



**CANYON GOLD
& GRAVEL**

Shareholder Summer Update

Number 3, July 2022

Gold & Gravel Assets Providing Real Returns

Dear Valued Shareholders,

We're providing you with our summer shareholder update as Canyon Gold and Gravel continues to make exceptional progress – as we move our company forward with our valuable asset base of land, gold and gravel located on our 100% owned 160 acre Union Bar Project.

Attended BC Stone Sand and Gravel Association Convention in Vernon

The Canyon management team's attendance at the recent BC Stone Sand and Gravel Association (BCSSG) convention in Vernon was a resounding success. Meeting with industry professionals, Canyon management learned that our recent projected revenue pricing for gold, sand and gravel were all on the conservative side. The company also discovered that the BC Government has a \$25 Billion infrastructure fund for rebuilding the highways and bridges damaged by last years floods and fires. This combined with the new TransCanada Pipeline that is being built in the vicinity of Hope for the next 2 years will ensure there is a high demand for quality gravel and sand. These factors should ensure that river gravel will be in very high demand over the next several years.

Management met with the Honorable Minister of Mines, Mr. Bruce Ralston, and the head of permitting, Mr. Warnock. Because of these meetings, we are now in direct contact with these two gentlemen on an ongoing basis. They are currently awaiting our completed reports to be submitted in a face-to-face meeting in Victoria. A big shout out to Derek Holmes our expert gravel consultant and his very knowledgeable wife Victoria Holmes, who runs the BCSSG Association for facilitating these introductions.

Canyon Gold applies best practices in mining operations, providing environmentally sound conservation while delivering excellent value to our investors, partners, community, employees, and stakeholders.



Brian Hauff (L) and Peter Osha (R) discuss project.



L to R, John Ostler, Peter, Brian and John Osha.



CANYON GOLD & GRAVEL



Our Progress at the Canyon Site

Triple O Contracting, headed up by our Chairman, Peter Osha is ahead of schedule implementing the pre-production Phase 1 of mine site development. We therefore expect to start production late in the fourth quarter of 2022. Peter and Anna Osha travelled throughout Western Canada to source and purchase the heavy equipment that is currently in scarce supply – a Canyon requirement for implementing pre- and ongoing production.

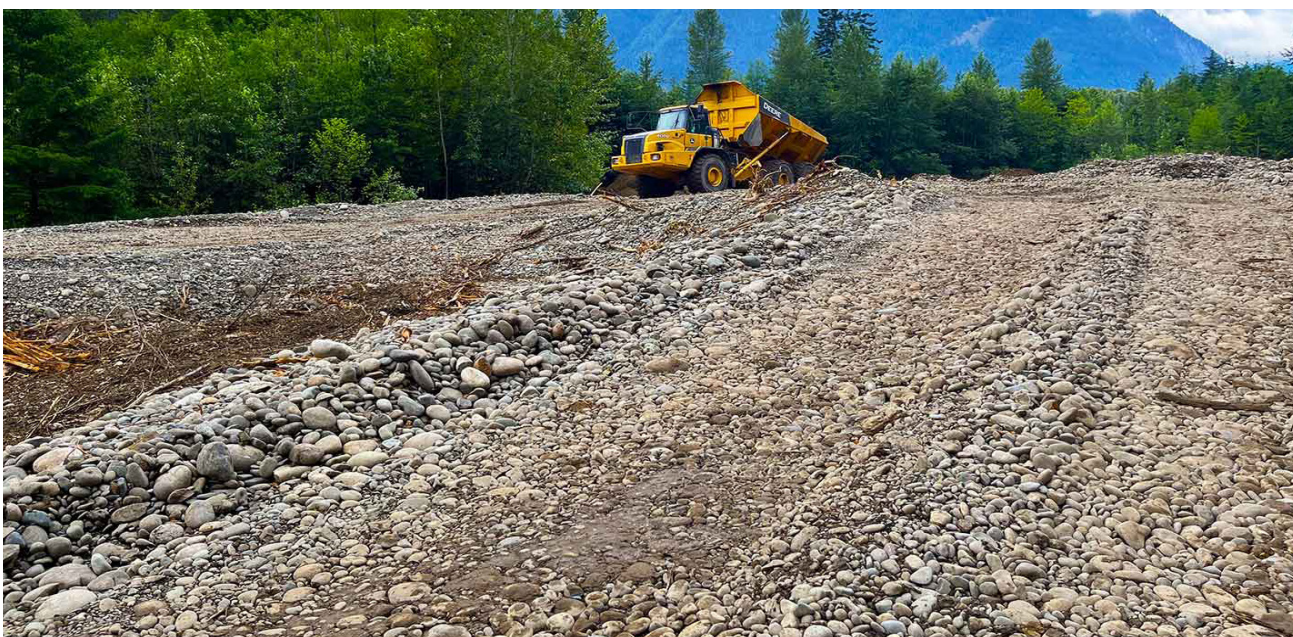
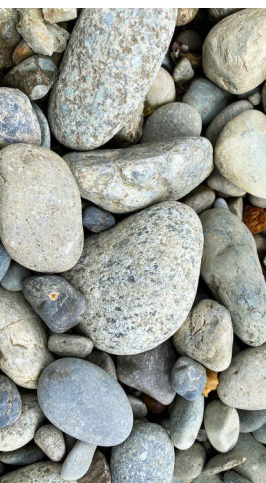
As of today, all the recently acquired equipment is on site, including a camp with trailers for the employees. A team of employees are now on site implementing the Phase 1 pre-production. Next, we will build the production wash plant which will handle the washed grade sizes of gravels and pre-process the gold sludge and sand.

