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Constantine Palmer Project Inspection Report

Inspection Date: September 14, 2024
Time: 10:00 AM to 12:00 PM
Weather: Clear sunny day with an average temperature of 60°F.
Agency Personnel: DNR: Jesse Garnett White, William Groom, and Carolyn Curley
Operator Contact: Constantine: Nicole Dean and Merlin Benner
Inspection Objectives: Inspection Report

Operations:

The Palmer Project (Haines Block) (Map 1) lease parcels (MHT no. 9100759) are in the Skagway B-4 quadrangle, Alaska, USA, Haines Borough of Southeast Alaska Juneau Mining District. It is 34 miles northwest of Haines on the eastern side of the Saint Elias mountains in the Takshanuk and Takhinsha mountains between the Coast Mountains and the Alsek Ranges. The western boundary of the Palmer Project is the international border with the Canadian province of British Columbia. The Palmer Project is located near Haines Highway (Alaska Hwy 7), which leads to Haines, Alaska, 34 miles to the southeast. A secondary gravel logging road connects the project area to Alaska Hwy 7 via a bridge across the Klehini River (Porcupine Crossing) at 26 mile. Drill core storage and camp facilities are located on privately-owned land at the Big Nugget Camp located on Porcupine Creek. Surface access onto the Glacier Creek valley is a gravel road that extends approximately 4 miles from the previously mentioned logging road. Except for this access road, practical access to most of the property for mineral exploration is by helicopter.

The larger Palmer property consists of a contiguous block of land comprising 340 federal unpatented lode mining claims, which cover an area of approximately 6,567 acres, 63 state mining claims that cover an area of approximately 9,185 acres, as well as approximately 41,683.5 acres under lease from the Mental Health Trust Land Office (Trust). The surface rights are managed by the Bureau of Land Management (BLM), the State of Alaska and the Trust, respectively. However, all the surface disturbance has occurred on Trust lands. The Trust is the leading agency regarding mining activities for this project. All surface disturbance occurs on Trust surface lands, where the Trust also owns the subsurface estate. Constantine has an Upland Mining Lease (No. 9100759) for these lands from the Trust. Exploration activities at the Palmer Project have been permitted through the state Multi-Agency Permit Application for Alaska Hardrock Exploration Operations. A multiyear Miscellaneous Land Use Permit (MLUP) for Hardrock Exploration and Reclamation (APMA #5690). A separate reclamation plan approval (J20185690) for disturbance related to portal development and its reclamation, along with the financial assurance requirements, is maintained and authorized by the Large Mine section within DMLW.

Field Inspection Plan, Execution and Summary Schedule:

The Alaska Department of Natural Resources (DNR) primary objectives for the field inspection of the Palmer Project (Map 1) were to inspect active disturbance on behalf of the Fairbanks Mining Section APMA group.

DNR staff arrived on site (Big Nugget Camp) at 10:00 am where we met with Constantine staff Nicole Dean (Project Technical Coordinator) and Merlin Benner (Environmental Manager). We had a brief safety tailgate meeting then reviewed our site visit plan focused on active disturbance in Glacier Valley. After discussion we drove in 2 vehicles from Big Nugget Camp (Photos 1-6) through the Palmer Project gate (Photo 7) to the laydown yard (Photos 8-13) and beyond to the Palmer Project Area, proposed exploration adit, and exploration drill pads below Mount Morlan and Jasper Mountain (Photos 14-29).

Findings:

A summary of findings can be found below with a description of active sites that were visited. Detailed route maps with areas of interest, including photos of all inspected sites with observations notes, are in Appendix A. Please note that arrows on the photographs are approximated directions.

1. Inspection of Active Areas of Disturbance

- 1.1. Big Nugget Camp: Camp was in good order and prepped for winter.
- 1.2. Laydown Yards: Laydown yards were in good order and prepared for winter. The exploration drill pad near the lower laydown has an exposed drill pipe that will need to be cut to the surface. Water pipes at the upper laydown were well organized.
- 1.3. Palmer Project Area: The logging road to and from the Palmer Project area was well maintained. Cleared areas including the settling ponds, PAG Rock Stockpile, road to Portal Pad, and Portal Pad were also in good shape. Numerous drill pads are still located on the slopes of Mount Jasper and Mount Morlan.

Violations:

DNR finds the Palmer Project operation is in good condition and is consistent with industry standards. The operation facilitates activities in a manner which prevents unnecessary and undue degradation of State lands.

