

FORM 7
MONTHLY PROGRESS REPORT

Name of Listed Issuer: American Pacific Mining Corp. (the "Issuer")

Trading Symbol: USGD

Number of Outstanding Listed Securities: 118,039,210

Date: September 1, 2022

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

See Item 2 below for a complete overview and discussion of the Issuer's activities for the month of August 2022.

2. Provide a general overview and discussion of the activities of management.

On August 15, 2022, the Issuer announced that it has entered into a definitive agreement (the "Definitive Agreement") with Constantine Metal Resources Ltd. ("Constantine"). Pursuant to the Definitive Agreement, the Issuer 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**

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

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 (the Issuer) 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 the Issuer 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 the Issuer.
- Strong and experienced management team (the Issuer 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.
- APM and Constantine shareholders will have exposure to expanded portfolio of precious and base metals exploration projects in Idaho, Nevada and Arizona.

Transaction Details

Constantine shareholders will be entitled to receive 0.881 (the “Exchange Ratio”) of a common share of the Issuer for each share of Constantine held (the “Consideration”). All outstanding stock options of Constantine will be exchanged for options of the Issuer and all warrants of Constantine will become exercisable to acquire common shares of the Issuer, 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 the Issuer’s 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 the Issuer 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, the Issuer 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.

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.

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. The 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 the Issuer 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 the Issuer'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.

On August 17, 2022, the Issuer announced that it is a finalist in 5 categories for the 2022 Platts Global Metals Awards, an annual program of S&P Global recognizing exemplary accomplishments across 17 categories.

Some 110 finalists have been selected from 22 countries for the tenth annual Platts Global Metals Awards. The awards program, operated and hosted by S&P Global Commodity Insights, recognizes and celebrates the best-of-the-best in the metals industry spanning both individual and company achievements.

The Issuer has been nominated for:

1. CEO/Chairperson of the Year – Warwick Smith
2. Deal of the Year – Joint venture partnership with Kennecott Exploration (Rio Tinto Group)
3. Industry Leadership Award: Base and Specialty Metals
4. Industry Leadership Award: Precious Metals
5. Rising Star Company Award

Winners will be announced at an awards gala in London, UK on October 27, 2022.

The Issuer was consistently the number one (#1) performing gold stock in the second half of 2021 based on market capitalization appreciation, as ranked by the Wall Street Journal's mining index (Rising Star Company Award). As well, the Issuer completed strategic project consolidation at Tuscarora, discovered new parallel vein splays at its past-producing Gooseberry project and continued to see high-grade gold and copper results at the Issuer's Madison Project.

As a finalist in five categories, the Issuer is among the most nominated companies for this year's Platts Global Metals Awards. Both CEO Warwick Smith and President Eric Saderholm welcome media requests for expert discussion and industry commentary in the mining space. Media inquiries and requests for analyst briefings may be directed to Primoris Group Inc. at media@primorisgroup.com or +1 (416) 489-0092.

For event and program updates, visit <https://www.spglobal.com/platts/global-metals-awards>

About S&P Global Commodity Insights

S&P Global Commodity Insights is a division of S&P Global (NYSE: SPGI). S&P Global is the world's foremost provider of credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help many of the world's leading organizations navigate the economic landscape so they can plan for tomorrow, today. For more information visit <https://www.spglobal.com/commodityinsights>.

Engage Marketing Provider

The Issuer also announces that it has engaged King World News as its marketing provider for a term of 12 months commencing on May 1, 2022 and has agreed to pay King World News US\$37,500 every three months for its services.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Please see Item 2 above.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

As mentioned in Item 2 above:

On August 15, 2022, the Issuer announced it has entered into a Definitive Agreement with Constantine. Constantine is a non-related party of the Issuer.

On August 17, 2022, the Issuer announced that it has hired King World News as a marketing provider. King World News is a non-related party of the Issuer.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None.

8. Describe the acquisition of new customers or loss of customers.

None.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None.

14. Provide details of any securities issued and options or warrants granted.

None.

15. Provide details of any loans to or by Related Persons.

None.

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends, which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

N/A.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: September 1, 2022.

Warwick Smith

Name of Director or Senior Officer

"Warwick Smith"

Signature

CEO & Director

Official Capacity

<i>Issuer Details</i>	For Month End	Date of Report
Name of Issuer American Pacific Mining Corp.	August 2022	YY/MM/DD 22/09/01
Issuer Address 510 Burrard Street, Suite 910		
City/Province/Postal Code Vancouver, BC, V6C 3A8	Issuer Fax No. (604) 608 5372	Issuer Telephone No. 1 (866) 646.5389
Contact Name Warwick Smith	Contact Position CEO & Director	Contact Telephone No. 1 (866) 646.5389
Contact Email Address investor@americanpacific.ca	Web Site Address www.americanpacific.ca	