



## Shareholder Update – March 2023

### ***To Our Valued Shareholders,***

First and most importantly, I'd like to thank each and every one of our shareholders for your continued support as we progress daily in bringing Canyon Gold and Gravel into production. While this has proven to be somewhat of a winding road to success, we continue to stay on course making great strides towards production.

Not unlike so many ventures today, government bureaucracy and new rules can cause unwanted delays of which we at Canyon have had our fair share. Largely due to the tenacious nature of your management team and specifically to our managing director, Brian Hauff, we have navigated these waters with precision and skill. That said, we need to continue to be tenacious to ensure permitting occurs at the earliest date. Our investment is very fortunate in that our project has no competition or problems despite the time it is taking to secure permits.

### **Production to Start Soon**

The best positive news is that we will soon be in production. No other project is positioned to open a gold and gravel mining operation this close to the Lower Mainland markets. The combination of having the additional bonus of mining placer gold, which is an integral part of our cash flow, gives us an enormous advantage over competitors.

### **Canyon's Key Features**

To summarize the Canyon project once again, here are some important factors that set us apart:

- Owning the 160 acres in fee simple.
- Owning the gold leases overlapping the property.
- Owning the gravel through Undersurface Rights.
- Charging \$8 per ton of clean fill to replace the gravel adds a 3rd source of income.
- Owning the largest flagstone property in Western Canada – fully permitted and ready to commence operations in April. Once valued your company will jump substantially in value.
- Financially secure with a healthy balance sheet, no debt and money in the bank.



We can be assured that our gravel and gold will continue to be in strong demand at very competitive prices even if our economy falls into a deep recession. This is due to our proximity to the large Lower Mainland market infrastructure demand, coupled with the pipeline construction and the BC government highways and bridge rebuilding program to the interior.

#### **Hope and the ALC (Agricultural Land Commission), Soon to Green Light Canyon**

The Municipality of Hope has confirmed they are ready to send their ('do not oppose') to the ALC, and the ALC has advised that they will not oppose our project. These are the last steps needed by our permit officer to issue the 'notice of work' permit by the Ministry of Mines.

As we proceed to full operations, the provincial government requires us to post a \$250,000 bond. We will also need to receive a permit from the First Nations to begin their Archeological Dig with a bill of \$275,000 plus we supply equipment and labor. These two recent requirements will need additional capital to finalize.

#### **Negotiating Guaranteed Income**

One very important development is that we are negotiating an Off-Take Agreement with a group who have 50 years of experience in gravel production and sales in BC. The Agreement to purchase 500,000 tonnes of our gravel and river sand will provide the company with 2 years of guaranteed income.

#### **Final Filings and DRS Certificates**

We are in the final stages of completion for filing the non-offering prospectus and supporting documentation including the NI 43-101 report and the independent valuation in final preparation for taking the company public. Our auditors are engaged and completing two years of audited financial



statements for the years ended November 30, 2021, and 2022. Odyssey Trust Company has been engaged as the Company's Transfer Agent to complete your electronic DRS certificates that you will be receiving directly from them. Given the current public market conditions, management is monitoring the situation closely and will make the decision to take the company public at the most opportune time.

In closing, we would like to thank you again for your support and patience. We are almost there.

***Peter Osha, Chairman***

***On behalf of the Board of Directors***

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## Past Shareholder Updates

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

### CONTACT INFORMATION

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