



Consolidated Financial Statements of

CONSTANTINE METAL RESOURCES LTD.

For the six months ended April 30, 2011 and 2010



NOTICE

NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

See accompanying notes to financial statements.



Consolidated Balance Sheets
Interim Unaudited – Prepared by Management
As at April 30, 2011 and October 31, 2010

	April 30 2011	October 31 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,453,485	\$ 193,082
Accounts receivable	105,396	78,424
Advances to joint venture (note 4f)	76,298	
Prepaid expenses	78,546	28,422
Marketable securities (note 3)	65,000	-
	3,778,725	299,928
Mineral properties (Schedule, note 4)	13,844,105	12,578,301
Fixed assets	46,411	44,384
	\$ 17,669,241	\$ 12,922,613
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 51,607	\$ 113,289
Due to related parties (note 6)	-	6,440
	51,607	119,729
Shareholders' equity		
Share capital (note 5)	19,411,944	14,422,352
Contributed surplus (note 5a)	1,513,542	1,263,278
Accumulated other comprehensive income (note 3)	6,000	-
Deficit	(3,313,852)	(2,882,746)
	17,617,634	12,802,884
	\$ 17,669,241	\$ 12,922,613

Nature of Operations (note 1)

See accompanying notes to consolidated financial statements.



Consolidated Statements of Operations, Comprehensive Loss and Deficit
Interim Unaudited – Prepared by Management
For the 3 and 6 months ended April 30, 2011 and 2010

	three months ended		six months ended	
	April 30 2011	April 30 2010	April 30 2011	April 30 2010
Expenses:				
Amortization	3,324	356	6,434	572
Consulting	18,084	35,757	44,994	70,657
Foreign exchange (gain)	24,320	(26,282)	24,431	(30,830)
General and administrative	93,886	137,343	169,692	246,895
Insurance	7,374	9,499	13,614	16,987
Interest	31,524	728	31,524	728
Investor relations (note 5c)	49,170	27,263	62,885	44,797
Legal	29,643	12,886	29,643	13,819
Management fees	3,000	3,000	6,000	6,000
Professional fees – audit	18,900	8,900	21,900	11,900
Payroll expenses	22,950	34,857	89,144	68,653
Rent	4,192	3,890	10,014	8,560
Shareholder communications	1,403	(27)	3,353	5,554
Travel	9,717	12,002	16,813	18,719
	(317,487)	(260,172)	(530,441)	(483,011)
Gain (loss) on mineral property (note 4e)	(12,571)	-	99,014	-
Interest income	42	2,132	321	2,132
Loss for the period	\$ (330,016)	\$ (258,040)	\$ (431,106)	\$ (480,879)
Deficit, beginning of period	(2,983,836)	(2,382,751)	(2,882,746)	(2,159,912)
Deficit, end of period	\$ (3,313,852)	(2,640,791)	\$ (3,313,852)	\$ (2,640,791)
Other comprehensive income				
Unrealized gain on available-for-sale marketable securities (note 3)	(8,000)	-	6,000	-
Total comprehensive income (loss) for the period	\$ (338,016)	\$ (258,040)	\$ (425,106)	\$ (480,879)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding	98,885,609	74,225,322	98,885,609	74,225,322

See accompanying notes to consolidated financial statements.



Consolidated Statements of Cash Flows
Interim Unaudited – Prepared by Management
For the 3 and 6 months ended April 30, 2011 and April 30, 2010

