

NEWS RELEASE

American Pacific Mining to Acquire Constantine Metal Resources

Vancouver, British Columbia – August 15, 2022—American Pacific Mining Corp (CSE: USGD / FWB: 1QC / OTCQX: USGDF) (“APM”) and Constantine Metal Resources Ltd. (“Constantine”) (TSXV: CEM/OTCQX:CNSNF) announce that they have entered into a definitive agreement (the “Definitive Agreement”) pursuant to which APM will acquire all of the issued and outstanding common shares of Constantine (the “Transaction”) in an all-share transaction, providing Constantine shareholders with an immediate upfront premium of 48.6% based on each company’s respective 20-day volume weighted average price (“VWAP”).

The combined company will be a premier exploration and development company in the western USA with two projects being aggressively advanced under strategic partnerships with well-respected major metal producers and an expanded portfolio of prospective precious and base metals assets.

Highlights of the Transaction and Strategic Rationale:

- Shareholders of the combined company will gain exposure to two advanced exploration projects under strategic partnerships with majors:
 - Palmer (Constantine) is an attractive PEA-stage (US\$266 million after-tax NPV at 7% discount rate)¹ zinc-copper-gold-silver volcanic massive sulfide (VMS) project located in a strategic area of Southeast Alaska, being advanced with world-class joint-venture (“JV”) partner Dowa Metals & Mining Co., Ltd. of Japan (“Dowa”). The JV approved 2022 program and budget is US\$18 million, with funds being advanced exclusively by Dowa, as required, during project advancement. Constantine has an option to contribute pro-rata, up to December 31st, 2022, to maintain Constantine’s 44.91% interest.
 - Madison (APM) is a past-producing high-grade copper-gold skarn and porphyry system located in the heart of Montana’s prolific copper-gold belt under an earn-in joint-venture agreement, whereby Kennecott Exploration Company, part of the Rio Tinto Group, may spend US\$30 million to earn a 70% interest.
- The combined company will be well financed with a pro-forma cash balance exceeding C\$10 million allowing APM to aggressively progress projects while leveraging spending commitments of partners.
- Improved capital markets profile with increased market capitalization exceeding C\$85 million and better positioned to attract additional institutional and high net-worth investors.
- The Transaction has strong shareholder support, with Constantine’s two largest shareholders Michael Gentile and John Tognetti and management and directors of Constantine, together representing 27% of the issued and outstanding common shares of Constantine, entering into voting support agreements with APM.
- Strong and experienced management team (APM was recently nominated for five awards at the S&P Global Platts Metals Awards) with demonstrated ability to raise capital and operate in the western USA.

¹ See the Amended NI 43-101 Technical Report Palmer Project Alaska, USA (“PEA”) prepared by JDS Energy & Mining Inc. dated March 7, 2022 with an effective date of June 3, 2019 under Constantine’s profile on SEDAR at www.sedar.com. The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that PEA results will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

- APM and Constantine shareholders will have exposure to expanded portfolio of precious and base metals exploration projects in Idaho, Nevada and Arizona.

CEO of American Pacific Mining, Warwick Smith, stated: “This is a transformational step for American Pacific as the Palmer Project gives us an established PEA-stage asset with a tremendous amount of exploration upside. We are very impressed with the quality of technical work completed by Constantine and Dowa to-date and look forward to collaborating with our new partners and stakeholders to expand resources and realize the full potential of this high-grade VMS system while continuing to deliver exposure to progress and new discoveries across our existing portfolio of highly prospective past-producing exploration projects.”

CEO of Constantine Metal Resources, Garfield MacVeigh, commented: “Constantine is pleased to enter into this agreement and our Board unanimously recommends the transaction to shareholders at a significant market premium. We believe American Pacific’s focus, financing capabilities and breadth of exploration experience in the US will result in Palmer reaching its full potential. We would like to thank our shareholders, the team at Constantine, our Board and our joint venture partner at Palmer, Dowa, for all their support.”

Transaction Details

Constantine shareholders will be entitled to receive 0.881 (the “**Exchange Ratio**”) of a common share of APM for each share of Constantine held (the “**Consideration**”). All outstanding stock options of Constantine will be exchanged for options of APM and all warrants of Constantine will become exercisable to acquire common shares of APM, in amounts and at exercise prices adjusted in accordance with the Exchange Ratio. The Consideration values Constantine at approximately C\$0.43 per share, representing a premium of approximately 48.6% to Constantine shareholders, based on the 20-day VWAP of each company as of the close of trading on August 12, 2022. Upon completion of the Transaction, Constantine shareholders will hold approximately 31.4% of APM shares on an outstanding basis.

