

*Constantine North Inc.
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March 31, 2023

Attn: Jeffery Green
Alaska Mental Health Trust Authority
Trust Land Office
2600 Cordova Street, Suite 100
Anchorage, Alaska, USA 99503

SENT BY EMAIL

**Re: 2023 Plan of Operations for Mineral Exploration on the Haines Block,
Alaska Mental Health Trust Lands**

Dear Jeffery,

Attached is our Plan of Operations describing proposed 2023 mineral exploration activities for the Haines Block. Work will consist of geological mapping & prospecting, diamond core drilling and environmental baseline work.

This Plan of Operations proposes a surface exploration program and does not include surface development plans outlined in Phase I and Phase II Plans of Operations, approved April 2017 and July 2019, respectively and amended in July 2022. **No surface construction work is planned for the 2023 field season.**

These plans are subject to funding and external factors.

Sincerely,

Constantine North Inc.

A handwritten signature in black ink, appearing to read 'Michael J. Vande Guchte', written in a cursive style.

Michael J. Vande Guchte, P.Geo
VP Exploration



Constantine North, Inc.
Palmer Exploration Project
Porcupine Mining Area
Skagway (B4) NW Quadrangle, Alaska, USA

**2023 Plan of Operations for
Haines Block Mineral Exploration**
Upland Mining Lease No. 9100759

Submitted by
Constantine North, Inc.
800 West Pender Street, Suite 320
Vancouver, B.C. V6C 2V6

Submitted to
Alaska Mental Health Trust Authority
Mental Health Trust Land Office
2600 Cordova Street, Suite 100
Anchorage, Alaska 99503

On
March 31, 2023

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1.0 OPERATOR INFORMATION

1.1 Operator Information

Operator Name: **Constantine North Inc.** (“Constantine”), a US company domiciled in Alaska, USA and a wholly owned subsidiary of Constantine Metal Resources Ltd. (“Constantine Metals”) based in Vancouver, B.C, Canada. Constantine Metals is a wholly owned company of American Pacific Mining Corp. (“APM”) based in Vancouver, BC, Canada and listed on the Canadian Stock Exchange (CSE: USGD).

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Tax-Payer ID of Operator: 98-0213533

Point of Contact: Michael Vande Guchte, VP Exploration
E-mail: mike@constantinemetals.com

1.2 Lessee Information

Constantine North, Inc., a wholly owned subsidiary of Constantine Metal Resources Ltd., with its office located at 800 West Pender St., Suite 320, Vancouver, BC, Canada, V6C 2V6.

1.3 Primary Commodity

The primary commodities being explored for in the Palmer Project area are zinc, copper, gold, silver, and barite. The primary commodity being explored for in the Big Nugget Project area is gold.

2.0 INTRODUCTION

2.1 Overview

This Plan of Operations is submitted to the Mental Health Trust Land Office (TLO) pursuant to Paragraph 11 of the Uplands Mining Lease MHT No. 9100759 (“Lease”) between the Alaska Mental Health Trust Authority (“Trust”) and Constantine North Inc. (“Constantine”). The Lease is effective as of September 1, 2014. The lease includes Amendment No.1 (September 1, 2017) and Amendment No. 2 (September 1, 2020). This Plan of Operations outlines proposed exploration activities on the leased lands, which are referred to as the “Haines Block”.

The Palmer Project hosts two NI 43-101 compliant deposits, the Palmer Cu-Zn-Ag-Au-Ba deposit and AG Zone Cu-Zn-Pb-Ag-Au-Ba deposit. The Palmer Project is located in the western part of the Haines Block (both parcels C81210 and C70451), together with adjacent Federal and State mining claims.

The Big Nugget Project hosts several gold prospects in the Porcupine-McKinley Creek areas, located upstream of the historic and currently mined Porcupine placer deposits. The Big Nugget Project is located in the eastern part of the Haines Block (parcel C81210 only) and adjacent State mining claims that were staked in 2020.

2.2 Location

The Haines Block is located in the Haines Borough of southeast Alaska, 1.2 miles (2 km) south of the Haines Highway (Alaska Highway #7), and 35 miles (60 km) northwest of downtown Haines, AK, in the Takshanuk and Takhinsha Mountains between the Coast Mountains and the Alsek Ranges (Figure 1). The Haines Block lease parcels are located in the Skagway B-4 quadrangle, Alaska, USA and are bound by the Canadian border on the west side.

