



Annual Letter to the Shareholders

May 22, 2017

Dear Shareholder,

I am pleased to report that 2016 was another good year for your Company. Our Palmer project partners, Dowa Metals & Mining Co., Ltd. (“Dowa”), funded US \$3.55 million dollars of project expenditures in 2016 and exercised their option to earn 49% interest in the Palmer project by depositing US \$2 million into the joint venture account at year end to complete their US \$22 million, 4 year earn-in requirement. The Palmer Project is now a joint venture between Constantine (51%) and Dowa (49%). The joint venture started 2017 with a cash balance of US\$2.0M and announced a 2017 budget of US \$7 million. Constantine’s pro rata share of project funding for 2017 totals US\$2.55M, for which it is adequately funded, through a gold asset sale that was completed by the Company in early 2017.

In the latter part of 2016 an agreement was announced with Tahoe Resources Inc., whereby the Company sold a small part of its Timmins, Ontario gold properties that were located adjacent to Tahoe’s Fenn-Gib deposit for CDN \$4.5 million. Meanwhile, the Company retains a 100% interest in the high-grade Croesus Gold Mine property and the large Golden Mile property in the Timmins area.

Highlights of 2016

The US \$3.55 million, 2016 expenditure (excluding US \$2 million JV deposit) by Dowa on the Palmer project included reconnaissance and geotechnical drilling (1,967 m), geological mapping and sampling of target prospects, road construction and continued environmental and geotechnical data collection to support ongoing evaluation of the Palmer mineral resource - **8.1 million tonnes grading 1.41% copper, 5.25% zinc, 0.30 g/t gold and 31.7 g/t silver** (please refer to news release dated May 11, 2015 for resource details).

Significant results of the 2016 program include:

- A 4 hole reconnaissance exploration drilling program (1,465 meters) tested 3 exploration targets away from the deposit area. The drilling highlight includes a 20.5 meter thick zone of chert and semi-massive pyrite intersected at the CAP prospect. The thickness of the chert horizon at CAP, which occurs at the contact between overlying argillite and

Annual Letter to the Shareholders (continued)

altered footwall volcanics, similar to the RW and South Wall zones, suggests good potential for a well-developed massive sulphide system within the immediate area. The limited 2016 drilling provides an important vector to the potential massive sulphide component of the CAP prospect for follow-up drilling.

- Field work and analysis by a recognized, independent structural geologist has provided new insight into the direction and sense of displacement of fault structures identified in the 2015 down-dip resource drilling that intersect and offset the lowermost portion of the South Wall zone. The work included review of the fault and adjacent rocks in drill core and on surface, and has produced new drill targets to test for extensions of the deposit.
- Mapping and rock and soil sampling programs were continued at several areas throughout the property and has advanced several prospects to the drill stage.
- Road construction to the deposit area commenced in August upon approval of a Plan of Operations by the Bureau of Land Management after completing a rigorous environmental assessment that included a period of public notice and comment. A road to the mineral resource at Palmer is a major advancement for the Project. It improves our ability to conduct ongoing exploration, environmental and geotechnical work, reduces dependency on helicopter, and enhances the safety of our employees. It also highlights the excellent location and access of the Project, which is 40 miles by paved highway and logging road to the deep sea port town of Haines.

Strategic Gold Asset Sale

On January 19, 2017, the Company completed the sale of mineral claims to Lake Shore Gold Corp, a wholly owned subsidiary of Tahoe Resources Inc., that was announced on November 7, 2016. Constantine received CDN \$4.5 million cash and a 100% interest in Lake Shore's Munro claim that is contiguous to Constantine's Munro-Croesus claims. The mineral claims that have been sold, known as the Horseshoe, Four Corners and the Meunier Add-on claims, are located adjacent to Lake Shore's Fenn-Gib gold project in Ontario. They do not include Constantine's neighboring Munro Croesus Gold Property that is renowned for its exceptionally high-grade past production, or the Golden Mile Property, which collectively represent a rare opportunity to control an extensive, high potential land position in the prolific Timmins gold camp. Constantine has retained a 1% Net Smelter Return Royalty ("NSR") on the Horseshoe claims, which are located a few hundred meters west-northwest of the Fenn-Gib gold resource. Constantine also retains the rights to NSR buy-down provisions associated with the underlying property agreements on all of the properties sold to Lake Shore.

