



Shareholder Update – December 2022

To All Our Valued Shareholders:

With the Holiday Season rapidly approaching, I felt it very important to reach out to everyone with a short but very important update on management activities completed or in progress and being diligently executed by the **Canyon Gold and Gravel Team**. Below are a few of the more important events that have occurred since our last shareholder update.



Operations and Project Developments

Permitting:

Your Company has completed all permitting requirements and is now out for consultation with government offices who have a 60-day window from which to make comments on the filing. Our mines inspector has indicated that we should receive permits between late-December with latest time frame mid-February 2023. Once ‘the notice of work’ permit is received, it will take six weeks for the bridge and extension to Hwy 1 to be completed. Further, the remaining site work which is approximately 85% complete, will be conducted at the same time with the installation of weigh scale, workshops, safety trailer, screening, and wash plant.



Tipping Fees:

One of our Company’s large investors is the owner of a trucking company who deals directly with tipping fees. Since tipping fees have more than doubled since the beginning of 2022, this will add greatly to our projected near-term cash flow. As the Fraser Valley shuts down

more and more of the dumping sites due to population growth, Canyon's site benefits exponentially, with this becoming a major source of revenue. Truckers will be able to show up to the site with a load of clean fill and leave with gravel, making this economic for them.

First Nations:

Management has successfully negotiated a revenue share agreement with **Stolo, People of the River** – at approximately 3.5% of net profits. As well, our closest band The Chawathil Band, are dealing directly with us on that revenue share and employment; where Canyon is affording First Nations a minimum of 50% of all labour required. In addition, Canyon has received a permit from Stolo First Nations and been assigned a geologist, who will oversee an indicated sensitive area, which is to be excavated as soon as possible. This area is located beside the main road to the bridge over-rail and the dig is imperative to completing the road connection.



Ledger Stone:

Canyon is in negotiations with a large landscaping company based in the USA, who have indicated they will take everything we can produce on an annual basis from the quarry. This project has permits, roads have been completed and 10 tonnes of samples have been removed and sent to landscaping companies in Alberta and British Columbia, as well as key corporations. The Ledger Stone quarry is anticipated to add significantly to the Company's overall profitability.

Corporate Finance and Capital Markets:

There have been several significant milestones attained in the corporate finance and capital markets interactions with your Company.

a. **Attendance at the Rocky Mountain MicroCap Conference – Denver Colorado – November 10, 2022**

On November 10, 2022, we were invited to attend and present at the Conference, held in Denver Co. The Conference was attended by several high-net-worth investors and showcased by the Conference's moderator, David Lavigne, founder of Trickle Research Inc. I had the pleasure of meeting several potential investors and we are following up with each of them as we speak.

b. **Publishing an Independent Research Report from Trickle Research Inc.**

Immediately prior to the Rocky Mountain MicroCap Conference, Trickle Research finalized and published an independent research report on our Company and its prospects for success. We were elated to have this Report prepared independently WITHOUT compensation, a truly rare outcome in the current

capital markets environment. We have [published the full report here](#) and I encourage each of you to take the time to read this well written and concise account of our project, authored by Dave Lavigne, a highly regarding analyst and someone very knowledgeable about the gravel business.

c. Next Steps Pre-IPO Filing in British Columbia and Ontario

Your Company's Board of Directors have concluded that it will be more efficient and less dilutive for us to prepare and file a non-Offering Prospectus and subject to receipt for filing the prospectus to seek to list on the Canadian Securities Exchange (CSE). To this extent the following undertakings are in motion at the date of this shareholder update:

- i. Internal financial statements to IFRS standards have been prepared and are now ready for audit review
- ii. The Auditors have been appointed – BFBorgers CPA Inc. – Newport Beach, California. Borgers are CPAP certified and highly regarded by the Canadian Securities Regulators.
- iii. Our 43-101 Report is nearing completion, anticipated to be finalized in December. With finalization of this Report, the Company can complete the technical aspects of the non-Offering prospectus and proceed with filing once all agreements and supporting contracts are finalized.
- iv. Our Valuation Report is also in the final stages awaiting sign off on the 43-101 Report.
- v. We are very fortunate to have attracted the interest of a strong capital markets group in Toronto. They will be assisting in additional pre-listing capital formation as well as managing all of our capital markets activity once we are listed.



Summary

It is my personal goal to see this exciting project through to completion in the second quarter of 2023. It will be a very active time for all of us and without you, this would never have been possible. As a major shareholder in Canyon, I share your enthusiasm and anticipation as we move into the last stages of getting our Company into production. We have many suitors who have been watching us with a critical eye and have seen how precisely we have been able to execute with complete transparency to government officials, First Nations, and most of all you!

In closing, I must extend a heartfelt thank you to Brian Hauff, Managing Director, Derek Anderson, Executive Vice President, Brian Cameron, Chief Investment Officer, and all our consultants.

On Behalf of the Board of Directors of Canyon Gold and Gravel, thank you for your continued support!

Peter Osha, Chairman & President

Past Shareholder Updates

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

CONTACT INFORMATION

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