In the vicinity of the Palmer Project, the Haines Block Trust lands are subject to mining claims controlled by Company. In the vicinity of the Big Nugget Project, these lands overlie the Porcupine mining district, which has recorded intermittent production of approximately 82,489 ounces of placer gold.

2.3 Description of the Leased Lands

The Upland Mining Lease, the “Lease,” MHT no. 9100759, was made between Constantine North Inc. and the Alaska Mental Health Trust Authority on September 1, 2014. The Mental Health Trust Lands, referred to as the Haines block, originally included three parcels (C81209, C81210 and C70451) totaling approximately 91,652.5 acres for mineral exploration and development.

In 2017, Constantine surrendered Trust Parcel C81209 (26, 493 acres) from the Leased Area to comply with the Lease terms that required a minimum surrender of 25,000 acres after year 3 of the Lease (Amendment No. 1). By August 31, 2020, Constantine was required to surrender another minimum of 25,000 acres. On July 1st, 2020, Constantine surrendered

23,528 acres for the second lease term (Amendment No. 2). This acreage was contained in Trust Parcel C81209 and located within various sections of Townships 26-28 South, Ranges 53-55 East, CRM. Total lease acreage is now 41,631.5 acres (168 km²). On September 1, 2020, the Lease was renewed for another 3-year term and there are no additional requirements to reduce the land package.



Figure 1: Palmer Project Location Map, southeast Alaska

Current land parcels of the Uplands Mining Lease No. 9100759 to Constantine (as of September 1, 2020) include:

- (1) C70451: surface and mineral estate composed of approximately 1,246 acres; and
- (2) C81210: mineral estate composed of approximately 40,385 acres.

A parcel of the Haines Block (C70451) is held fee simple, with the Trust owning both the surface estate and subsurface mineral estate. For the rest of the Haines Block, the Trust owns the mineral estate, and the State of Alaska owns and manages the surface.

A portion of the leased lands are encumbered by and subject to federal mining claims owned by Alyu Mining Inc. and Haines Mining-Exploration, Inc. These claims are leased to Constantine North Inc. and are managed by the Federal Bureau of Land Management (“BLM”).

Portions of parcel C81210, specifically the East ½ Section 11, West ½ Section 12, West ½ Section 13, and East ½ Section 14, T 29 S, R. 54 E, CRM are subject to a placer mining lease with Blue Ribbon Gold, Inc. Four federal mining claims on Cahoon Creek constitute a federal in-holding in this area.

