



2024 Annual Reclamation Report No. J20245690 RPA

Upland Mining Lease No. 9100759

Palmer Project
Porcupine Mining District, Alaska

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Prepared on behalf of: Constantine Mining LLC.

February 2024

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Location and Activity Description

Location

The Palmer Project is a copper-zinc-gold-silver (barite) exploration project located 34 miles northwest of the town of Haines in Southeast Alaska, USA. Until November 15, 2024, the Palmer Project was a joint venture between Dowa Metals & Mining Alaska ("Dowa"), a 100% owned US subsidiary of Dowa Metals and Mining Co. Ltd of Japan and Constantine North Inc ("Constantine") a 100% owned US subsidiary of Constantine Metal Resources Inc, which in turn is a 100% held subsidiary of American Pacific Mining Corp of Vancouver, BC. On November 15, 2024, American Pacific Mining Corp ("American Pacific") completed a Purchase Agreement with Dowa Metals & Mining Alaska Ltd. ("Dowa"), whereby Constantine North Inc has acquired Dowa's interest in Constantine Mining LLC, the holder of the Palmer Project.

The Project is in the Porcupine Mining District on the eastern margin of the Saint Elias mountain range. Figure 1 shows the location of the Project. The western boundary of the Project is the international border with the Canadian province of British Columbia. The Project is located proximal to the paved Haines Highway (Alaska Hwy 7), which leads to the town of Haines, Alaska, to the southeast. A secondary gravel logging road connects the project area to the Alaska Hwy 7 via a bridge across the Klehini River at 26-mile. Camp and core logging facilities are located on privately-owned land at the Big Nugget Camp located on Porcupine Creek and at the newly constructed Klehini Camp less than 1 kilometer down the road from Big Nugget.

Project Activity

2024 Summary and Background

Constantine had a surface exploration drill program in 2024, with two diamond drills onsite drilling a total of 6,036 meters. Existing access to the Glacier Creek valley is via a gravel road that extends approximately 4 miles from existing logging roads on State and BLM lands. The road extension and disturbance associated with surface drilling are bonded through a state-wide pool and is addressed under a separate annual reclamation report, submitted to DNR under APMA 5960 (CNI, 2024).

Constantine has proposed the development of an underground exploration ramp to support underground drilling. The underground development includes the construction of the supporting surface infrastructure and operation of the wastewater disposal system (Land Application Disposal system or LAD). Works associated with underground exploration are on fee simple and split estate Mental Health Trust (MHT) lands. The MHT lands are leased to Constantine under MHT Upland Mining Lease No. 9100759 (Figure 1).

Construction supporting the underground exploration was originally bonded through RPA J20185690, originally issued in 2018 (Phase I) and amended in 2019 (Phase II). Surface construction was initiated in 2018 and then paused from 2019 to 2021 while Constantine updated the LAD and road design. Approval for the updated design was obtained in May 2022 with a modification to the Reclamation Plan and associated financial assurance (J20185690.1).

Construction activities in 2022 focused on surface facilities to support future underground development. Construction continued on the road switchbacks and the avalanche deflection structures. Earthworks associated with the Land Application Disposal (LAD) system were initiated and included the partial excavation of the sediment ponds and grubbing for pipelines. The access road for the portal was 60% complete at the end of the 2022 field season.

No additional work was completed on MHT lands in 2023 or 2024. Only maintenance work was completed to account for maintaining stormwater control features. The Reclamation Plan approval previously issued by ADNR had an expiration date of July 16, 2024. To remain compliant, Constantine applied for renewal of the RPA, updating the reclamation cost estimates to account for inflation, changes in equipment costs, and changes in labor rates. The terms of the amended Reclamation Plan are discussed in the Financial Responsibility section of this report. The application by Constantine was reviewed by ADNR and approved November 22, 2024.

This report summarizes disturbance as of the end of 2022 (the most recent disturbance) associated with the Phase II Plan of Operations and fulfills the annual reporting requirements for the ADNR Reclamation Plan Approval (no. J20245690 RPA).

