

MOJAVE PRECIOUS METALS INC.



The Honorable Alan Lowenthal, CA
108 Cannon HOB
Washington, DC 20515

The Honorable Peter Stauber, MN
461 Cannon HOB
Washington, DC 20515

Becky Cairns, Staff Director
1522 Longworth HOB
Washington, DC 20515

Rebecca Konolige, Professional Staff Member
1522 Longworth HOB
Washington, DC 20515

Dear Chairman Lowenthal and Ranking Member Stauber:

Please accept for the Record, for the hearing held by the Subcommittee on Energy and Mineral Resources on July 27, 2021, the following information from K2 Gold, owners of Mojave Precious Metals Inc., who are pursuing an exploration project on valid mining claims near Lone Pine, California. This project was mentioned by Witness Kathy Bancroft, the Lone Pine Paiute Shoshone Tribe's Tribal Historic Preservation Officer (THPO), in her testimony and we wish to correct the record as to representations made to the Committee.

Exploration Project

Mojave Precious Metals Inc. (MPM) is a US corporation conducting mineral exploration activities in Inyo County, California on Bureau of Land Management (BLM) lands in an area known as Conglomerate Mesa. This is a very limited exploration project involving drilling on valid mining claims which are recognized as property rights under the law. These activities are permitted under a Plan of Operations approved by the BLM following environmental review in compliance with the National Environmental Policy Act (NEPA). Our initial drilling program was undertaken in October-November of 2020 and limited to a helicopter-supported program on only four drill pads. Seventeen holes 3.5 inches in diameter were completed to a depth of 300 feet, with a surface disturbance area of about 0.2 acres. Reclamation, involving regrading by hand and reseeding with native plants, took place immediately thereafter.

The initial drilling program confirmed that this is a highly mineralized area warranting further investigation. MPM has submitted a proposed permit modification to re-open 2.6 miles of previous

exploration roads involving only 12.2 acres of surface disturbance. This phase would be completed in a six-to-nine-month period. The BLM is re-initiating full NEPA review.

It is important for the Committee to understand that the process of mineral exploration and the development of an actual mine and mineral producing operation typically takes many years. Environmental review and obtaining all permits and approvals alone may require 8 to 12 years. Moreover, mineral exploration can require millions of dollars over many years before a resource is proven and decisions are made to invest the significant capital required for mineral development. In fact, the likelihood of a mineral prospect ever maturing to an operating mine is 1 in 1000 according to the National Research Council. While this area has long been recognized as mineralogically important, the resources are still largely undefined. MPM's work is already showing this area to be important, and our ongoing exploration is indeed revealing significant finds of both precious and industrial minerals.

Tribal Consultation:

MPM has understood from the inception of the project that local investment in the community to build trust and to ensure that we do our best to inform and educate about mineral exploration and our project is essential. Prior to exploration activities in 2020, MPM contacted the Lone Pine Paiute Shoshone Tribe (Lone Pine), the Timbisha Shoshone Tribe (Timbisha), the Big Pine Paiute Tribe (Big Pine) and the Bishop Paiute Tribe (Bishop Paiute). K2 Gold and MPM recognize that federally recognized Indian tribes are separate sovereign governments. It is K2 Gold's priority to respect tribal sovereignty and self-governance in a regular and meaningful coordination of information. As such, the first official meeting of MPM with any government, group, etc. was with Lone Pine Paiute-Shoshone Tribe in Lone Pine, California. Our second meeting was with the Timbisha Shoshone Tribe in Death Valley, California.

MPM also acknowledges that the project is located within the aboriginal territory of the Paiute and Shoshone people of the eastern Sierra. Our engagement with the Tribes has been primarily focused on building relationships that ensure we are coordinating with the Tribes on cultural and historic resource identification and protection, as well as negotiating potential economic benefit and employment opportunities. For example, with our initial meetings we immediately offered to voluntarily employ tribal cultural monitors during the drilling process. Although the site had already been given clearance by the BLM, MPM voluntarily contracted Tribal members to provide real-time monitoring to assure no cultural resources were affected. MPM sees this as a part of our environmental and cultural stewardship of the area.