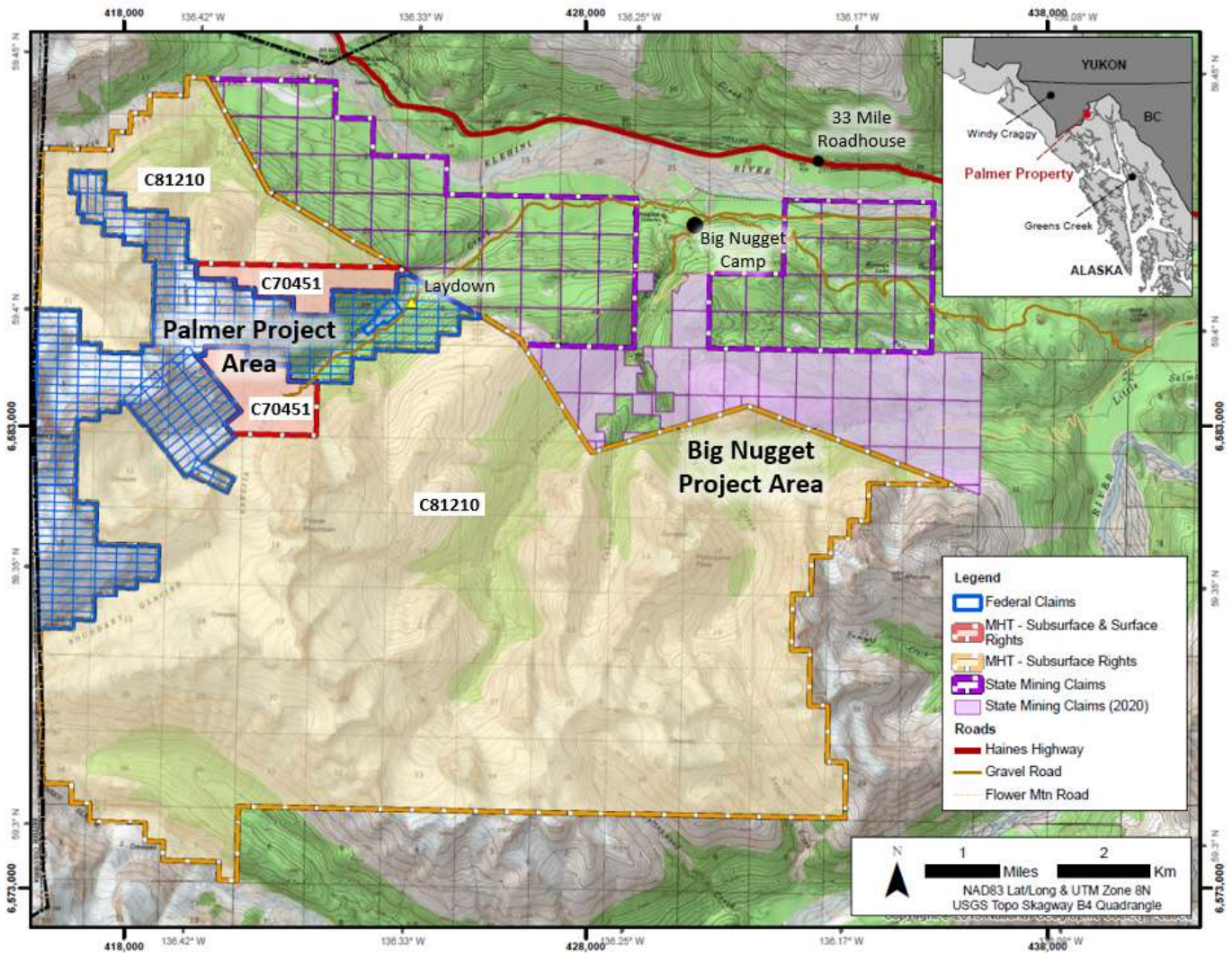


Figure 2: Palmer Property Land Ownership and road access.

3.0 DESCRIPTION OF EXPLORATION ACTIVITY

3.1 Overview

Constantine is planning exploration programs at both the Palmer Project and the Big Nugget Project in 2023. Helicopter-supported field work will likely commence early June and will continue until October 2023.

The planned activities on the Haines Block will include geological mapping and prospecting, diamond core drilling, environmental baseline surveys and compliance work. The location of these activities is shown on Figure 3. Lease eligible expenditures associated with the exploration activities will include diamond core drilling, geologic mapping, surface rock sampling and geochemical analysis, airborne surveys, helicopter and fuel costs, office-based data compilation and planning, consulting fees, and associated camp costs.

Exploration activities on the Haines Block will be part of a larger exploration program on the Palmer Project, including up to 40,000 feet (12,000 meters) of diamond core drilling planned for Federal BLM lands.

3.2 Palmer Project Activities

3.2.1 Geological Mapping, Prospecting and Rock Sampling

Small teams of geologists and field technicians will carry out geologic mapping, prospecting, and surface rock sampling across the Haines Block. This work will be supported by helicopter transportation.

3.2.2 Exploration Drilling

No new drilling is proposed on Parcel C70451 of the Haines Block in 2023 – on which the Trust own both surface and subsurface rights. All drilling is expected to take place on Federal BLM lands using existing or previous drill site locations. Additional work is required to finalize detailed drill plans, including field work to define viable sites for locating the drill pads.

3.2.3 Environmental Baseline and Compliance Work

As part of the environmental program planned to be completed on adjacent federal lands during the 2023 field season, some of the environmental work will extend into the Haines Block. Such work includes, but is not limited to:

- Compliance sampling as per Waste Management Permit 2019DB0001
- Wildlife surveys; and
- Hydrology and hydrogeology surveys

Environmental work completed on the Haines Block will benefit and contribute to potential future development in the greater overall area, including both State and Federal managed lands.

3.3 Big Nugget Project Activities

3.3.1 Geological Mapping, Prospecting and Soil Sampling

Small teams of geologists and field technicians will carry out geologic mapping, prospecting, and surface rock sampling across the Haines Block. This work will be supported by helicopter transportation. This work will include rock sampling (~75-100 rock samples) and soil sampling (~750-1000 soil samples).