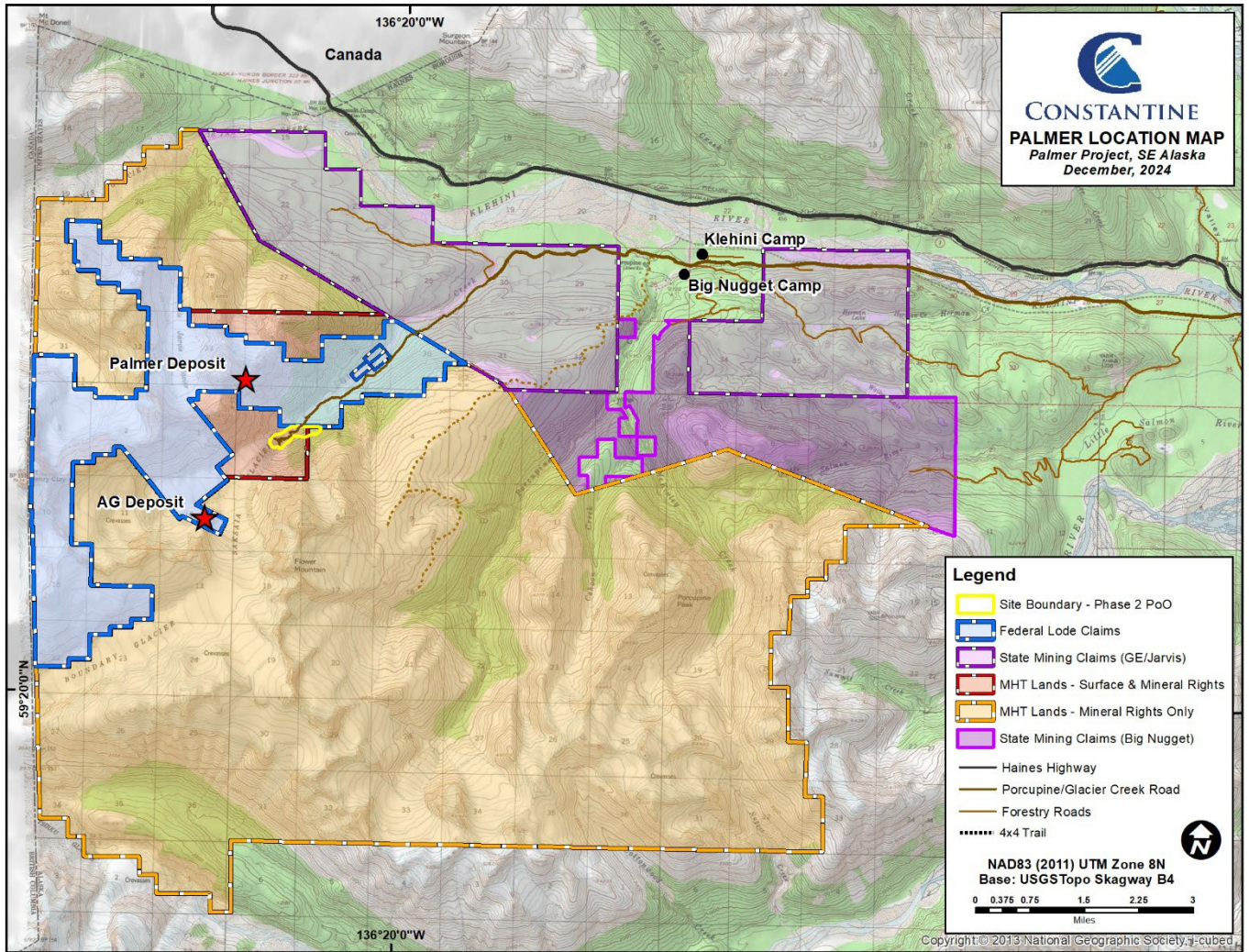


Figure 1. Palmer Project Location Map showing Site Boundary.

