XTRA ENERGY CORP.

PRELIMINARY GEOLOGICAL SUMMARY

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CEO Mac Shahsavar,

Greetings sir. This letter is to serve as a preliminary field report summarizing geological observations, potential expansion/alterations to Scope of Work, next steps in the short term and mid term, and impressions/interpretations of the Arrance Mine and mineral potential of the Bernie Canyon area in a 'big picture' sense.

GEOLOGICAL OBSERVATIONS:

- The Bernice Canyon area is, broadly, a classic example of a low-sulfidation epithermal deposit. This classification of deposit type is characterized by the presence of much of what we have observed:
    - Presence of antimonious minerals (Antimony oxides and hydroxides alongside sulfides (primary ore)).
    - Presence of mercury, arsenic, lead, copper, silver and zinc.
    - Siliceous and argillic alteration of host rock with some quartz and rhyolite replacement.

PLANNED SCOPE OF WORK:

- Geochemical Sampling and Testing (short term)
  - ☐ I advise continued use of the handheld XRF analyzer to determine areas of anomalous ore concentration (antimony, silver, Pages, etc.)
  - ☐ In areas where there are higher concentrations of the elemental suite we are interested in I would advise geochemical samples to be collected at an interval density of 100ft.
  - ☐ In areas where there are no/very low anomalous readings, or hand sampling is impossible given current conditions, I advise a sample density of 500ft to 1000ft wherever possible.
  - ☐ These samples will be collected (SOP for proper sample technique to follow), labeled with the appropriate naming schema, and have their locations marked
    - Ground samples and all areas not underground can be assigned a gps tag and labeled similarly to the geochem tag
    - Channel and other underground samples will have their position recorded relative too an agreed upon, mapped 'Zero Point' or reference datum.
  - ☐ A geochemical testing lab, once agreed upon, will then perform fire assay (and/or other assaying tests (ICPMS, GCMS, etc.)).
- Geophysics (short/mid term)
  - ☐ Hyperspectral imaging of the Bernice Canyon area, with its many outcrops, would likely yield invaluable composition data and is recommended.
  - ☐ DCIP (direct current induced polarization) is also encouraged as Bernice Canyon received adequate precipitation to distinguish resistivity regimes. This method is commonly used when dealing with low sulfidation epithermal deposits (*https://www.globenewswire.com/en/news-release/2021/11/09/2330481/0/en/VR-receives-positive-drill-permit-Decision-for-its-Amsel-epithermal-gold-silver-property-in-Nevada-and-completes-geochronology-to-confirm-Round-Mountain-age.html*)
- Field/admit mapping (mid term)
  - ☐ A comprehensive review of available map data will be undertaken. If there are not locatable maps of adequate resolution (1:100 max

for underground, <1:10,000 for plan view) a mapping campaign is advised.

General Impressions and Speculative Interpretations

- The XRF results indicating anomalous PGE enrichment within the rhyolite (bleached, siliceous rock with cubic pyrite) are surprising to the author, but have been observed before in Nevada (https://nbmg.unr.edu/_docs/Newsletters/nl4.htm - mention of PGEs in rhyolite near the Chiquita Mine). As this mineralization occurs in what was, historically, a waste rock much of this material is already stockpiled in waste muck. It is easy to access (relative to the area) and can be confirmed/rejected as a target of interest during the geochemical sampling program. If sufficient PGEs are present then the economic interpretation of the area very likely improves.
- Even without PGEs, the abundant copper, silver and lead presence in (brown, less altered shale/claystone)rock that was, again historically, overlooked or unexploited (possibly interpreted as too low grade) suggests that the area is quite valuable and worth further investigation.

Sincerely,

Keith Diegel