

Newsletter

MAY 2021

Constantine's Palmer Project – Keeping You Informed

"We at Constantine have always been committed to engaging with our local communities and keeping locals informed as the Palmer Project advances. With ongoing COVID-19 pandemic restrictions, we have not recently had the opportunity to meet and share Palmer Project updates, which we would prefer to do. Therefore, as we are starting our 2021 exploration program, we would like to provide an update about our 2021 work plan through this newsletter on the recent funding commitment from Dowa Metals, our environmental monitoring programs and our commitment towards the community. We will continue to provide news about our work and progress in this manner. We want to thank the Haines community for their continued support to advance the Palmer Project and wish everyone a safe and healthy summer."

GARFIELD MACVEIGH, President, CEO & Director, Constantine Metal Resources Ltd.

From The Beginning

The Palmer Project is a promising advanced-stage mineral exploration project, operated by Constantine Metal Resources Ltd. (Constantine). The mineral deposits, located within the Porcupine Mining District in the Haines Borough, have the potential to become a future high-grade, underground copper-zinc-silver-gold-barite mine.

More than 50 years ago the prospector, who made the surface mineral discoveries and first envisioned a new-found prosperity for Haines, went on to become instrumental in establishing the Bald Eagle Preserve to resolve resource use conflicts and the first timber inventory for sustainable logging yield in the region. Merrill Palmer's prospector vision and community values are carried forward by Constantine as we continue to focus on sustainable development of the Palmer Project.

To date, \$51.9 million and tens of thousands of person-hours have been invested in exploration work and environmental programs to sustainably advance the Project. All exploration activities are authorized and permitted by State and Federal agencies and the Project has undergone rigorous Environmental Assessments by the Bureau of Land Management in 2016 and 2017. The Preliminary Economic Assessment (PEA) published in 2019 provides a professional third-party opinion that the Palmer Project

can become a low operating cost, high margin underground mining operation with significant socio-economic benefits. Today, the Palmer Project represents the potential for an exciting diversity of economic and employment opportunities for the residents and Borough of Haines, and for the State of Alaska.

Stronger Together

The Palmer Project is being advanced in a joint venture partnership between Constantine and Dowa Metals & Mining Co., Ltd (Dowa), a trusted company with over 130 years of experience in mineral exploration, and the mining production and smelting industry. Our partnership with Dowa provides Constantine the financial and technical strength to sustainably advance the Palmer Project.

Heading into this current exploration season, the Palmer Project is in a strong position financially, as Dowa is investing an additional \$8.8 million to conduct the 2021 work program. The 2021 Dowa funding will dilute Constantine's project interest to no less than 44% and we remain the operator of the Project, overseeing the work program and involved in all related decision-making processes.

Upcoming Work Program

2021 will be a busy year for us, with plans for 1800 meters of exploration drilling, 2500 meters of resource upgrade drilling and 1700 meters of geotechnical drilling. This activity supports the planning of the underground exploration program and adds additional data required to advance the Project to feasibility. Engineering and environmental studies will continue to inform our understanding of the natural environment near the Palmer Project, to mitigate any possible impacts to fish habitat and water quality, and also for infrastructure design considerations.

Protecting The Environment

Protecting the natural world where we operate is extremely important to Constantine and also required by State and Federal regulatory agencies. We are actively monitoring for potential impact on water, fish and fauna with rigorous science-based studies that include:

- Collecting water quality data to help establish baseline environmental conditions (since 2008)
- Conducting fish habitat studies (since 2013)
- Conducting rock characterization studies to focus on the potential environmental effects of rock geochemistry on water quality (since 2015)
- Conducting terrestrial wildlife studies (since 2015)

We adhere to industry best practices in our plan designs and all work at the Project is being conducted using qualified experts. We also follow stringent safety and environmental regulations required by multiple State and Federal agencies for the protection of wildlife, water quality, our workers, and in governing our business conduct.

The Future Is Bright

Based on the 2019 PEA Report, the Palmer Project mine plan will provide year-round stable employment. The PEA mineral resource provides for an eleven year mine life that supports 220 full-time employees and an estimated 40 contractor jobs, plus tax revenue at both the local and state level. Note that the PEA mineral resource does not include the RW Zone inferred resource, the expansion potential of existing resources or new discoveries.

As the Palmer Project moves forward, we at Constantine will continue to participate in the community in a professional manner and as a good neighbor. Our work will bring a range of benefits to the region that include opportunities for living and prospering in Southeast Alaska.

Community Commitment

Constantine believes in being a part of the community, its traditions, culture and values. We strive to be accessible and provide open and honest communication of our plans, and we aim to continue to work for mutual benefit with our neighbors.

Our policy is to shop locally whenever we can, and Constantine is committed to providing employment for local workers and business opportunities to local contractors and service providers.

Each year, Constantine supports more than a dozen local organizations and charities, including the Chilkat Valley Community Foundation, Salvation Army, and the SE Alaska State Fair to name a few. To help high school seniors in the Chilkat Valley reach their advanced education goals, we established the Constantine Mining Scholarship Program with 4 scholarships and \$2500 having been awarded to date.



www.constantinemetals.com



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We believe in open and transparent communication and always welcome opportunities to share information or address project-related concerns. If you have any questions or need more information please contact our Haines office at **907-766-2057; 120 N 2nd Ave., Haines Alaska 99827**