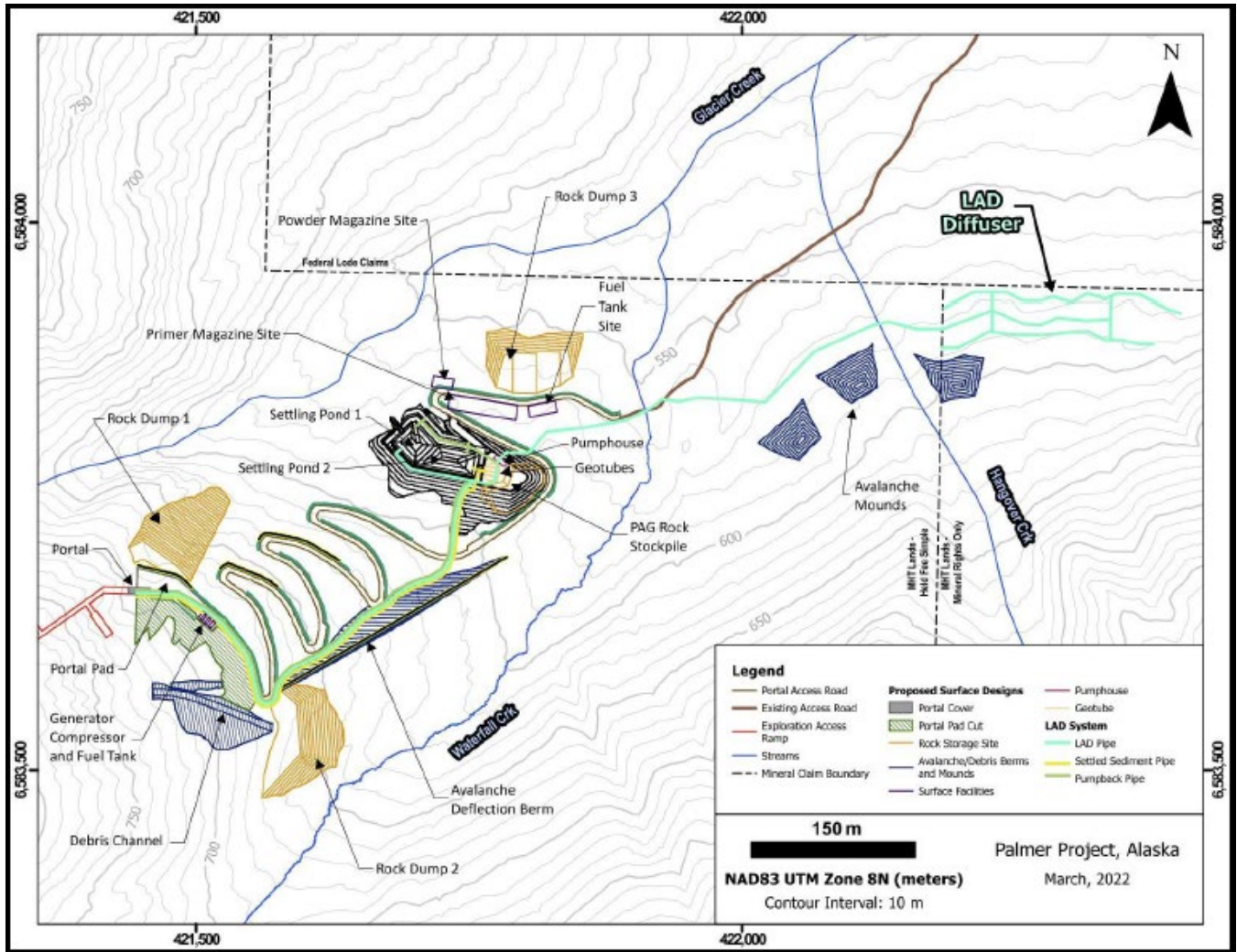


Figure 2. Conceptual designs for site facilities.

