

# Constantine Finalizes Lease Agreement on Johnson Tract Property and Provides Details for Spinout of Gold Assets into HighGold Mining

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Vancouver, May 21, 2019 - [Constantine Metal Resources Ltd.](#) (TSXV: CEM) (OTCQX:CNSNF) ("Constantine" or the "Company") is pleased to announce the following:

## Lease Agreement Finalized on Johnson Tract Property

Pursuant to the previously announced Letter & Agreement with Cook Inlet Region, Inc. ("CIRI", an Alaska Native Corporation), a formal Lease & Agreement has been finalized for the rights to the 20,942 acre Johnson Tract property (the & "Property" or the "Project"). The Property is located near tidewater, 125 miles (200 kilometers) & southwest of Anchorage, Alaska and includes the very high-grade Johnson Tract Au-Ag-Zn-Cu- & Pb (gold, silver, zinc, copper, lead) deposit along with excellent exploration potential indicated by several other prospects over a & 12 km strike length. &

## Gold Spin-Out Plan of Arrangement

Constantine intends to proceed with a restructuring transaction whereby it would spin-out certain gold assets into its wholly-owned subsidiary, [HighGold Mining Inc.](#) ("HighGold"), with the intent of listing the common shares of HighGold on the TSX Venture Exchange. HighGold's focus will be high-grade gold in North America, with an attractive portfolio & of quality exploration projects that include:

- Johnson Tract project, Alaska where the original drill discovery reported 102.6 meters grading 10.94 g/t gold, 8.01% zinc, 0.75% copper, 2.13% & lead and 8.5 g/t silver, including 50 meters grading 20.0 g/t gold, 9.4% zinc, 1.0% & copper, 2.8% lead and 12.7 g/t silver; and
- Three properties totaling 190 square km in the Timmins region, Ontario, including the large, well-located Golden Mile property and highlighted by the & Munro-Croesus gold project renowned for its exceptionally high-grade past production. &

It is proposed that the spin-out will occur & by way of a plan of arrangement under the British Columbia Business Corporations Act (the "Arrangement"), pursuant to which Constantine shareholders will be entitled to receive common & shares of HighGold, distributed on a pro rata basis. It is also proposed that HighGold conduct a private placement to be completed concurrently with the Arrangement.

The Arrangement will be subject to & TSX Venture Exchange, regulatory and court approval, the approval of the Company's & shareholders at an annual general and special meeting (date to be determined), as well as & management and the board's continued discretion. The listing of HighGold's common shares on the TSX Venture Exchange will also be subject to HighGold fulfilling all of the requirements of the TSX Venture Exchange, including closing of the concurrent private placement.

Further details of the Arrangement, including the anticipated record date for determining which shareholders will be entitled to receive common shares of HighGold, and the concurrent HighGold private placement, will be contained in the management information circular to be mailed to Constantine shareholders and filed on Constantine's SEDAR profile at [www.sedar.com](http://www.sedar.com) in connection with the upcoming annual general and special meeting.

"We are pleased, and look forward to, working with CIRI in the exploration and development of the Johnson Tract Property," commented Constantine President & CEO Garfield MacVeigh. "Finalizing the Johnson Tract lease agreement is a significant milestone in the evolution of Constantine that will allow us to take the next step and spin out our high-quality gold assets in Alaska and Timmins into HighGold. The board and management believe that this structure will allow Constantine shareholders to realize the value in the gold properties while retaining the growing value that the Palmer base metals project provides."

## About the Johnson Tract Property

The Johnson Tract Property was first drilled in 1982 resulting in discovery of a gold-silver-zinc-copper-lead mineralized zone, now known as Johnson Tract deposit. The discovery was followed by near-continuous exploration over a 13-year period, including definition of an historical estimate, engineering and economic studies, and the identification of multiple other prospects over a 12-kilometre strike length. The Project was last explored in the mid 1990s by Westmin Resources Ltd. who evaluated direct-shipping ore from Johnson to the Premier mill near Stewart, British Columbia, approximately 900 nautical miles to the south. All previous work pre-dates National Instrument 43-101.

The 20,942 acre Property consists of two parts: 1) an 11,342 acre fee-simple land package (South Tract) that hosts the known deposit and, 2) the 9,600 acre North Tract consisting of mineral rights only with several known high grade prospects. The Property was conveyed to CIRI under the terms of the Alaska Native Claims Settlement Act (ANSCA) and the Cook Inlet Land Exchange. CIRI is also entitled to transportation and port easements for mineral extraction.