For Phase 1 production, the site will be cleared, overburden removed, and ground gravel readied for washing and stock piling. The new road for the heavy truck traffic to the bridge crossing on the Union Bar property is under construction. We are awaiting issuance of the work permits to complete the bridge over the CP Rail tracks and the new road from the bridge to Highway 1 through the old Hope land fill – less than 200 metres in length. Engineers for road and bridge construction have been on site with Peter Osha. The surveying is complete with engineering drawings being produced for CP Rail's review.

The Public Listing Process and Your Share Delivery

We are currently reviewing on which exchange to list the company – the CSE (Canadian Securities Exchange) or TSX-V (TSX Venture Exchange). The two process choices we have are to make a deal for a Shell RTO (reverse take-over of a shell company) or to initiate our own listing. While the benefit of an RTO provides a quicker process, we do not want to pay an exorbitant price for a listed Shell. We should be making a final decision soon and will let you know our decision in our next update.

Canyon Gold owns 160 acres of private land with placer gold rights and deep mining rights to mine and process high quality gravel.



Phase 1 includes removing the overburden and stock-piling the gravel underneath, as shown in this large pile.



CANYON GOLD & GRAVEL



For Phase 1 production, the site will be cleared, overburden removed, and ground gravel readied for washing and stock piling.



Earth overburden from the site is moved to fill a previously excavated area.

While the present stock market retraction is quite severe for resource exploration companies with no asset base, Canyon Gold & Gravel is in the very fortunate position of owning a property with a discounted value of just under \$50 million, no debt, money in the bank and a production start this year. While this is a difficult stock market we should be able to remain strong as commodities like ours are forecasted to do well. All construction requires concrete and we have the required gravel supply.

We have closed off our \$0.10 share issue and have begun to sell the \$0.15 share issue which is selling well. Our accounting team has told me we are close to issuing your DRS shares (Direct Registration Share Advice). As everything is on-line these days, you will be able to deposit your DRS shares with your stock broker, wealth management professional, or online brokerage firm.

Completion of Our Professional Reports

Delays on this front are finally over as the First Nations Cultural Report, Environmental Report and Agricultural Land Commission report have been completed. Once these reports are added to other essential documents and put in a final binder, our team will travel to Victoria and personally present the material to the Minister, head of permits and the appropriate contacts in the Ministry of Mines.

We thank you for your ongoing support as we continue to work diligently on your behalf to move the Canyon project forward to becoming a resounding success.

Sincerely,

Peter Osha, Chairman & President

Brian L. Hauff, Managing Director & CEO

NOTE: This document is forward looking and does not provide disclosure of all information for an investor to make an informed investment decision, and may not be relied upon by investors under CSE, TSX-V and BCSC rules.



Canyon Gold & Gravel Inc.

2100 Park Royal South

Suite 200

West Vancouver, BC V7T 1A2

www.canyongg.com

Contact:

Brian L. Hauff

Managing Director & CEO

M +1-778-859-3303

E bhauff@canyongg.com

Derek Anderson

Executive Vice President

M +1-604-837-3699

E danderson@canyongg.com