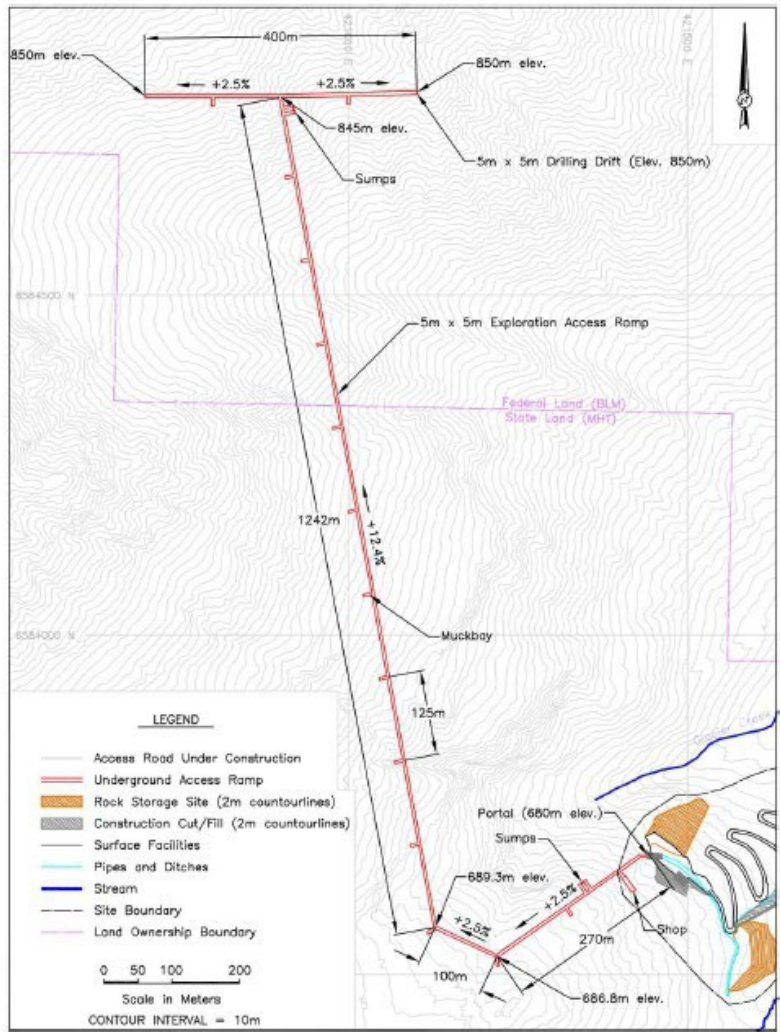


Figure 3. Conceptual design for Phase II exploration access ramp.

Site Disturbance

Constantine has prepared reclamation plans for both temporary closure and permanent closure scenarios, approved by the ADNR. The access road on Trust lands will be left in place at closure per an understanding with the Trust.

No additional construction work was completed in 2024. The following is a summary of the most recent construction work completed in 2022. In 2022, construction on the proposed portal access road switchbacks and planned infrastructure area occurred. The Phase II site boundary was updated to account for disturbance related to the revised LAD, and the boundary now reaches into MHT Parcel C81210 (Subsurface Rights Only). Due to the expanded boundary, **0.42 acres** of surface disturbance from 2021 overburden drilling are now added to the total disturbance covered in this report (Figure 4). An estimated total of **3.71 acres** were disturbed in 2022 within the modified Phase II site boundary, of which **1.22 acres** were associated with access road work. New disturbance was created along and around the portal access road and switchbacks, the portal pad area, the avalanche berm and mounds area, the sediment pond and PAG storage area, and the LAD clearing area. Total disturbance increased to an estimated total of **10.54 acres** (excluding the road), approximately 2.49 acres greater than 2021. Disturbances are tabulated below and shown on Figure 5.

Table 1. Summary of Disturbance Components and Associated Acreage of Disturbance, 2022.