3.3.2 Exploration drilling

Up to 6500 ft (2000 meters) of diamond drilling in 6-8 drillholes is being contemplated at 3-4 drill sites.

3.3.3 Airborne geophysical/LiDAR Survey

Both geophysical and LiDAR airborne surveys are being considered for 2023.

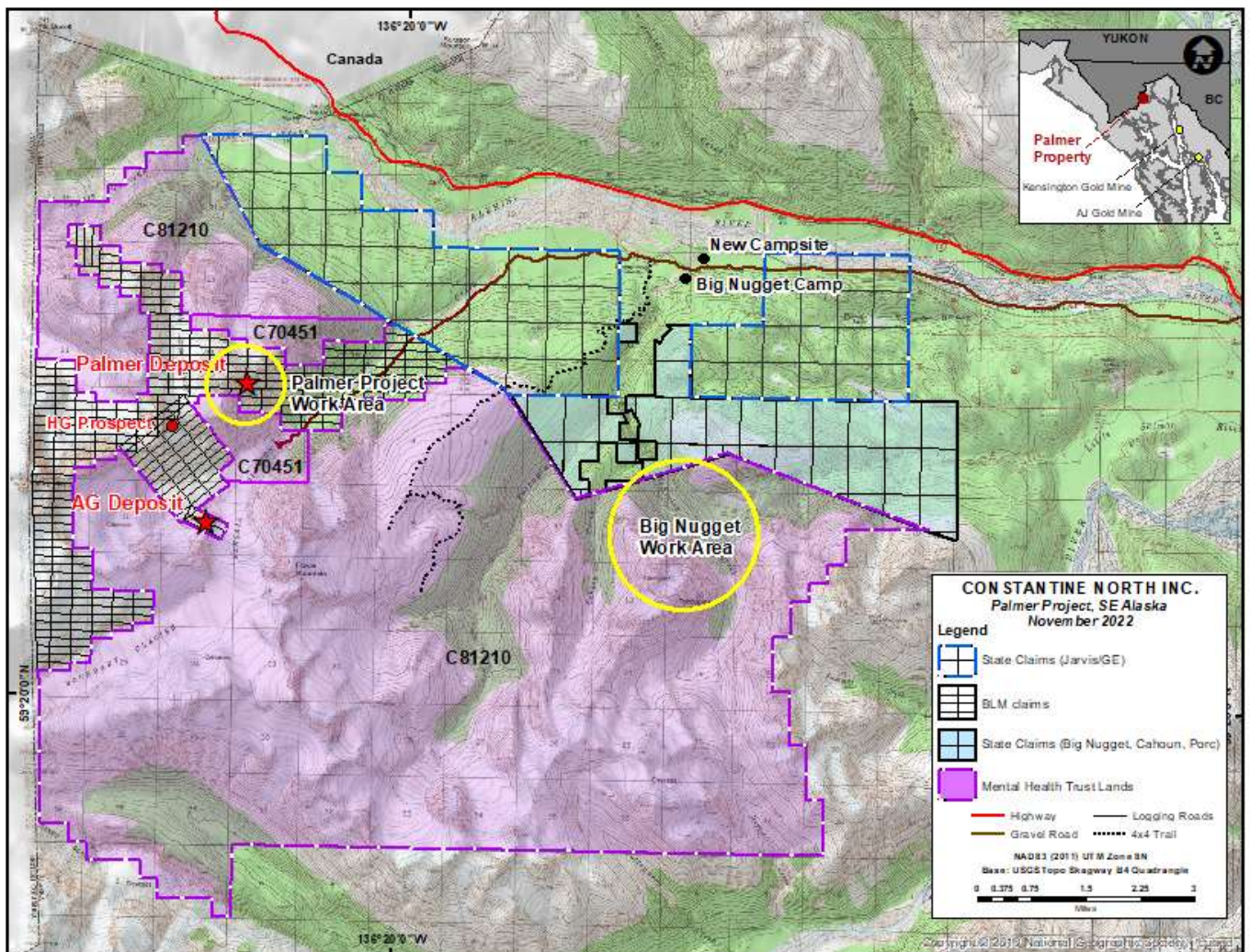


Figure 3: Location (yellow ovals) of proposed activities on the Haines Block.