In contrast to the testimony received by the Subcommittee today, the following is a recap and update of our communication and coordination activities with the tribes of the eastern Sierra:

MOJAVE PRECIOUS METALS INC.

- August 2020 - We conducted our first official meetings with the Lone Pine Paiute Shoshone Tribe between CEO Steve Swatton, Tribal Chairman and key tribal staff, including the THPO. Key issues discussed included concerns raised by tribal staff that we utilize trained tribal cultural monitors to observe during drilling and MPM hiring of qualified tribal members for the drilling project. MPM also agreed with the Lone Pine Tribe that monthly meetings, phone calls or visits should occur.
- September 2020 - MPM continued outreach to Lone Pine, Timbisha, and Bishop Paiute. We held our monthly meeting with Lone Pine on September 22 with the Tribal Chairman, leadership and THPO at which we discussed conducting an open house for the tribal members to provide project information and employment opportunities. We were also able to meet with Timbisha Shoshone on September 29, with the THPO and several tribal elders in Death Valley, who discussed their views on the project.
- October 2020 - We finally made contact with Bishop Paiute THPO Monty Bengochia. We met with him and affirmed that we would continue to keep him informed of the progress as we proceed. We had several meetings with the Lone Pine THPO and the Tribe's cultural monitors. We discussed the logistics of the on-site tribal cultural monitor and offered to fly the Lone Pine and Timbisha cultural monitors to the site for their first visit as it is difficult to find the location. There was also a meeting involving the drilling contractor and the Lone Pine THPO to discuss cultural monitoring.
 - We conducted the first site visit on October 7. Upon landing the Timbisha Shoshone tribal cultural monitor located an obsidian flake which she documented in the vicinity of where the helicopter landed. We avoid this area now. Furthermore, we provided the cultural monitors the opportunity to inspect the drill pad area before the drill crew commences clearing the pad. Note: Obsidian flakes are noted in the Archaeological report and redacted for public use.
 - After the first site visit, MPM maintained almost daily contact with Lone Pine THPO regarding the cultural monitoring efforts and results of such efforts. We also asked each THPO for names of any tribal members who would be interested in working on the drilling project. We received several names and were able to offer jobs to several tribal members.
 - We also regularly advised both the Timbisha THPO and Bishop Paiute THPO on the status of drilling and monitoring results.
 - When we met with the Lone Pine Tribal Chairman and leadership on October 20, we proposed a shared benefits agreement, similar to agreements used in Canada with First

MOJAVE PRECIOUS METALS INC.

Nations, in which we offered to contribute funds to the Tribe for training and education based on a percentage of the expenses of the drilling project.

- November 2020: We continued our efforts to negotiate a shared benefits agreement with Lone Pine. We altered several provisions in the agreement, based on requests from the Tribal Chairman.
- December 2020: With drilling and reclamation complete, we no longer used tribal cultural monitors. However, we maintained contact with both Lone Pine and Timbisha. We received a request from Timbisha to update the newly seated tribal council on our Phase 2 drilling plans.
- January 2021: We began reinitiating contact with the Tribes after the holiday season. We reached back out to Timbisha to schedule a meeting with the new tribal council, but they requested we wait until in person meetings were possible again due to COVID protocols.
- March 2021: We reestablished communication with Lone Pine to schedule another in-person update meeting. That meeting occurred in April of 2021 to discuss the shared benefits agreement. We also attempted to meet in-person with the Timbisha Shoshone Tribe during that same time.
- We continue to meet monthly with the tribes and as recently as today, July 27, 2021.

As you can see, MPM has fully engaged the surrounding Tribal communities from the inception of MPM's activities at Conglomerate Mesa. We are also committed to building on our relationships with the Tribes and seek to involve Tribal members as cultural monitors or any other employment opportunities for the project. These communities suffer from poverty, low income, unemployment, and the societal impacts of those conditions. MPM has offered and will continue to offer life changing benefits to Tribal members and incorporate them into our training and hiring efforts.

We stand ready to provide any further information that would be useful to the Committee regarding our exploration project at Conglomerate Mesa and our work to consult and involve the Tribal communities in our efforts.

