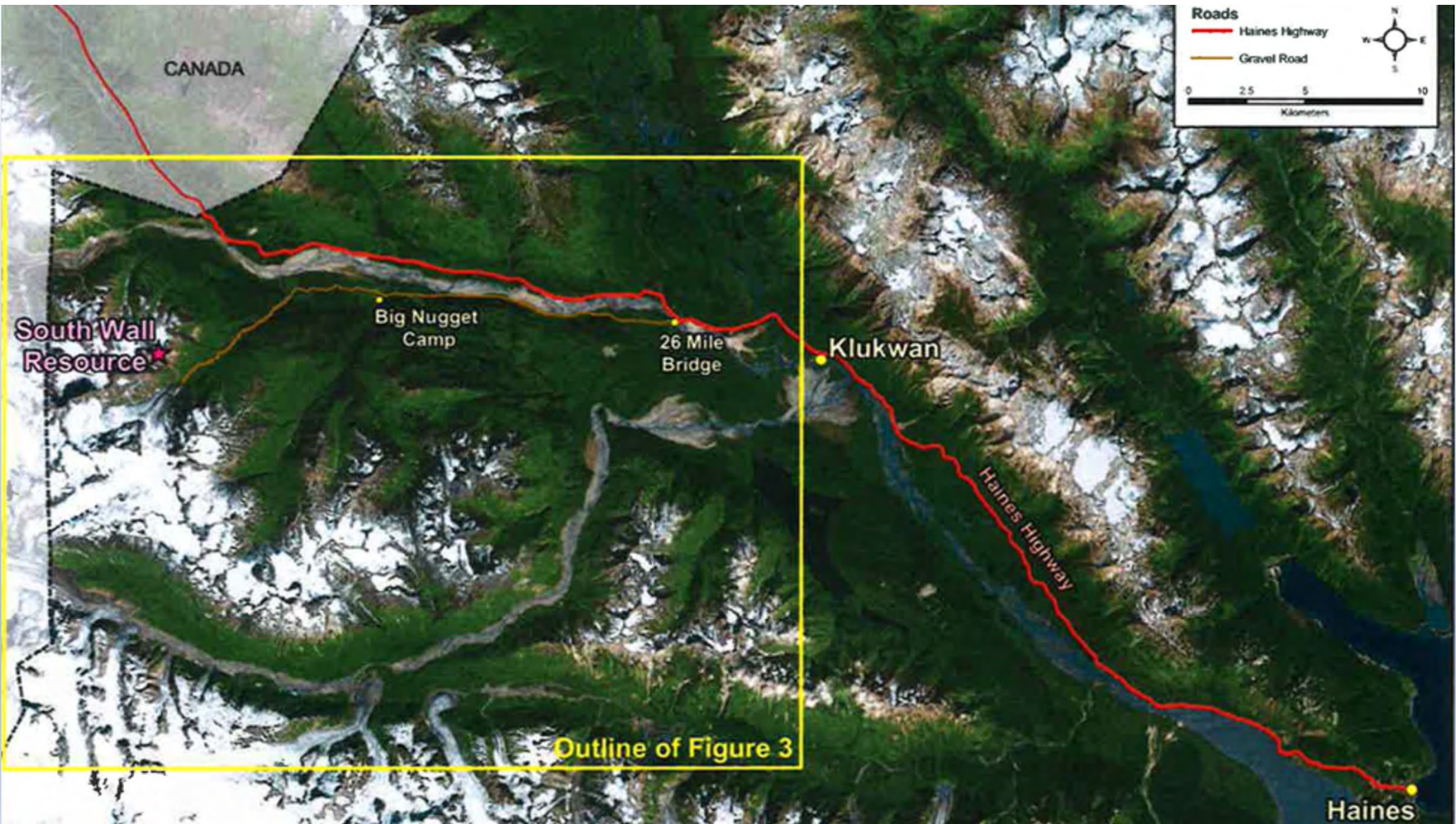


# Palmer Project Federal Claim Encumbrance





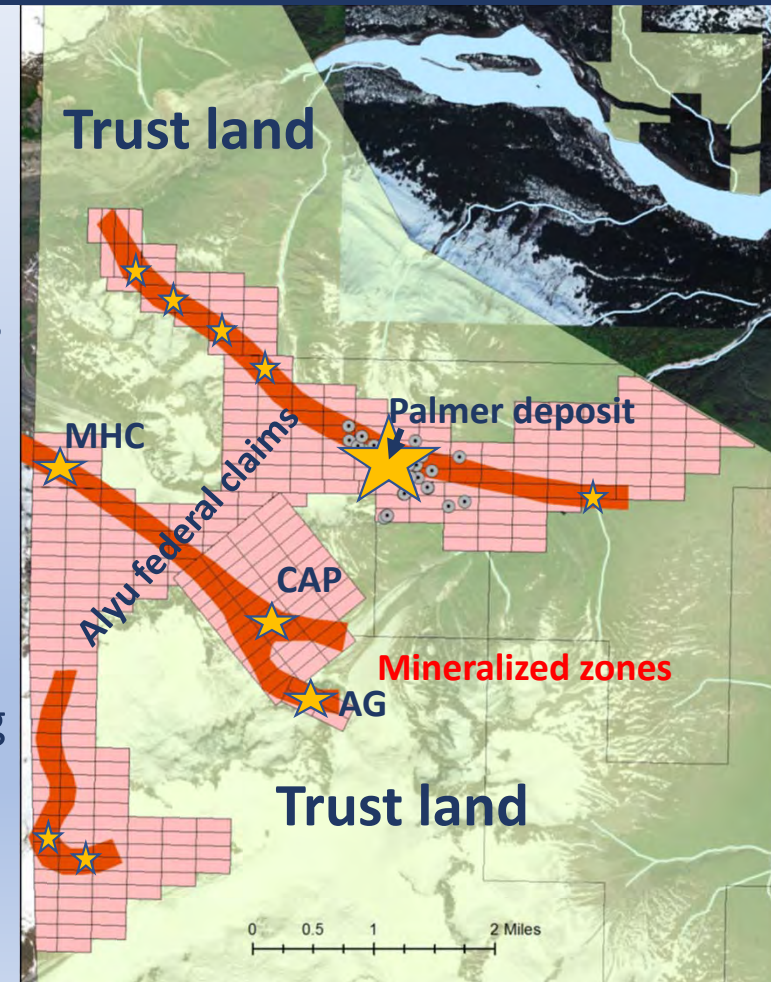
# Palmer Claims

## Status

- 340 unpatented federal mining claims owned by Alyu Mining (Merrill Palmer group), leased to Constantine Metal Resources
- Constantine is actively exploring the federal mining claims
- Federal claim owners are entitled to 2.5% Net Smelter Return Royalty