Annual Letter to the Shareholders (continued)

Plans for 2017

With the formation of the joint venture (see news release dated January 5, 2017) a new multi-year plan for advancing the Palmer Project has been developed. The plan includes a dual focus of exploring for new resources across the district-scale property and expanding and upgrading the current inferred copper-zinc polymetallic resource of 8.1 million tonnes grading 12.6% zinc equivalent* to evaluate the Project's mine potential. A joint venture budget of US\$7.0 million has been approved that includes plans for 7000 meters of drilling. The majority of 2017 drilling is dedicated to discovery of new mineral deposits focused in the Nunatak-Cap-HG target areas. The balance is for expansion and upgrade of the existing South Wall-RW Zone resource, and geotechnical studies. Palmer is host to numerous high-quality prospects with large hydrothermal alteration zones and high-grade base and precious metal mineralization exposed at surface – most of which have never been drilled. Property-wide airborne geophysical surveying, geological mapping and prospecting work are also included in the summer exploration plans.

Other works include additional road construction, engineering and environmental studies, and continued evaluation of a potential exploration drift for the purpose of drill expansion and drill definition on the deeper portion of the existing resource.

The Company recently announced that Ms. Elizabeth Cornejo will be assuming an expanded role as Vice-President, Community and External Affairs. Ms. Cornejo holds a M.Sc. in Earth Science from Carleton University and has worked with Constantine since 2009 in various technical and corporate capacities, most recently as the Company's Manager of Exploration & Community. Her appointment recognizes the importance that the Company places on ensuring that all stakeholders are properly informed on the Company's plans and activities on a timely basis and to ensure that they are part of the decision making process.

The Future

2017 marks an exciting new chapter for the Palmer Project and our shareholders as we commence a major drill program to test some of the many high-quality prospects at Palmer. This year marks the first drill program of any real size to test some of the quality property-wide targets and will also be the first airborne electromagnetic survey to be flown over the entire property. Meanwhile, we continue to systematically advance the exploration and assessment of the high-grade RW and South Wall Zones. The Company is well positioned in 2017 with permits, partnership, and capital to advance and build value for the future.

Annual Letter to the Shareholders (continued)

The zinc supply continues to be projected in significant deficit in the coming years as a result of several large mine closures and lack of new deposits to fill the demand gap. Palmer is certainly a zinc rich deposit, but it is more than zinc because it has a high copper grade and by-product credits of gold and silver. This polymetallic character can provide big benefits and flexibility in mining the deposit in the future.

The Company has retained about 85% of its strategically located gold assets in the Timmins camp area after the sale of certain gold assets to Tahoe. The properties include the 100% owned Golden Mile project and the Munro Croesus project, highlighted by the Croesus Gold Mine, which has produced some of the highest grade gold ever mined in Ontario. The Company is continuing to monitor and address the best way to advance gold opportunities to add shareholder value.

On behalf of Management, I wish to extend thanks and appreciation to our Board of Directors and our shareholders for their continued support.

ON BEHALF OF THE BOARD OF DIRECTORS:



J. Garfield MacVeigh
President and CEO

Annual Letter to the Shareholders (continued)

Notes:

* 8.125 million tonne inferred resource grading 1.41% copper, 5.25% zinc, 0.32 g/t gold and 31.7 g/t silver. See the Company's news release date May 11, 2015 and the Company's technical report entitled "NI 43-101 Technical Report and Updated Resource Estimate Palmer Exploration Project" dated June 24, 2015 available on www.sedar.com. Resource estimate utilizes an NSR cut-off of US\$75/t with assumed metal prices of US\$1200/oz for gold, US\$18/oz for silver, US\$2.75/lb for copper, and US\$1.00/lb for zinc. Estimated metal recoveries are 89.6% for copper, 84.9% for zinc, 75% for gold (61.5% to the Cu concentrate and 13.5% to the Zn concentrate) and 89.7% for silver (73.7% to the Cu concentrate and 16% to the Zn concentrate) as determined from metallurgical locked cycle flotation tests. An "Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure.

All scientific and technical information contained in this letter has been reviewed and approved by Darwin Green (P. Geo), the Vice President Exploration of the Company, who is a "qualified person" within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects.

Forward looking statements: This letter contains 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") concerning Constantine's plans for its properties, operations and other matters. 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, including, without limitation, statements regarding potential mineralization, the estimation of mineral resources, the realization of mineral resource estimates, interpretation of prior exploration and potential exploration results, the timing and success of exploration activities generally, the timing and results of future resource estimates, permitting time lines, metal prices and currency exchange rates, availability of capital to Constantine and its joint venture partner, government regulation of exploration operations, environmental risks, reclamation, title, statements with respect to the future price of gold and other metals, and future plans and objectives of Constantine 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 Constantine's expectations include actual exploration results, changes in project parameters as plans continue to be refined, results of future resource estimates, future metal prices, availability of capital and financing on acceptable terms to Constantine and its joint venture partner, 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. The Company undertakes no obligation to update forward-looking statements except as required by applicable law.