4.0 PERMITS AND AUTHORIZATIONS

4.1 Surface Exploration

4.1.1 State Multi-Agency Permit Application

Exploration activities at the Palmer Project have been permitted through the state Multi-Agency Permit Application for Alaska Hardrock Exploration Operations. A multi-year (2019-2023) Miscellaneous Land Use Permit for Hardrock Exploration and Reclamation is in place for work on claims and Trust lands (APMA #5690). Constantine is submitting an amendment to the APMA in April to include new activities on State claims.

Constantine North will file a separate APMA application in 2023 to authorize proposed activities at the Big Nugget Project area.

4.1.2 Temporary Water Use Authorizations

Constantine held four TWUA permits in 2022, authorizing water withdrawal at a total of 19 designated sites. The TUWA permits authorize water withdrawal / diversion to support surface exploration, construction and environmental/geotechnical work.

4.1.3 Bonding

Constantine has submitted 2023 bonding paperwork to support proposed activities through a State-wide bonding pool for a total of 36 acres of disturbance. The current disturbance is 15 acres of existing and 21 acres of proposed disturbance (note the majority of the new disturbance is planned for State claims).

4.1.4 Acreage Disturbed

Approximately 0.06 acres of disturbance is anticipated for the Haines Block for 2023 exploration activities (

Table 1). The disturbance for the Big Nugget Project will need to be authorized through an upcoming APMA submission.

Table 1: Summary of estimated disturbance acreage on Haines Block.

	Item	Proposed Number	Approx. disturbance acreage per item	Total disturbance acreage
Palmer	Drill Site	0	0.01	0.00
	Helipad	0	0.01	0.00
BNG	Drill Site	4	0.01	0.04
	Helipad	2	0.01	0.02
	Total			0.06

4.1.5 Proposed Schedule for Reclamation

Reclamation activities will be conducted concurrently with exploration activities when the disturbance is no longer needed. Reclamation will begin within exploration areas considered inactive, without exploration potential, or completed, at the earliest practicable time.

4.1.6 Exploration Drill Site Reclamation

Only minor surface disturbance occurs from establishing drill pads since access to the drill sites is by helicopter, and all drill moves will be made by helicopter. Pads are supported by wood cribbing built on small wooden footers or timbers. In steeper areas timbers may be rock bolted to the ground. Reclamation of discontinued drill sites will include salvaging all timber, and removal of all associated materials (scrap, etc.), including associated helipads. Partially reclaimed drill pads include removal of all but the main support timbers, and in some places complete removal of the associated heli-pad.

Drill pads at the Palmer Project area will be constructed on rocky alpine outcrop. Most drill sites in the Big Nugget Project are expected to be in sub-alpine areas to alder/small brush/immature forest (pine) covered areas in the creek valleys and soil disturbance is expected to be minimal. Where re-seeding is required it will follow the guidelines outlined in the Vegetation Reclamation section.

Photos are taken of the site in four cardinal directions and from the air prior to any disturbance, after pad completion, and after site reclamation. For reclamation, all wood is burned or removed for reuse, any drilling products are cleaned up and removed, and all waste products are removed. Partial reclamation of drill sites includes removal of all but the main support timbers, and in some places, complete removal of the associated helipad. Refuse and scrap is removed from all sites, regardless of reclamation status.

After use, all sites are left in a tidy state with only the secure timbered frame of the drill pads and associated helipads left in place. No fuel, drill additive, or other material besides the wood timbers and steel casing of the hole will be left on site. Decking and timbering prone to damage or weather/snow related dispersion will be removed and safely secured for re-use. Any sumps will be filled and any disturbed ground (e.g., trails, leveled ground) will be recontoured.

All decisions and work are recorded. Constantine will reclaim any pad sites not intended for reuse. All un-reclaimed sites are intended for use in future exploration programs, both for drilling additional holes and as a safety measure to provide secure, safe helicopter access to different areas of the property – which is otherwise extremely challenged due to the steep terrain.

4.1.7 Exploration Drill Hole Plugging

A complete diamond drill hole reclamation plan was developed in 2018 and will be used going forward for all holes drilled at the Palmer and Big Nugget projects. The drill hole reclamation plan was designed to comply with permits and regulations, prevent entry of surface water and foreign substances (projectiles) into future underground workings, prevent “gun-barreling” during of loose rock during mining, prevent artesian water from reaching surface, prevent the physical hazard of an open hole in the ground, and to conserve groundwater and prevent flowing to waste.

Upon completion of drilling, management will decide whether the hole will be a monitoring well (water source, geophysical survey hole, hydrology well, etc.) or if it will be reclaimed.