Item	Acreage
Road	11.05
Portal Pad	1.53
Avalanche Berm and Mounds	3.52
Sediment Pond and PAG Storage	3.08
LAD Clearing	1.96
2021 Overburden Drilling	0.42
Monitoring Wells	0.03
TOTAL	21.59
TOTAL (Excluding Road)	10.54

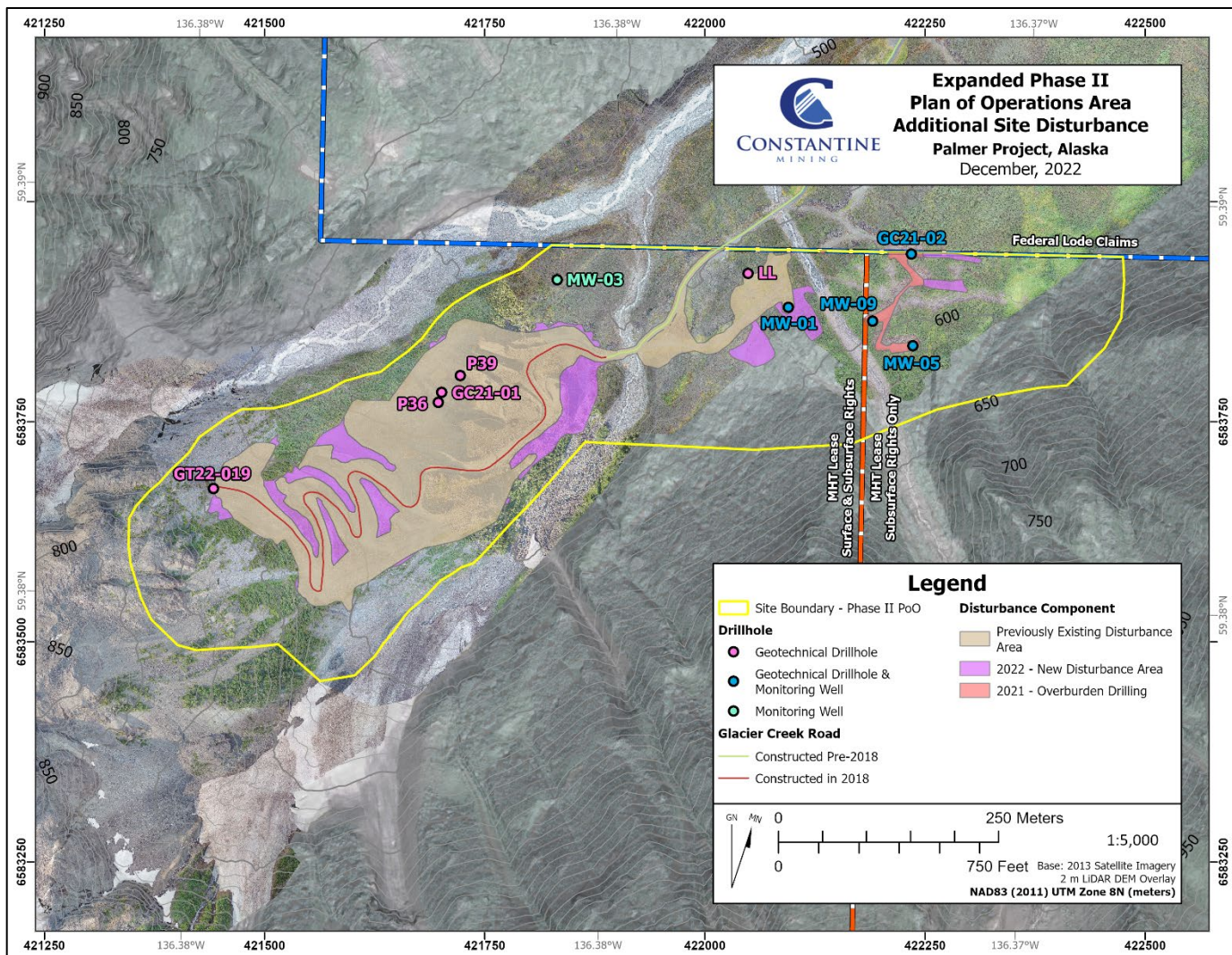


Figure 4. Location map of disturbance created during 2022 and of 2021 overburden drilling disturbance added to the Phase II Plan of Operations area. 2.49 acres of additional non-road related disturbance was created in 2022.