Conclusion and Recommendations:

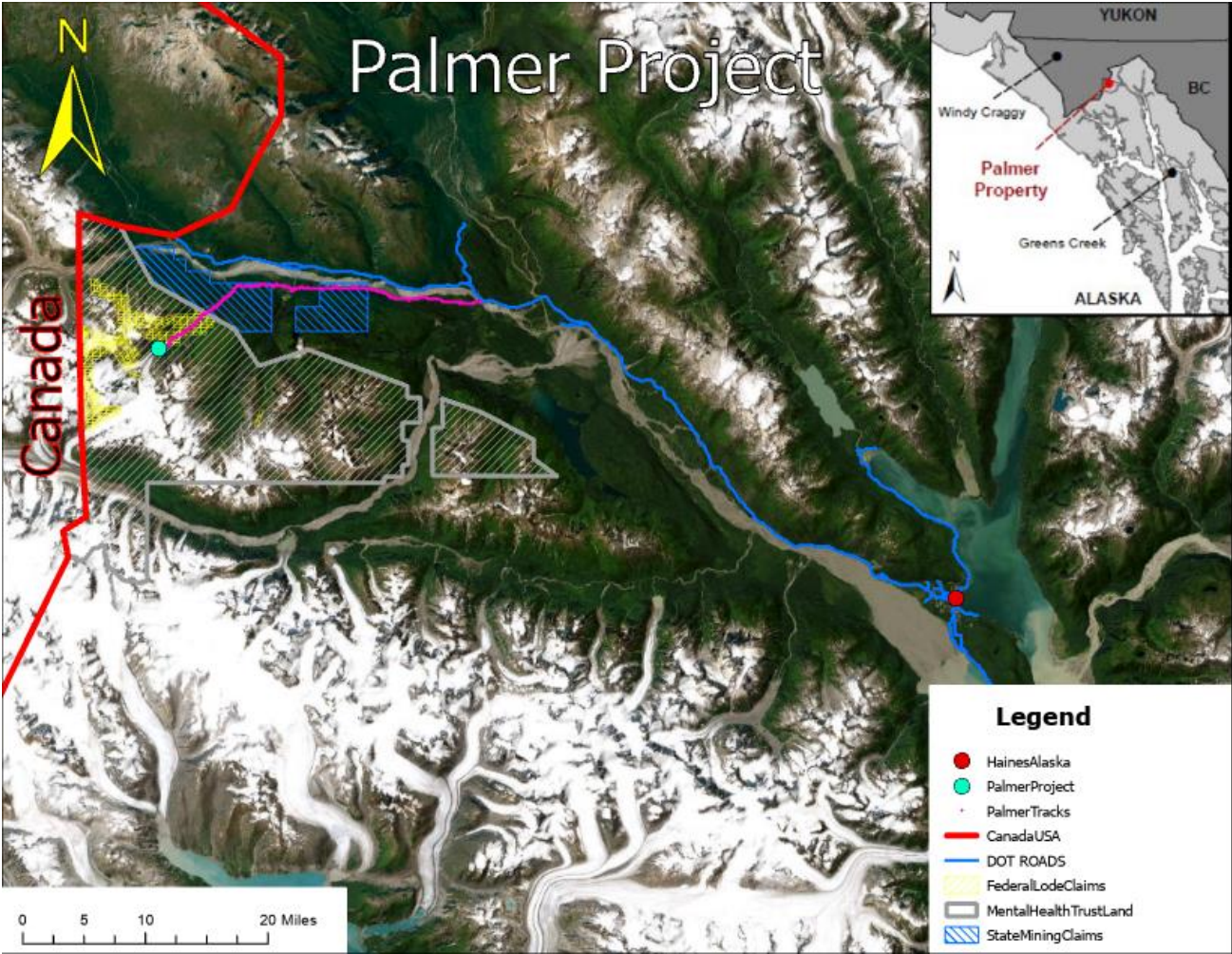
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Report prepared by: Jesse Garnett White

Cc: Steve Buckley (DNR), William Groom (DNR), Carolyn Curley (DNR), Aaron Kruse (DNR), Dave Charron (DNR), Cole Hendrickson (DNR), Kendra Geis (DNR), Jenny March (DNR), Greg Palmieri (DNR), Kate Harper (DNR), Allan Nakanishi (DEC), David Khan (DEC), Tim Pilon (DEC), Kate Kanouse (ADF&G).

Appendix A

Inspection Maps and Observations of Note



Map 1: Palmer Project Area.

Field Inspection Observations of Note with Photos in Sequence of Inspection

Photo 1-6: Big Nugget Camp. DNR inspection at Big Nugget Camp and the Palmer Project was on the last day of personnel being in camp for the 2024 season. Everything was cleaned, cleared, and locked up for winter. Caretaker checks on the camp periodically during the off season.



