



THE MORGAN REPORT
BUILDING & PRESERVING WEALTH

American Pacific CEO Note to
Shareholders and Followers

American Pacific: A Letter from the CEO

The Morgan Report

Dear Shareholders and Followers,

I'd like to take a moment to lay out Management's collective vision for American Pacific while providing a quick recap of the work that we're doing to execute on our go-forward plan.

Building off a successful Phase I drill program at our high-grade past-producing Madison Copper-Gold project in Montana, where major breakthroughs are emerging in terms of connecting historical high-grade mine areas and targeting porphyry mineralization, we were excited to announce last week, the receipt of an additional permit that will allow us to begin Phase II drilling. It is our intention and plan to commence this highly anticipated drill program at Madison ourselves, with a program that will be the most informed and robust to-date; however, we are currently engaged in discussions with prospective major partners, and the prudent path forward includes assessing the trade-off between sole funding vs a potential strategic partnership. Madison is a significant project for us and is not an asset on which we have engaged in a partner search; however, inbound interest from multiple specific companies has given us reason for pause and we believe it prudent to run those discussions to ground before launching this next phase of drilling. While these conversations are ongoing, we are concurrently advancing all of our Phase II exploration preparations. [Watch the video below.](#)



Our high-grade Palmer VMS Project in Alaska hosts 4.77 Mt at 3.5% copper equivalent in the indicated category and 12 Mt at 3.1% copper equivalent in the inferred category. In addition to updating and

increasing the mineral resources earlier this year, we have completed several project-level measures to ensure the next phase of growth can be completed cost-effectively and efficiently.

The current political landscape and focus to secure critical metals for national security reasons and the lack of high-grade advanced VMS deposits makes Palmer a very valuable asset for us to control, and one that we are confident will return significant value to the Company and our shareholders. Recently, a letter from the Governor of Alaska highlighted Palmer as one of the most advanced mineral development projects in Southeast Alaska. The letter was in response to the Federal Administration's request for critical mineral projects that could secure US domestic supply.

Since inception in 2018, American Pacific has built an impressive portfolio of high-quality precious and base metal projects through a combination of generative staking, exploration and M&A. Our current portfolio has seen approximately \$80,000,000 CAD in exploration expenditure between the Company and our partners, and with the current commodities markets gaining significant momentum-the demand for mineral projects with past production and demonstrated high-grade mineralization is soaring.

American Pacific's previous growth through M&A and the drill bit has put us in a great position to capitalize on the capital inflows to the sector and renewed focus on exploration assets with growth potential in the western United States.

Simply put, we have received inbound interest in every project within our current portfolio, and our corporate team is actively advancing discussions. In our view, the American Pacific portfolio as currently constructed could easily support three separate entities: Nevada precious metals, Montana-Idaho Belt copper and gold and Alaskan VMS with critical mineral exposure. This plan can create significant value for the Company and our shareholders.

The vision and plan that is already underway includes innovative capitalization solutions such as asset sales, spin-outs and consolidation transactions, which would result in significant equity positions (potential for distributions to shareholders), reduced portfolio carrying costs and increased exposure to discovery upside.

The goal is for American Pacific to return to its rightful place as a leader in the mineral exploration sector, we are making strong strides toward this objective and look forward to sharing further updates on this progress in short order.

Sincerely,

Warwick Smith,
CEO & Director