrix Iteration #11											
Variables:											
1). Initial Production of 250,000 tonnes thru 2024 and 350,000 Tonnes Thereafter											
2). Grams of Gold Per Tonne (Horizontal Axis)											
3). Price of Gold Per Ounce CAN\$ (Vertical Axis)											
4). Assume Aggregate prices of \$20 per Tonne & Tipping Fees of \$4 per Tonne											
Cell Valuations Represent Our Conclusions of Fair Value (per share) using NPV and Associated DCF Methodologies and a Discount Rate of 15%											
Aggregate Pricing CAN\$											
Tippings Fees CAN\$											
		0.10	0.12	0.14	0.16	0.18	0.20	0.22	0.24	0.26	0.28
\$ 1,600	\$ 0.15	\$ 0.16	\$ 0.17	\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.22	\$ 0.22	\$ 0.23	
\$ 1,800	\$ 0.16	\$ 0.17	\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.22	\$ 0.23	\$ 0.24	\$ 0.25	
(\$2000 Canadian is Approximately \$1460 per ounce U.S.)	\$ 2,000	\$ 0.16	\$ 0.17	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.22	\$ 0.23	\$ 0.24	\$ 0.25	\$ 0.27
	\$ 2,200	\$ 0.17	\$ 0.18	\$ 0.19	\$ 0.21	\$ 0.22	\$ 0.23	\$ 0.24	\$ 0.26	\$ 0.27	\$ 0.28
(\$2400 Canadian is Approximately \$1752 per ounce U.S.)	\$ 2,400	\$ 0.17	\$ 0.19	\$ 0.20	\$ 0.22	\$ 0.23	\$ 0.24	\$ 0.26	\$ 0.27	\$ 0.28	\$ 0.30
	\$ 2,600	\$ 0.18	\$ 0.20	\$ 0.21	\$ 0.22	\$ 0.24	\$ 0.25	\$ 0.27	\$ 0.28	\$ 0.30	\$ 0.31
(\$2800 Canadian is Approximately \$2044 per ounce U.S.)	\$ 2,800	\$ 0.19	\$ 0.20	\$ 0.22	\$ 0.23	\$ 0.25	\$ 0.27	\$ 0.28	\$ 0.30	\$ 0.31	\$ 0.33
Matrix Iteration #12											
Variables:											
1). Initial Production of 250,000 tonnes thru 2024 and 350,000 Tonnes Thereafter											
2). Grams of Gold Per Tonne (Horizontal Axis)											
3). Price of Gold Per Ounce CAN\$ (Vertical Axis)											
4). Assume Aggregate prices of \$20 per Tonne & Tipping Fees of \$4 per Tonne											
Cell Valuations Represent Our Conclusions of Fair Value (per share) using NPV and Associated DCF Methodologies and a Discount Rate of 20%											
Aggregate Pricing CAN\$											
Tippings Fees CAN\$											
		0.10	0.12	0.14	0.16	0.18	0.20	0.22	0.24	0.26	0.28
\$ 1,600	\$ 0.11	\$ 0.12	\$ 0.13	\$ 0.13	\$ 0.14	\$ 0.15	\$ 0.15	\$ 0.16	\$ 0.17	\$ 0.17	
\$ 1,800	\$ 0.12	\$ 0.13	\$ 0.13	\$ 0.14	\$ 0.15	\$ 0.16	\$ 0.16	\$ 0.17	\$ 0.18	\$ 0.19	
(\$2000 Canadian is Approximately \$1460 per ounce U.S.)	\$ 2,000	\$ 0.12	\$ 0.13	\$ 0.14	\$ 0.15	\$ 0.16	\$ 0.16	\$ 0.17	\$ 0.18	\$ 0.19	\$ 0.20
	\$ 2,200	\$ 0.13	\$ 0.14	\$ 0.14	\$ 0.15	\$ 0.16	\$ 0.17	\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.21
(\$2400 Canadian is Approximately \$1752 per ounce U.S.)	\$ 2,400	\$ 0.13	\$ 0.14	\$ 0.15	\$ 0.16	\$ 0.17	\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.22
	\$ 2,600	\$ 0.13	\$ 0.15	\$ 0.16	\$ 0.17	\$ 0.18	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.22	\$ 0.23
(\$2800 Canadian is Approximately \$2044 per ounce U.S.)	\$ 2,800	\$ 0.14	\$ 0.15	\$ 0.16	\$ 0.17	\$ 0.19	\$ 0.20	\$ 0.21	\$ 0.22	\$ 0.23	\$ 0.24