Sincerely,



Steve Swatton
CEO & Director of K2 Gold Corp.

MOJAVE PRECIOUS METALS INC.

MOJAVE PRECIOUS METALS IS AN EXPLORATION COMPANY IN LONE PINE.

MPM is conducting mineral exploration adjacent to the area in Inyo County commonly called ‘Conglomerate Mesa’ on Bureau of Land Management (BLM) land, about 20 miles southeast of Lone Pine.

MPM has conducted surface exploration at the site since 2019. MPM has three full-time staff and approximately 15 consultants working on this project.

LONE PINE FACTS

POPULATION
1800

AVERAGE AGE
44

AVE CAPITA INCOME
\$21,770

PERSONS IN POVERTY
15.4%

DOMINANT INDUSTRY
Tourism

VETERAN STATUS
13%

TRIBAL LANDS
237 acres

92%

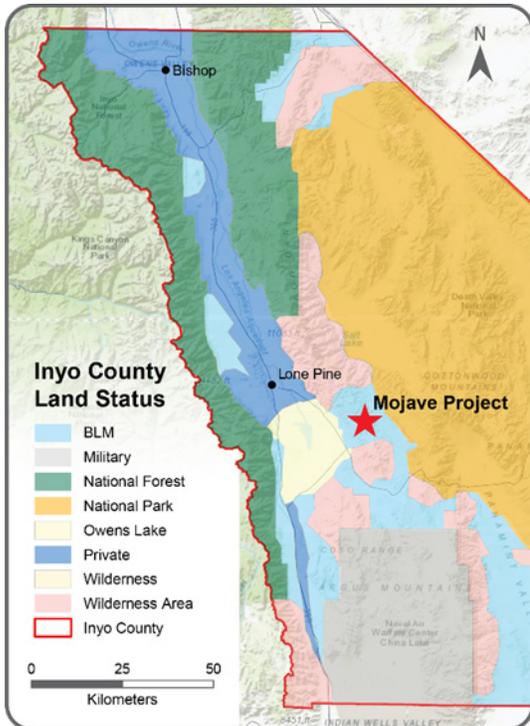
of Inyo County has some form of protected land status designation

MPM is committed to community engagement in Lone Pine and throughout Inyo County. We respect Tribal interests and we have met (and continue to meet) regularly with leaders and with the tribal communities since the inception of the project.

| | Population | Median Household income (\$) | Poverty level as defined by 2019 census data | Education bachelor's degree or higher | Ethnicity % | | |
|-------------|------------|------------------------------|--|---------------------------------------|-------------|----------|-----------------|
| | | | | | White | Hispanic | Native American |
| Lone Pine | 1,800 | \$46,000 | 18% | 17% | 49 | 43 | 7 |
| Bishop | 3,800 | \$62,000 | 4% | 39% | 66 | 24 | <1 |
| Inyo County | 18,000 | \$57,000 | 9.3% | 27.2% | 62 | 22 | 10 |
| California | 39.5M | \$75,000 | 13.4% | 34% | 36 | 39 | <1 |

The economic variance between Lone Pine and Bishop, the largest city in Inyo County, is apparent and could be addressed by local sources of higher-paying jobs, particularly those that do not require higher education.

PHASE I: EXPLORATION PROGRAM



Lone Pine Paiute Shoshone and Timbisha Shoshone cultural monitors getting pre-flight safety briefing and COVID-19 check on first day of operations at Mojave Project during Phase I exploration



MPM completed the Phase I exploration program at the Mojave Project in November 2020, at four (instead of seven approved) sites.

During the drill program, a helicopter was utilized to place the drill rig into the correct location along with personnel and supplies

MPM *voluntarily* hired Tribal cultural monitors from the Lone Pine Paiute Shoshone Tribe and the Timbisha Shoshone Tribe to monitor land disturbance during the building and restoration of each of the four drill pads.

TIMELINE
Oct.–Nov. 2020

DISTURBANCE
0.213 acres

DRILL PADS
4

HOLES COMPLETED
16

LOCAL EXPENDITURE TO DATE
\$305,000

CULTURAL MONITORS Engaged
3 Tribal members from local Tribes

Total water used during the effort was 1,000 gallons, which is roughly the size of a living room couch.