## Johnson Tract Lease Agreement Terms

Major terms of the definitive lease agreement reflect those previously disclosed in connection with the signing of the Johnson Tract letter agreement (see Constantine news release dated June 19, 2018). The lease agreement includes an initial 10-year term ("Initial Term"), followed by a 5-year term ("Development Term") to achieve a mine construction decision, and a Production Term that will continue for so long as operations and commercial production are maintained. Principal commercial terms include:

- Annual lease payments of US\$75,000 for years one through five, escalating to US\$150,000 from year six onwards, until production is achieved,
- US\$10.0 million in expenditures during the Initial Term with at least US\$7.5 million incurred within the first 6 years,
- Completion of a pre-feasibility study or feasibility study by the 10<sup>th</sup> anniversary,
- US\$2.0 million in expenditures per year during the Development Term until a mine construction decision is achieved,
- Certain accrual and carry-forward provisions for excess expenditures are included in both the Initial Term and Development Term,
- CIRI back-in option providing CIRI the one time right, upon construction decision, to acquire a participating interest in the project to a maximum 25% interest, and
- CIRI will also receive NSR royalties of 2% (pre-Payback) to 3% (post-Payback) on base metals and a gold price adjusted NSR royalty of 2.5% to 4%.

## About CIRI

Cook Inlet Region, Inc. (CIRI) is one of 12 land-based Alaska Native regional corporations created by the Alaska Native Claims Settlement Act of 1971. CIRI's mission is to promote the economic and social well-being and Alaska Native heritage of its shareholders, now and into the future, through prudent stewardship of the company's resources, while furthering self-sufficiency among CIRI shareholders and their families. Headquartered in Anchorage and Southcentral Alaska's largest private landowner, CIRI prioritizes striking a balance between sustainably developing resources while protecting the land for future generations. To further its mission of serving its shareholders, CIRI invests primarily in commercial real estate, government contracting, energy and infrastructure, and select areas of the financial markets. CIRI is currently owned by approximately 9,000 shareholders of Alaska Native descent. Learn more at [www.CIRI.com](http://www.CIRI.com).

## About the Company

Constantine is a mineral exploration company led by an experienced and proven technical team with a focus on premier North American mining environments. In addition to the Company's flagship copper-zinc-lead-silver-gold (barite) Palmer Joint Venture Project, Constantine also controls a portfolio of high-quality, 100% owned, gold projects that the Company intends to spin out into a separate entity. These include the very high-grade Johnson Tract Au-Ag-Zn-Cu-Pb deposit, located in coastal south-central, Alaska and projects in the Timmins, Ontario gold camp that include the large, well-located Golden Mile property and the Munro Croesus Gold property, which is renowned for its exceptionally high-grade past production. Management is committed to providing shareholder value through discovery, meaningful community

engagement, environmental stewardship, and responsible mineral exploration and development activities that support local jobs and businesses.

Please visit the Company's website ([www.constantinemetals.com](http://www.constantinemetals.com)) for more detailed company and project information.

On Behalf of Constantine Metal Resources Ltd.

"Garfield MacVeigh"  
President & CEO

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Darwin Green, VP Exploration for Constantine Metal Resources Ltd. and a qualified person ("QP") as defined by Canadian National Instrument 43-101 has reviewed and approved the technical information contained in this release. Reported intersections are drilled width; information on true width is currently unavailable. Drill results have been compiled by the Company from historical reports, drill logs, and databases from previous work on the property by Anaconda Minerals Company, Westmin Resources Ltd. and others. The Company has also reviewed Johnson Tract drill core. Any historical estimates for the Johnson Tract project pre-date National Instrument 43-101.

**Notes:**

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*Forward looking statements: This news release includes certain "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively "forward looking statements"). Forward-looking statements include predictions, projections and forecasts and are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "forecast", "expect", "potential", "project", "target", "schedule", "budget" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions and includes the negatives thereof. All statements other than statements of historical fact included in this release, including, without limitation, statements regarding the Johnson Tract and Canadian gold projects and other future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are based on a number of material factors and assumptions. Important factors that could cause actual results to differ materially from Company's expectations include actual exploration results, changes in project parameters as plans continue to be refined, results of future resource estimates, future barite and metal prices, availability of capital and financing on acceptable terms, general economic, market or business conditions, uninsured risks, regulatory changes, defects in title, availability of personnel, materials and equipment on a timely basis, accidents or equipment breakdowns, delays in receiving government approvals, unanticipated environmental impacts on operations and costs to remedy same, and other exploration or other risks detailed herein and from time to time in the filings made by the Company with securities regulators. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ from those described in forward-looking statements, there may be other factors that cause such actions, events or results to differ materially from those anticipated. There can be no assurance that forward-looking statements will prove to be accurate and accordingly readers are cautioned not to place undue reliance on forward-looking statements.*

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