	three months ended		six months ended	
	April 30 2011	April 30 2010	April 30 2011	April 30 2010
Cash provided by (used in):				
Operations:				
Loss for the period	\$ (330,016)	\$ (258,040)	\$ (431,106)	\$ (480,879)
Amortization	3,324	357	6,434	572
Stock-based compensation	9,407	15,193	9,407	32,293
Changes in non-cash working capital accounts:				
Accounts receivable	775	33,217	(26,971)	18,421
Advances to joint venture (Note 4f)	(76,298)	-	(76,298)	-
Accounts payable	(27,449)	(19,663)	(61,682)	(191,465)
Due to related parties	(3,360)	-	(6,440)	(4,272)
Prepaid expenses	(8,995)	(190,985)	(50,124)	(184,065)
	(432,612)	(419,921)	(636,780)	(809,395)
Investing activities:				
Mineral property expenditures (Schedule, Note 4)	(909,837)	(99,478)	(1,310,754)	(158,738)
Purchase of equipment and fixtures	(8,460)	-	(8,460)	-
	(1,350,909)	(519,399)	(1,955,994)	(968,133)
Financing activities:				
Private placement proceeds (Note 5)	2,250,000	-	5,750,000	1,400,000
Less: share issuance costs paid in cash	(205,834)	-	(548,603)	(11,867)
Stock options exercised	-	-	-	7,313
Warrants exercised	15,000	-	15,000	2,405,000
	2,059,166	-	5,216,397	3,800,446
Increase (decrease) in cash	\$ 708,257	\$ (519,399)	\$ 3,260,403	\$ 2,832,313
Cash, beginning of period	2,745,228	3,724,441	193,082	372,729
Cash, end of period	\$ 3,453,485	\$ 3,205,042	\$ 3,453,485	\$ 3,205,042

Supplemental Disclosure of Non-Cash Financing Activity:

Value of shares issued for mineral properties	\$ 14,050	\$ 5,250	\$ 14,050	\$ 5,250
Shares issued for finder's fees	\$ -	\$ -	\$ -	\$ 52,200
Interest paid	\$ -	\$ -	\$ 303	\$ -
Warrants issued for finder's fee	\$ 74,839	\$ -	\$ 240,457	\$ 32,984
Income taxes paid	\$ -	\$ -	\$ -	\$ -
Accounts payable related to mineral properties	\$ -	\$ 2,906	\$ -	\$ 2,906

See accompanying notes to consolidated financial statements.



Schedule of Deferred Mineral Property Costs
Interim Unaudited – Prepared by Management
For the six months ended April 30, 2011

	Balance, October 31 2009	Fiscal 2010 Expenditures	Balance, October 31 2010	Fiscal 2011 Expenditures	Balance April 30 2011
Palmer Property, Alaska, USA (note 4a)					
Acquisition costs	\$ 878,712	\$ -	\$ 878,712	\$ -	\$ 878,712
Advance royalty payments	163,403	44,536	207,939	21,027	228,966
Project and exploration costs	7,011,748	2,843,058	9,854,806	45,969	9,900,775
	<u>8,053,863</u>	<u>2,887,593</u>	<u>10,941,456</u>	<u>66,996</u>	<u>11,008,453</u>
Munro-Croesus Property, ON, Canada (note 4b)					
Acquisition costs	433,775	3,066	436,841	7,137	443,978
Project and exploration costs	820,818	51,996	872,814	294,758	1,167,572
	<u>1,254,593</u>	<u>55,062</u>	<u>1,309,655</u>	<u>301,894</u>	<u>1,611,550</u>
Four Corners Property, ON, Canada (note 4c)					
Acquisition costs	43,181	25,250	68,431	36,250	104,681
Project and exploration costs	88,904	28,854	117,758	21,612	139,370
	<u>132,085</u>	<u>54,104</u>	<u>186,189</u>	<u>57,862</u>	<u>244,051</u>
Phoenix Gold Property, ON, Canada (note 4d)					
Acquisition costs	-	80,975	80,975	-	80,975
	<u>-</u>	<u>80,975</u>	<u>80,975</u>	<u>-</u>	<u>80,975</u>
Trapper Gold Property, B.C., Canada (note 4e)					
Cost recovery	-	-	-	(59,986)	(59,986)
Acquisition costs	-	16,981	16,981	-	16,981
Project and exploration costs	-	29,149	29,149	13,856	43,005
	<u>-</u>	<u>46,130</u>	<u>46,130</u>	<u>(46,130)</u>	<u>-</u>
Yukon (note 4f)					
Acquisition costs	-	-	-	819,869	819,869
Project and exploration costs	-	-	1,751	6,424	8,175
	<u>-</u>	<u>-</u>	<u>1,751</u>	<u>826,293</u>	<u>828,044</u>
Hornet Creek, Idaho, USA (note 4g)					
Acquisition costs	-	-	11,361	35,849	47,210
Project and exploration costs	-	-	785	23,038	23,823
	<u>-</u>	<u>-</u>	<u>12,146</u>	<u>58,887</u>	<u>71,033</u>
Total Mineral Property Costs	<u>\$ 9,440,541</u>	<u>\$ 3,123,865</u>	<u>\$ 12,578,302</u>	<u>\$ 1,265,803</u>	<u>\$ 13,844,105</u>

See accompanying notes to consolidated financial statements.