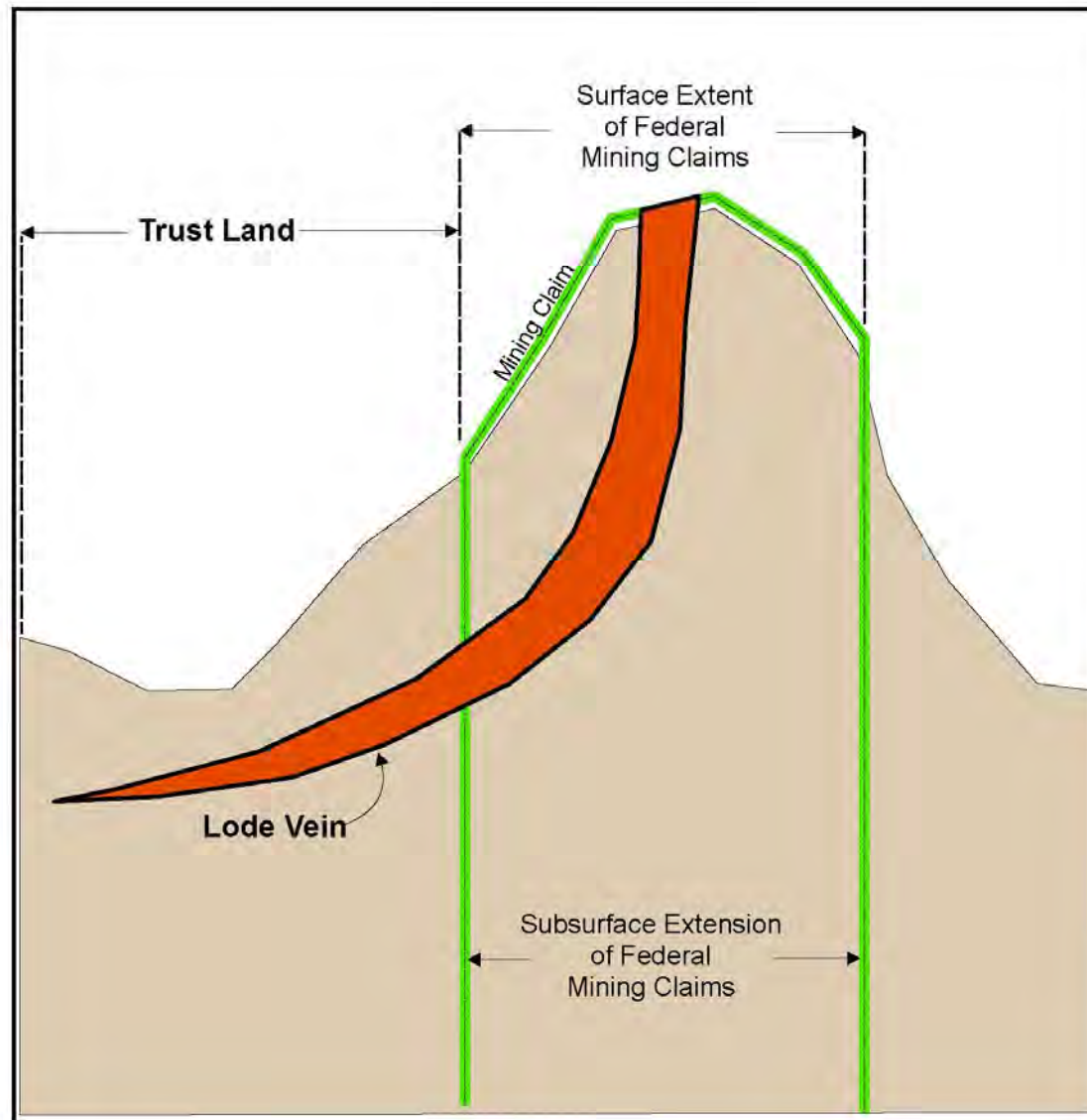
## Options

- Removing the federal claims and converting the federal land to Trust owned land improves the financial, timing, and permitting aspects of developing the potential mining area
- Purchase right to extinguish federal mining claims
- Removal of federal claims extinguishes extralateral rights



### Extralateral Right

Is a principle under mining law where a miner has a right to claim on public land to mine veins whose tips are present on the surface of the claim even though the veins extend under the surface outside of the claim. Extralateral right is also known as apex rule or intraliminal right.



# Palmer Deposit Economic Model

Input data: NI43-101 Resource Estimate dated September 27, 2018

## Indicated resource estimate (t): 4.7 Mt

- Zn grade(%): 5.23
- Cu grade (%): 1.49
- Ag grade (g/t): 30.8
- Au grade (g/t): 0.30
- Barite (%): 23.9

## Inferred resource estimate (t): 5.3 Mt

- Zn grade(%): 5.20
- Cu grade (%): 0.96
- Ag grade (g/t): 29.2
- Au grade (g/t): 0.28
- Barite (%): 22.0

## Recovery

- Zn (%): 93.1
- Cu (%): 89.6
- Ag (%): 90.9
- Au (%): 69.6
- Barite (%): 91.1

## Commodity prices

- Zn (\$/lb): 1.15
- Cu (\$/lb): 3.00
- Ag (\$/toz): 16.00
- Au (\$/toz): 1,250.00
- Barite \$/t): 80

**Assumption: Operating life  
time of hypothetical mine is 12  
years, starting in 2024**

# Stage of Exploration & Development for Palmer Project