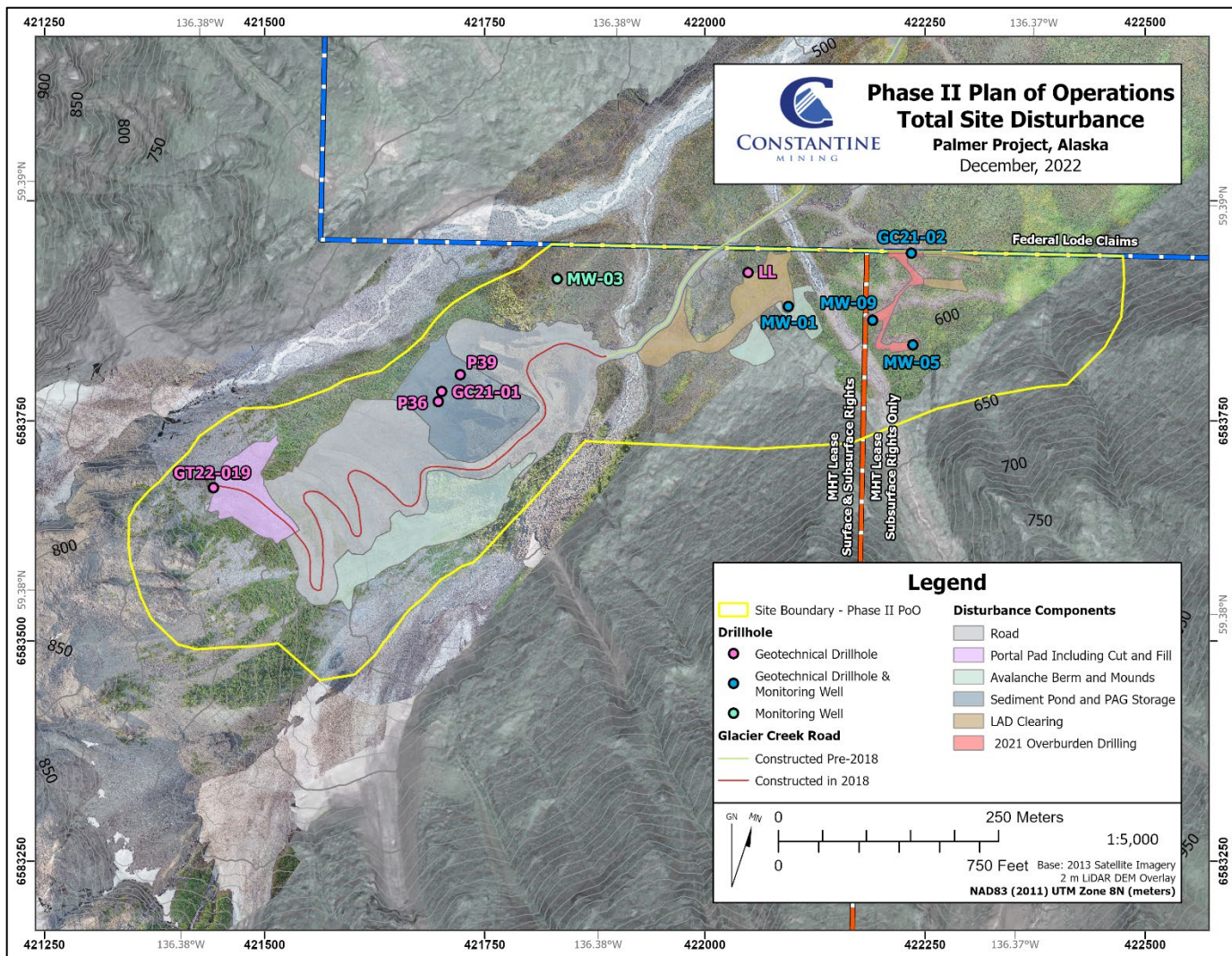


Figure 5. Location map of all disturbance components as of 2022.

