



Moving Forward

The new access road construction permit application has been submitted to the U.S. Forest Service, McCall Ranger District. We have received notice the application has been accepted and the required environmental assessment work will be completed in 2022. Upon final approval we anticipate construction will begin immediately as this road will greatly improve access. Groundhog Mining and Milling Company is currently developing the application for a permit for the installation and operation of a temporary processing facility on location.

We will continue to complete work to open the old tunnel back to the face. The purpose of open the existing tunnel is to allow for sampling at a rate of every five feet. We will focus sampling at every stope location we find and will map the existing underground structure to aid in future planning. In preparation for the upcoming season plans are being developed for the construction of a new portal at an elevation below the existing Adit. Drift work is planned to be completed on the vein structure that was identified during the 2021 diamond drill program. Plans have been completed and materials have been purchased for the construction of a operations and storage building on location. Moving forward with a strategic plan is the most important requirement for the success of this project. This includes supplementing the sampling of the resource blocks to determine the mineralization distribution, the mining width grade distribution, the variability of gold mineralization, the presence or not of erratic gold distribution and the consistency of gold: silver ratios. To achieve the sampling density needed to determine if resources can be estimated will require additional sampling exercises along drifts, in raises, on surface in trenches or outcrops and in between surface and levels by drilling. Channel samples should be spaced as close as 6 feet apart until sufficient confidence and statistical continuity can be demonstrated to allow estimation of a minimum sample spacing interval to give confidence to the average. Management is committed to ensuring sampling is completed by experienced personnel with appropriate security, quality control and documentation. Significant additional funding is required to complete the necessary work to outline adequate resources for a mine plan to be developed and to be incorporated into a feasibility study and financial model to demonstrate the economic viability of mine development and operation for the Lucky Ben Property and for the Hornet Property.