Photo 7: Gate to the Palmer Project.



Photo 8-11: Views of the Laydown Yard. Cleared, clean, and prepared for winter.



Photo 12: Fuel Tank at Laydown Yard near Helicopter Landing Zone. Note the duck pond liner.



Photo 13: Drilling Pad with Exposed Drill Pipe near Laydown Yard.



Photo 14-16: Water Withdrawal Hose Laydown Yard. Neatly organized. Views both up and down the valley.

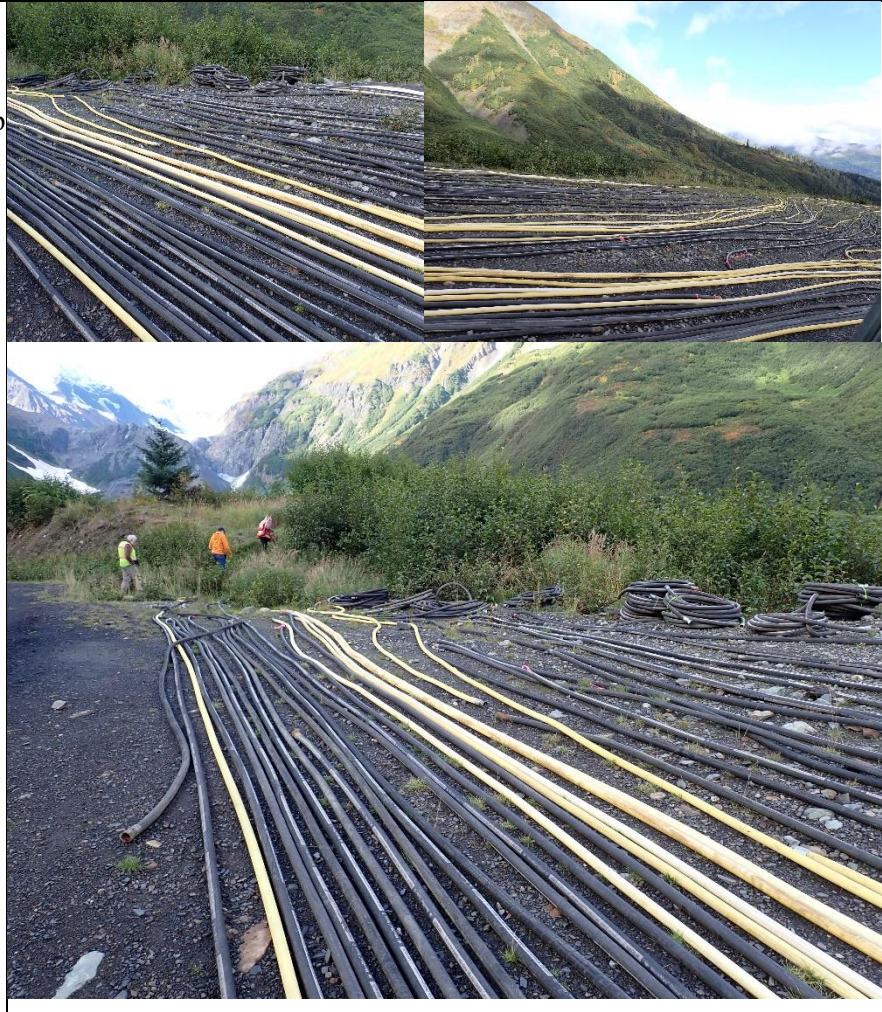


Photo 17-20: Various views of Mount Jasper, Paddy's Pocket, South Wall, Mount Morlan, and Old Switchbacks and Seismic Lines.