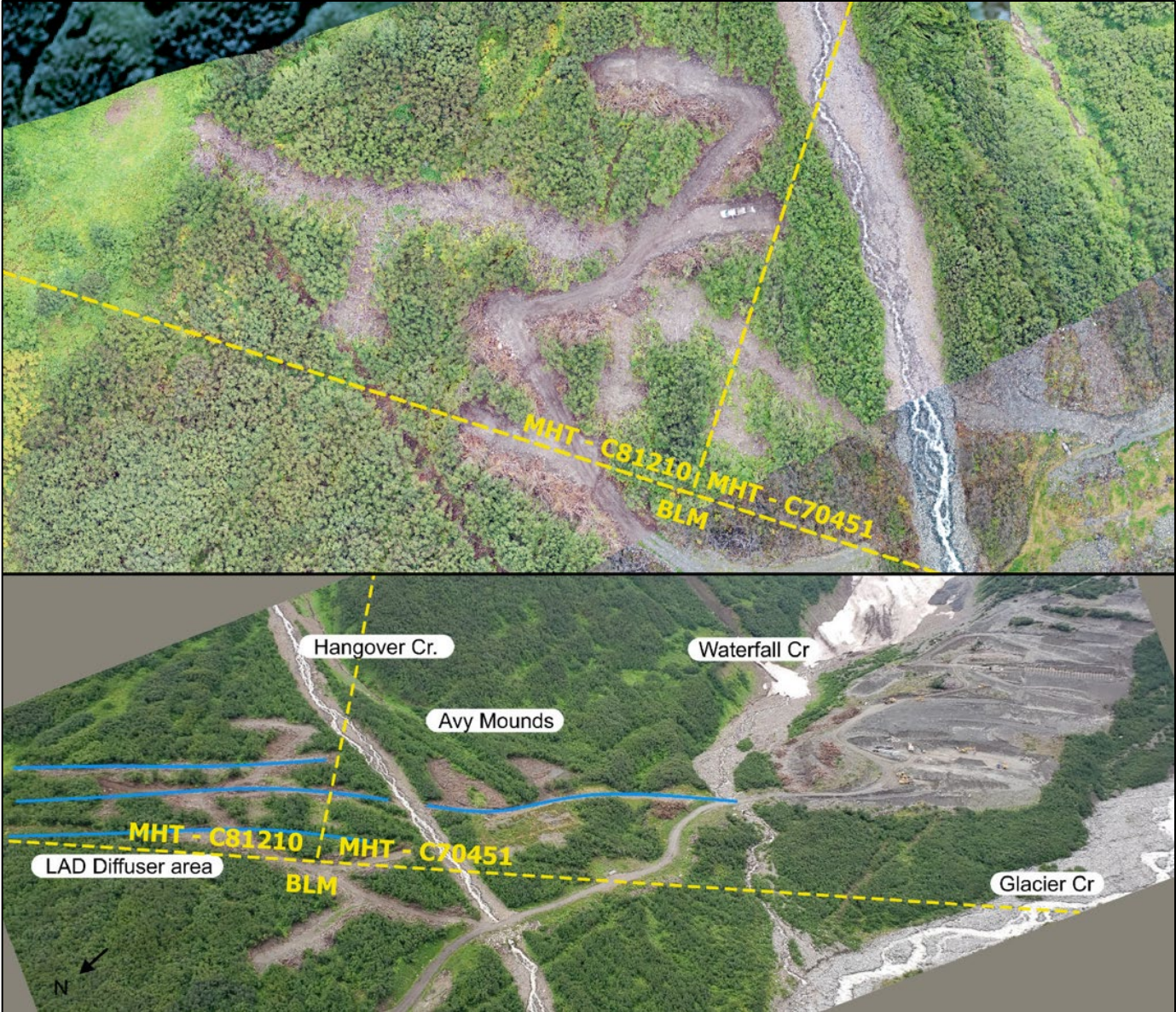


Photo 1. Disturbance from 2021 overburden drilling included in expanded Phase II Plan of Operations Boundary (upper). Aerial photo (taken August 16, 2022), looking SE, showing land clearing associated with Phase I & II Plan of Operations on MHT Lands (lower).