Summary and Conclusion

Before we move to our summary, we think it is important to point out a few items for the above matrices. First, our models assume a January 1, 2023 production start, but we do not reflect them meeting the 250,000 tonne aggregate maximum for the year because we have assumed the startup may not be optimal. We suspect the Company may have a different view about that. They may be right in that we know the business will have some seasonality to it. They have indicated that because of weather they expect to operate on an 8-month schedule which means that 2Q and 3Q will likely do much of the revenue contributions for the year. In other words, they may have Q1 calendar23 to get everything in order, which may mean that they could certainly achieve 250,000 tonnes in 2023, in which case our matrix conclusions would likely be light.

Second, even in instances where the matrices assume gold production, we do not reflect gold sales until 2024. We think that is probably contrary to managements sense of the same. Again, we chose to err on the side of conservatism, but beyond that, we think they will concentrate on ramping aggregate sales quickly, while gold capture may require some trial and error. Again, that is just our view, and it may prove conservative which would also be additive to our matrix conclusions.

Third, we alluded to some additional business that we have not included in our models and as such in these matrices. To revisit the issue *“the Company recently acquired an additional property that we are not including in our model matrix”*. The Company refers to this portion of the business as Cariboo Ledger Stone and they are currently preparing to scale production. We chose not to model this currently because we do not have a good sense of the addressable market and our focus has largely been on the “core”, aggregate piece of the business. However, the Company believes this piece will be considerably additive and could add \$2 million to \$3 million per year in revenues. That would most certainly boost the conclusions of our matrices. Further, we know the Company is also working on other related/synergistic pieces of business that could also prove additive and potentially in the coming fiscal year (2023). Succinctly, there are several potential *identified* additions here that could move the needle markedly from our matrix assumptions.

To summarize, we recognize that rock sources may not come to mind when assessing the most promising industries for the next decade or two. On the other hand, in 2019, the United Nations published a report called **Sand and Sustainability: Finding New Solutions for Environmental Governance of Sand Resources**. That report notes among other things that: *“Sand and gravels are the unrecognized foundational material of our economies. They are mined the world over, with aggregates accounting for the largest volume of solid material extracted globally (Peduzzi, 2014; Beiser, 2018). At the same time, these materials cannot be produced from our terrestrial, riverine and marine environments in quantities needed to meet demand from a world of 10 billion people without effective policy, planning, regulation and management. Such actions remain largely unaddressed by decision makers in public or private sectors”*. We believe, as apparently others believe, that demand of these aggregates is poised to continue to grow. At the same time, available rock sources are finite resources, and they are getting harder to find. Further, as wed have illustrated, and as the UN’s report alludes, the development of future sources is likely to attract both public and governmental scrutiny, further complicating supply and perhaps by extension, making existing projects (especially large existing projects) more valuable.

From a more local perspective, we know for instance that there are current projects afoot that are likely to support Canyon’s 250,000 tonne threshold and perhaps much more. Recognize, their project sits near the epicenter of the 2021 flood damage, which as we understand it will take years to fully repair. Moreover, management also notes that Trans-Canada Highway #1 is adding a third lane between Langley and

Chilliwaack, which should also provide Canyon with demand. In short, we think the core aggregate business is open ended beyond our assumptions, especially as they move through 2023 and they can increase their production thresholds. In addition, to reiterate, we also think they are adding pieces that could provide additional valuation legs in the story.

On the face, it may appear that Canyon is the serendipitous beneficiary of “in the right place at the right time” karma. However, the reality is that the founders have been working on the acquisition, development, permitting, financing and commercialization of this property/asset for several years now and those efforts are beginning to coalesce. While there are certainly boxes they still need to check, (final permits they expect before year end, completing the current financing, identifying customers, commencing production etc.), we think they are positioned to begin realizing the fruits of their efforts and if we are correct about that, 2023 should be transformational for Canyon, which should bode well for their entrée into the public markets.