MPM utilized a native seed mix approved by the BLM to ensure the highest compatibility with existing local vegetation. The BLM additionally requested that MPM re-seed footpaths to the drill pads, which was completed in March 2021.

The holes drilled for the exploration program were 3 ½ inches in diameter (the same diameter as a baseball) and up to 300' deep. As part of the reclamation, the holes were backfilled with cuttings from the drill hole and capped with concrete according to the BLM and County drilling permit conditions.

PHASE II: PROPOSED DRILLING PROGRAM

MPM has applied to continue its exploration efforts at the Mojave Project. MPM has applied to the BLM to amend its existing permit to allow access to drill on approximately 12.2 acres of BLM land.

In this phase of exploration, MPM will require local workers such as supply runner, parts runner, office assistant, caterers, driller assistant, fuel, geologic intern, water truck & drivers, equipment and transportation.

Total maximum water use for drilling in Phase II may be up to 1.2 million gallons, which is less than the amount needed to irrigate 1.5 acres of tomatoes or grapes over a typical growing season in California.

The BLM evaluated possible wilderness designations in this region and, in 1987, a Final Environmental Impact Statement (FEIS) was completed. The proposed action for the Cerro Gordo Wilderness Study Area (WSA) was to not designate any of that WSA as wilderness.

The FEIS found that:

- Portions of the WSA contain high potential for metallic minerals and moderate potential for nonmetallic minerals.
- There were numerous mine claims within the WSA.

In 1994, the California Desert Protection Act designated a portion of the Cerro Gordo WSA as the Malpais Mesa Wilderness and Congress released the remaining area, including the subject MPM claim block area, from wilderness designation.

PROPOSED:

TIMELINE

2 to 3 months

DISTURBANCE

12.2 acres

DRILL PADS

30

HOLES DRILLED

120 (~270' per hole)

LOCAL EXPENDITURE

\$0.8 - 1 Million

NEW ROADS TO BE BUILT

0 miles

ROADS RECLAIMED

2.6 miles

CULTURAL MONITORS

Anticipate hiring
4 Tribal representatives





COMMUNITY AND TRIBAL OUTREACH

Engaging with Tribes

Prior to undertaking the first drilling program, MPM contacted the Lone Pine Paiute Shoshone Tribe (Lone Pine), the Timbisha Shoshone Tribe (Timbisha), the Big Pine Paiute Tribe (Big Pine) and the Bishop Paiute Tribe (Bishop Paiute).

Federally-recognized Indian Tribes are separate sovereign governments and it is MPM's priority to respect tribal sovereignty and self-governance in a regular and meaningful coordination of information. As such, the first official meeting of MPM with any government or group of stakeholders was with Lone Pine Paiute-Shoshone Tribe in Lone Pine, California, in August of 2020.

The second meeting was with the Timbisha Shoshone Tribe in Death Valley, California. MPM understands that the Project is located within the aboriginal lands of the Paiute and Shoshone people of the Eastern Sierra.

Our engagement with the Tribes has been focused on building relationships that ensure we are coordinating with the Tribes on cultural and historic resource identification and protection, as well as identifying potential economic benefit and employment opportunities.

Engaging in Lone Pine and Inyo County

MPM is actively engaging in an outreach program within the local community and throughout Inyo County.

MPM knows that exploration work can take many years, and is committed, as a local business, to investing in local community relationships.

We source operational support, including supplies and equipment, from local businesses.

MPM is a member of the Lone Pine Chamber of Commerce and Bishop Chamber of Commerce and we have provided donations to local essential services, including the Southern Inyo Hospital (for the family rural clinic improvements), Lone Pine Fire Department, and other community causes.

We have constructed a community pollinator garden (in consultation with the Wildlife Habitat Council) in the courtyard of the Lone Pine Chamber of Commerce, where our office is also located.

2021 OPEN HOUSES

MARCH 31

APRIL 17

(in conjunction with Lone Pine Chamber of Commerce Spring in the Courtyard event)

JUNE 15

2021 VIRTUAL TOWN HALL

MARCH 24
(over 300 attendees)