Reclamation

No permanent reclamation was performed in 2024.

Financial Responsibility

Previous approval of the Phase II Plan of Operations Reclamation Plan was set to expire in July of 2024. As such, Constantine applied for a renewal of the Reclamation Plan Approval in May of 2024 and received approval of the Plan on November 22, 2024. Changes to the reclamation cost estimate included updates to the equipment costs, adjustments for inflation, and updated labor hour costs. A total financial assurance amount of \$1,272,000 was approved by ADNR for the Palmer Project. As implemented as part of the previous reclamation plan approval by DNR, Constantine requested a phased approach to the financial assurance. Constantine proposed providing a current financial assurance in the amount of \$450,000 for the existing disturbance outlined in this report. Prior to the construction of the remaining work outlined by the WMP (i.e. underground development), Constantine would further amend the financial assurance to the full amount of the approved Cost Estimate. Constantine is in the process of providing financial assurance for the initial \$450,000 for the 2024 season. The company issuing the bond has sent documentation to Constantine for signature and execution. Once Constantine fully executes the bond agreement, ADNR will be provided with bond paperwork.

Given the recent nature of updates to the reclamation cost estimate, Constantine recommends no changes to the bond amount at this point; however, moving forward, Constantine recommends reviewing Pamphlet 600 annually and accounting for changes to labor rates on an annual basis at the time of bond renewal.

Monitoring

Compliance Monitoring – Waste Management Permit

The Waste Management Permit #2019DB0001 (WMP) was issued to Constantine Mining LLC by the State of Alaska, Department of Environmental Conservation (ADEC) on July 17, 2019. The WMP authorizes the management and disposal of underground seepage water and waste rock associated with Phase II.

The WMP was remanded by ADEC in September 2019 for an informal review largely due to the Maui v. Hawaii Wildlife Case which challenged the permitting authority for disposal of wastewater to groundwater. In August 2020 Constantine notified ADEC that an evaluation and re-design of the LAD system was underway to ensure that the LAD was compliant with the changing legal environment. Constantine collected additional information on site hydrogeology to inform the LAD re-design. The re-designed LAD and results of supporting hydrogeological studies were submitted to the ADEC on April 14, 2022 (available from ADEC upon request). Subsequently, conditional approval for construction of the LAD was provided by the ADEC on May 27, 2022. The approval was withdrawn on September 6 to account for new information submitted by a third party. On October 4 the conditional approval for the LAD construction was re-issued and the WMP remand was lifted. Since

then, the Commissioner of the Department of Environmental Conservation made a decision on the challenge to the WMP in August of 2023. That Decision is now under challenge in the superior court system.

During 2024, Constantine has continued to meet the monitoring requirements outlined in the WMP. Quarterly sampling has been conducted on surface water (4 stations) and groundwater (2 stations) as required by the WMP. This sampling is summarized in the 2024 Annual (4th Quarter) Monitoring Report submitted to the ADEC in February 2025. The annual report is included as Appendix A: Waste Management Permit - 2024 Annual Monitoring Report.

Other Monitoring and Studies

Other voluntary environmental monitoring activities conducted in 2024 are summarized in Appendix A: Waste Management Permit - 2024 Annual Monitoring Report, and include:

- Hydrometric surveys of surface water
- Groundwater level and temperature monitoring
- Meteorological monitoring

Appendix A: Waste Management Permit – 2024 Annual Monitoring Report

*Note: appendices of the Waste Management Permit annual report are available from the
ADEC*