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**CANYON GOLD
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*Financial Loan Information Package for
Canyon Gold and Gravel Inc.*

8. Recent Shareholder Updates





Shareholder Update – October 2024

Exciting Update: Work Permit Approved and Moving Towards Production

To Our Valued Shareholders,

We're excited to share some great news! After more than 3 years, we've finally received our "Notice of Work Permit" from the BC Mines Department. This is a major milestone for Canyon Gold & Gravel, as we can now move into production as a fully certified BC Mine.

What's Next?

Due to the long delay, we were unable to move forward with key tasks, including the following:

- Road over the Hope Landfill
- Highway access
- Road across the mountainside to the CPR tracks
- Bridge over the CPR tracks
- Final stretch over Provincial land to the Canyon Site

Now, with fundraising actively underway to complete these tasks, we expect to finish the necessary work in approximately six months. This will allow us to get the site fully operational.

We've also been supporting the First Nations Archaeological dig, which has been an important project for the community and Canyon. It's been an investment in labour and heavy equipment, but we're happy to support this effort. A special thank you goes to Chief Norm Florence of the Chawathil Band for his ongoing support throughout this process.

Canyon can now begin work on the key areas of the site from Highway 1 to our property as a result of the archaeological dig. With Phase 1 nearing completion, cooperation with First Nations is ongoing. We're confident that the site work, road construction, and the bridge over the CPR tracks will all be completed in the spring of 2025.

Concurrently, we are making progress on our public company application for listing on the Canadian Securities Exchange (CSE). We expect to be publicly trading next year.

Thank you for your continued support as we move into this exciting new phase for Canyon Gold & Gravel!

Respectfully Your Management Team

Peter Osha, Chairman and

Brian Hauff, CEO / Managing Director



Past Shareholder Updates

[If you missed our past shareholder updates, you can view them here.](#)



Shareholder Update – December 2024 Progress Report: Canyon Gold on Track for 2025 Production and Pubco Listing

To Our Valued Shareholders,

Season's greetings from Canyon Gold & Gravel! As we approach the end of the year, we are excited to share the progress we've made as we move closer to production in 2025.

With our permits now in hand, we're pleased to report that First Nations, working under the guidance of the People of the River (STOLO), are making great strides with the Archaeological Dig. Currently, 75% of the necessary artifact excavation is complete, covering a significant stretch from the Hope landfill entrance, across the mountainside, and along the railway tracks. The dig will soon extend to Canyon's 160-acre property. We expect the final phase of the dig to take about eight more weeks. Once completed, we will be able to begin critical road and bridge construction to support our operations. Any additional work on our property can be scheduled for later, after production begins.

We will be pausing operations over the holiday season and will resume in early January 2025. With the final round of development funding being raised, we'll be moving forward with the construction of roads, bridges, and essential facilities, including the scale, office, and equipment buildings. We anticipate reaching full production by the summer of 2025 and are targeting a Pubco Listing for spring 2025.

We wish you a joyful holiday season and a prosperous New Year!

*Warm regards from Your Management Team,
Peter Osha, Chairman and Brian Hauff, CEO / Managing Director*





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9. Recent Site Photographs





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Recent Site Photographs

The site has been prepared and readied for gravel and gold extraction. All the trees have been removed and the dirt road has been prepared for building the final truck road and railway bridge.





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9. Summary





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*Financial Loan Information Package for
Canyon Gold and Gravel Inc.*

Summary

CGG has raised \$4.3 million dollars over the last three years, massed a strong Board and management team and completed 75% of the site work. Once in production, spring of 2025, CGG will enjoy four streams of income: Gold, Gravel, Clean Fill from Hope and Flag Stone sales from the Quesnel, BC mine owned by Canyon.

Canyon maintains a strong bank account by raising capital by way of private placements. As well the company has **no debt** against a \$50,000,000 plus valuation by BC's top gravel expert Holmes Mining.

Canyon Gold and Gravel is seeking a \$5 million financing in order to build the bridge over CP rail, road over the Hope land fill to HWY 1 egress and east from the bridge to the mine site, weigh scale and various buildings.

FINANCING SOUGHT: \$5 Million Cdn. Debt, Equity or Combination Thereof



**CANYON GOLD
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