The Definitive Agreement for the Transaction includes customary provisions, including non-solicitation, right to match, and fiduciary out provisions, as well as certain representations, covenants and conditions which are customary for a transaction of this nature. The Definitive Agreement provides for a C\$850,000 termination fee payable by Constantine to APM in the event of a superior proposal, and a reduced break fee of \$500,000 payable in the event of a no-vote by Constantine securityholders in certain circumstances. The Transaction is expected to be completed by way of a court-approved Plan of Arrangement under the *Business Corporations Act* (British Columbia) (the “**Arrangement**”) and will be subject to securityholder approval at a meeting of Constantine securityholders, which is expected to take place in October 2022, with the Transaction expected to close shortly thereafter. Under the Definitive Agreement, APM has also agreed to commit to fund C\$5,000,000 for the Palmer Project in 2022 in accordance with the approved project program and budget.

Closing of the Transaction is subject to the receipt of applicable regulatory approvals, Constantine securityholder approval and the satisfaction of certain other closing conditions customary for transactions of this nature.

It is anticipated that any securities to be issued under the Arrangement will be offered and issued in reliance upon the exemption from the registration requirements of the *U.S. Securities Act* of 1933 provided by Section 3(a)(10) thereof. This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities.

Board of Director’s Recommendation and Voting Support

The Arrangement has been unanimously approved by the board of directors of both APM and Constantine. Directors and senior officers of Constantine along with certain Constantine shareholders, being Michael Gentile and John Tognetti, holding in the aggregate approximately 27% of the outstanding Constantine shares, have each entered

into customary voting and support agreements to, among other things, vote in favour of the Arrangement at the special meeting of Constantine securityholders to be held to consider the Transaction.

Advisors and Counsel

McMillan LLP is acting as American Pacific's legal advisor. Agentis Capital Mining Partners is acting as financial advisor to Constantine and Blake, Cassels & Graydon LLP is acting as Constantine's legal advisor.

Agentis Capital Mining Partners has provided a fairness opinion to the Board of Directors of Constantine stating that, as of the date of the opinion, and based upon and subject to the assumptions, limitations and qualifications stated in the opinion, the consideration to be received by the shareholders of Constantine is fair, from a financial point of view, to the shareholders of Constantine.

About American Pacific Mining Corp.

American Pacific Mining Corp. is a gold explorer focused on precious metal opportunities in the Western United States. The Madison Mine in Montana, under option to joint venture with Kennecott Exploration Company, is the Company's flagship asset. The Gooseberry Gold-Silver Project and the Tuscarora Gold Project are two high-grade, precious metals projects located in key mining districts of Nevada, USA. The Company's mission is to grow by the drill bit and by acquisition.

About Constantine Metal Resources Ltd.

Constantine is a mineral exploration company led by an experienced and proven technical team with a focus on the Palmer copper-zinc-silver-gold-barite project (the "**Palmer Project**") being advanced as a joint venture between Constantine and Dowa Metals & Mining Co., Ltd. ("Dowa"), with Constantine as operator. The Palmer Project is a high-grade volcanogenic massive sulphide-sulphate ("VMS") project located in a very accessible part of coastal Southeast Alaska, with road access to the project and within 60 kilometers of the year-round deep-sea port of Haines.

On Behalf of the Board of American Pacific Mining Corp.

"Warwick Smith"
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On Behalf of the Board of Constantine Metal Resources Ltd.

“Garfield MacVeigh”

President & CEO

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The CSE has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

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Forward-looking Information

This news release includes certain statements that may be deemed to be “forward-looking information” within the meaning of Canadian securities legislation. All statements in this news release, other than statements of historical facts are forward looking statements, including statements that address our expectations with respect to any anticipated benefits of the Transaction, expectations and funding with respect to the Palmer Project, the closing of the Transaction, the Palmer Project funding, APM’s ability to complete the proposed Transaction; Constantine and APM’s ability to secure the necessary securityholder, legal and regulatory approvals required to complete the Transaction, the timing of the Transaction, the timing and success of future events or developments of APM or its properties, including with respect to the Palmer Project. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although APM believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, impacts (both direct and indirect) of COVID-19, timing of receipt of required permits, changes in applicable laws, changes in commodities prices, changes in mineral production performance, exploitation and exploration successes, as applicable, continued availability of capital and financing, and general economic, market or business conditions, political risk, currency risk and capital cost inflation. In addition, forward-looking statements are subject to various risks, including that data is incomplete and considerable additional work will be required to complete further evaluation, including but not limited to drilling, engineering and socio-economic studies and investment. The reader is referred to the APM’s filings with the Canadian securities regulators for disclosure regarding these and other risk factors. There is no certainty that any forward-looking statement will come to pass, and investors should not place undue reliance upon forward-looking statements.

Please Note: Investors are urged to consider closely the disclosures in APM's annual and quarterly reports and other public filings, accessible through the Internet at www.sedar.com.