1. Nature of Operations and Going Concern

The Company was incorporated under the Business Corporations Act (British Columbia) on March 3, 2006.

The Company is in the business of acquiring interests in resource properties that are considered to be sites of potential economic mineralization, and then subsequently developing such assets with a view to enhancing their value and to bringing on a major mining partner for development of the assets. The Company may sell property for an enhanced value or seek a major mining partner to advance one of its projects on a joint venture basis. Currently the Company is principally engaged in the exploration of mineral properties which cannot be considered economic until a commercial feasibility study has been completed. The Company has no sources of operating revenue and is dependent upon equity financing to maintain current operations and to ultimately develop a mineral property interest or interests which can be profitably sold or developed further and placed into successful commercial production.

The Company has not generated any revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. As at April 30, 2011, the Company has incurred losses since inception and has an accumulated operating deficit of \$3,313,852. The continuation and long-term viability of the Company remains dependent upon its ability to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its resource properties, confirmation of the Company's interests in the underlying properties, and the attainment of profitable operations.

To continue operations the Company will have to raise additional funds and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. These financial statements reflect no adjustments which may become necessary in the event that the Company is unable to continue as a going concern.

2. Significant Accounting Policies

a) Basis of presentation

These financial statements are inclusive of the accounts of the Company and its wholly-owned Alaska subsidiary, Constantine North Inc., formerly Toquima North Inc. ("Constantine North").

b) Recent Accounting Pronouncements – Not Yet Adopted

(i) Business combination, Consolidated Financial Statements and Non-controlling interest

For interim and annual financial statements relating to its fiscal year commencing on or after January 1, 2011, the Company will be required to adopt new CICA Section 1582 "Business Combinations", Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests". Section 1582 replaces existing Section 1581 "Business Combinations", and Sections 1601 and 1602 together replace Section 1600 "Consolidated Financial Statements." The adoption of Sections 1582 and collectively, 1601 and 1602 provides the Canadian equivalent to IFRS 3 "Business Combinations" and International Accounting Standard IAS 27 "Consolidated and Separate Financial Statements" respectively. The impact of adopting these new standards has not yet been assessed and cannot reasonably be estimated at this time.

(ii) International financial reporting standards ("IFRS")

In February 2008 the Accounting Standards Board confirmed that International Financial Reporting Standards (IFRS) will replace Canadian GAAP for publicly accountable enterprises for financial periods beginning on and after January 1, 2011. The Company's first mandatory filing under IFRS,

which will be the quarterly period beginning November 1, 2011, will contain IFRS-compliant information on a comparative basis, as well as reconciliations for that quarter and as at the November 1, 2010 transition date. Although IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in recognition, measurement and disclosure. The Company is considering a plan for IFRS convergence and has started the assessment process. Detailed analysis of the differences between IFRS and the Company's accounting policies and assessment of the various alternatives for first time adoption of IFRS are in progress.

3. Marketable Securities

Marketable securities consist of investments in public company shares and have an aggregate carrying value and fair value of \$65,000 at April 30, 2011 (2010-Nil). The aggregate book value of these securities was \$59,000, which difference resulted in accumulated other comprehensive income of \$6,000 at April 30, 2011.

4. Mineral Properties (see Schedule of Deferred Mineral Property Costs)

a) Palmer Property, Alaska, USA

The Palmer property is comprised of 340 federal mining claims subject to a 99 year mining lease, dated December 19, 1997, and 63 state mining claims located near Haines, Alaska. To maintain the lease, the Company is required to make annual advance royalty payments of US \$42,500 and pay Federal claim maintenance fees, which were US \$47,600 in 2010. The lease is subject to a 2.5% net smelter return ("NSR") royalty. The Company has a right of first refusal to purchase the NSR or any portion thereof at any time during the term of the lease. The advance royalty payments are deductible from the NSR royalty.

b) Munro-Croesus Property, Ontario

On October 26, 2007 the Company completed an agreement to acquire 100% of the Munro-Croesus gold mineral property, including the former Munro-Croesus Gold mine, consisting of 22 patented mining claims and leases (416 hectares), located 90 kilometers east of Timmins, Ontario.