For monitoring wells, both dry and those containing static water, the holes will be flagged for future reclamation. PVC may be installed, or drill rods may be left to keep the hole open.

For drill holes that intersect any reportable intersection of mineralization that may be included in a future resource estimate, holes will be cemented 100 ft above, below, and through the mineralized zone to prevent gun-barreling of loose rock during mining. This is for safety and to meet BLM requirements (Chapter 5, Solid Minerals Reclamation Handbook - BLM). If a hole is thought to have potential for fluid loss within this interval, plugs may be placed to avoid cement loss.

For all holes with static water, 10 ft of bentonite pellets will be placed on a van Ruth plug directly above the water table. For all reclaimed holes, a displacement plug with 10 ft of bentonite pellets will be placed within 10 ft of the collar.

If artesian is encountered, management will contact Allan S. Nakanishi, P.E, from the Mining & Technical Services Section of the Department of Environmental Conservation (DEC) and Kindra Geis from the Division of Mining, Land, and Water (DMLW) of the Department of Natural Resources for advice prior to abandoning the hole and moving the drill. A flow estimate and water quality sample will be taken where appropriate. If groundwater will enter surface water, the hole will be plugged immediately. Each case will be evaluated with help from the DEC and DMLW, and a Margo plug, grout plug, or short packer plug with bentonite may be required.

In all cases, casing will be cut to ground level, the hole will be capped with an aluminum or steel cap, and stamped with drill hole information, and reclaimed collars will be photographed in all 4 cardinal directions.

4.2 **Proposed Underground Exploration and Associated Works**

4.2.1 Phase I and II Plan of Operations Authorizations

Constantine is permitting an advanced underground program in two Phases. Phase I includes development of the access road and other surface civil construction in

preparation of facility construction. All these activities are on Alaska Mental Health Trust Authority (MHT) lands. The Phase I Plan of Operations was approved by the MHT in April 2017. The associated Reclamation Plan and was approved by ADNR in May 2017. These authorizations are superseded by authorizations associated with Phase II (following paragraph).

The Phase II Plan of Operations includes the construction of surface facilities, development of an underground exploration ramp, and the underground exploration drilling program, also on MHT lands. The Phase II Plan of Operations and associated Reclamation Plan were submitted to the MHT and ADNR in May 2019. ADNR issued a Reclamation Plan Approval on July 17, 2019 (J20185690RPA), and MHT issued an approval for Phase II shortly after, on July 23, 2019.

In 2022, the Phase II Plan of Operations and Reclamation Cost Estimate (RCE) was modified to reflect minor changes to the road and LAD design. The modified plan was submitted to MHT on April 14, 2022, and approved on July 5, 2022, while the RCE and was authorized by ADNR on May 13, 2022 with a modification to the existing Reclamation Plan Authorization (J20185690RPA.1).

Changes to the LAD design were updated in Appendix A of the Waste Management Permit (2019DB001) and conditional approval to construct the LAD was issued by the DEC in October 2022.

Other approvals and reviews associated with the amended Phase II obtained include an EPA inventory injection well (AK100F5-30-13913) and jurisdictional review by ADNR's Dam Safety Program, and a Construction General Permit for storm water management, and an NWP 58 issued by the USACE on November 15th 2022 (POA-2022-00303). Another TWUA application will be submitted for water use associated with Phase II plans (LAD system and underground development needs) at a later date.

No construction associated with underground development is planned for 2023.

4.2.2 Bonding

Financial responsibility was updated in 2022 with the modification of the Reclamation Plan Approval, issued by ADNR on May 13, 2022. A total financial assurance amount of \$1,074,000 was approved by ADNR for the Phase I and Phase II activities supporting underground works. On June 13, 2022, Constantine requested a phased approach to financial assurance. Constantine proposed providing an initial financial assurance in the amount of \$392,000 for the existing disturbance and the proposed surface disturbance for the 2022 season. Prior to the construction of the underground, Constantine would further amend the financial assurance to the full amount of the approved Cost Estimate. Constantine provided financial assurance for the initial \$392,000 for the 2022 season on June 21.

4.2.3 Acreage Disturbed

No disturbance is planned for 2023 related to Phase II on the Haines Block in 2023.

4.2.4 Proposed Schedule for Reclamation

No disturbance associated with Phase II is planned for 2023 and no reclamation will be required.