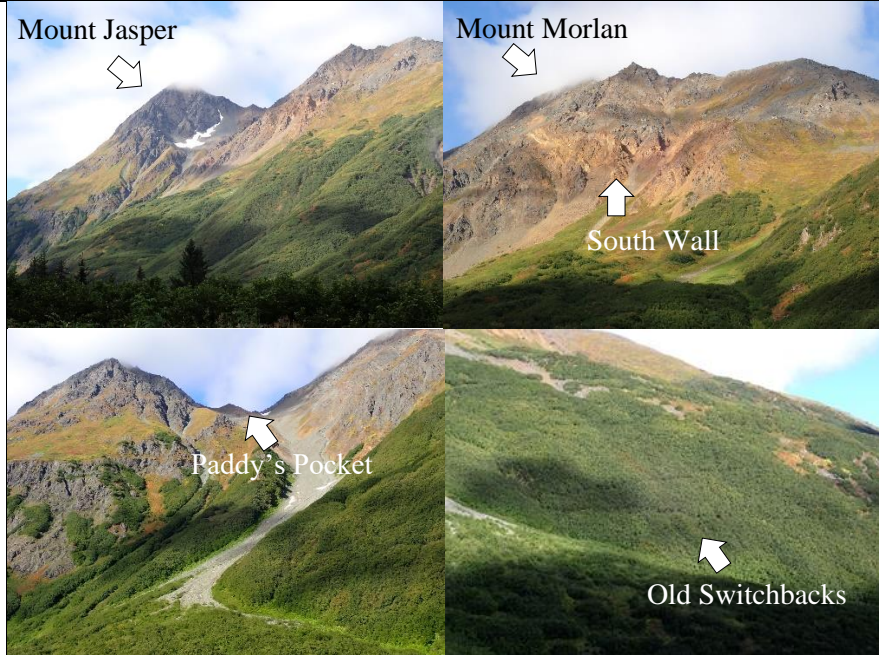


Photo 21: Northern view of Mount Jasper, Paddy's Pocket, South Wall, and Mount Morlan.

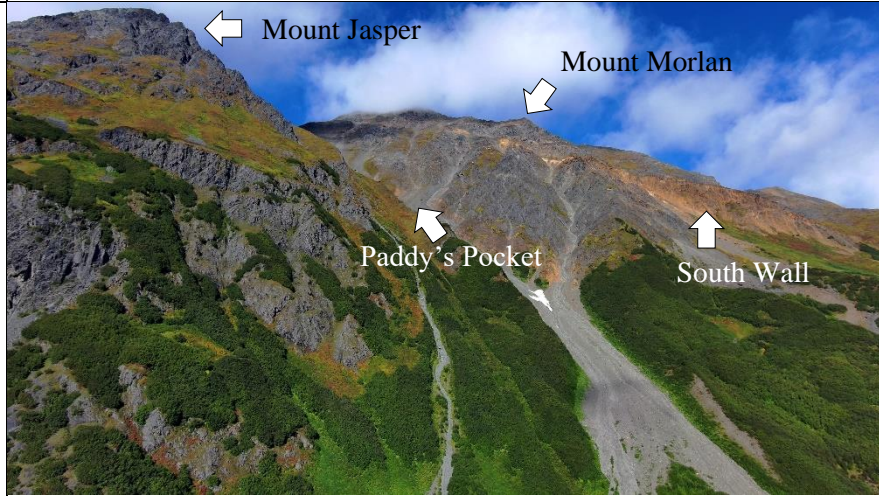


Photo 22-25: Northerly views of Exploration Drilling Pads, below Mount Morlan.



Photo 26: Southwest View of Saksia Glacier, Mount Henry Clay, and Mount Henry Clay S3.



Photo 27: Southwest view of the upper Portal Pad Road, Portal Pad, and Proposed Portal Location. Waterfall creek to the left and Glacier Creek to the right.



Photo 28: Southern view of the road to the Portal Pad, Portal Pad, Proposed Portal Location, Sediment Pond, and PAG Storage. Waterfall Creek is under the snow patch.

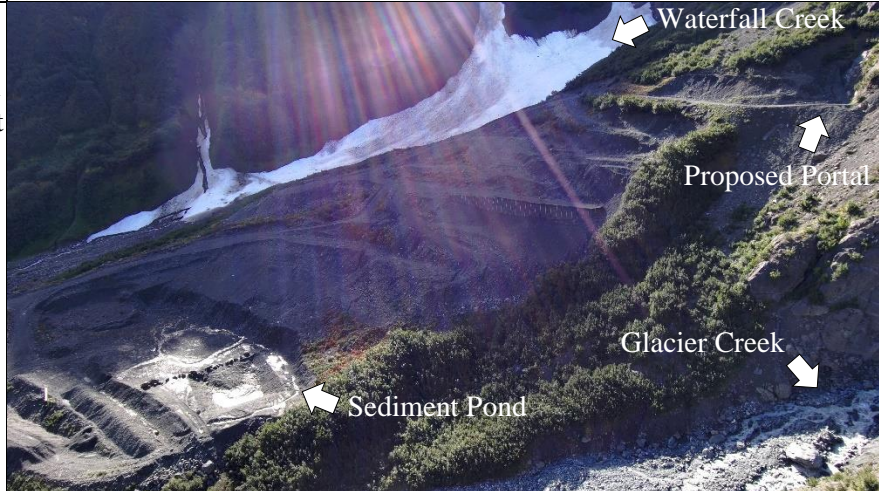


Photo 29: Northeast, Down Valley view of Glacier Creek. Klehini River and Surgeon Mountain center of photograph.