The Company paid \$40,000 in cash and issued 500,000 shares at a value of \$0.70 in consideration of the property assets acquired. According to the agreement, a further 250,000 shares are to be issued to the vendor, subject to confirmation of certain environmental conditions as specified in the agreement, prior to October 26, 2011. The vendor retains a 2% NSR production royalty of which 0.5% can be purchased by the Company for \$1,000,000, with a right of first refusal on the remaining 1.5% royalty.

The Company is reviewing the environmental remediation requirements in respect to this property and at this time is not aware of any material reclamation obligation, and no such provision has been recorded.

c) Four Corners Property, Ontario

In February 2008 the Company entered into an option agreement to acquire a 100% interest in the 63 claim Four Corners property located east of Timmins, Ontario. In order to acquire the 100% interest, the Company agreed to make payments totaling \$75,000 (paid) and agreed to issue 100,000 shares over a 3 year period (issued). The vendors will retain a 2.5% NSR royalty of which 1.0% can be purchased by the Company at any time for \$500,000, with a right of first refusal on the remaining 1.5% NSR royalty.

In February 2011, \$25,000 cash was paid and 50,000 shares of the Company were issued to the vendors, in accordance with the terms of the option agreement (note 5a).

d) Phoenix Gold Property, Ontario

In May 2010 the Company signed an agreement to acquire an undivided 100% interest in 35 claims (519 units comprising approximately 8,304 hectares) located 75 kilometers south of the Timmins gold camp. In order to acquire a 100% interest in the project, the Company must make cash payments totaling \$75,000 (\$15,000 paid on signing the agreement) and issue 90,000 shares or pay \$90,000 in cash, at the Company's election, over a 4 year period. The vendor will retain a 2.5% NSR royalty of which 1.0% can be purchased by the Company at any time for \$500,000 with the Company retaining a right of first refusal on the remaining 1.5%.

e) Trapper Gold Property, B.C.

In May 2010 the Company signed an agreement to acquire an undivided 100% interest in 9 contiguous mining claims (3,756 hectares) that comprise the Trapper gold property, located in the Atlin Mining Division in northern British Columbia. In order to acquire a 100% interest in the project, the Company must make cash payments totaling \$135,000 (\$15,000 paid on signing the agreement) and issue 155,000 common shares or pay \$155,000 in cash, at the Company's election, over a 4 year period. The vendor will retain a 2.5% NSR royalty of which 1.0% can be purchased by the Company at any time for \$500,000, with a right of first refusal on the remaining 1.5%.

In November, 2010 the Company entered into an option agreement with Ocean Park. Pursuant to the terms of the option agreement, Ocean Park paid \$100,000 and issued 100,000 common shares of its common stock to Constantine (note 3). In order to maintain the option and earn a 50% interest in the property, Ocean Park must make cumulative exploration expenditures on the property totaling \$4,750,000 as follows: \$750,000 by December 15, 2011, \$1,250,000 by second anniversary, \$2,250,000 by the third anniversary and \$4,750,000 by December 15, 2014. In addition, Ocean Park must issue an additional 900,000 common shares to Constantine as follows: 200,000 shares by the second anniversary, 300,000 shares by third anniversary and 400,000 shares by December 15, 2014.

After completing \$4,750,000 in exploration expenditures and issuing the share consideration to the Company to earn the 50% interest, Ocean Park may elect to extend the option and earn an additional 20% interest, for a total interest of 70%. To earn the additional 20% interest, Ocean Park must issue an additional 500,000 common shares by December 15, 2015 and incur an additional \$5,000,000 in exploration expenditures on the property within three years, with a minimum annual expenditure of \$1,000,000.

In the event that the Ocean Park exercises the option, Ocean Park and the Company will enter into a joint venture to further develop the property, with each party contributing to their pro rata portion of the approved exploration program. If, at any time, a party's interest in the joint venture is reduced to below 10%, it shall be deemed to have conveyed its remaining interest proportionately to the other party in consideration of the right to receive a 2% NSR on gold below US\$1,000/oz, and 3% if above. One-half of the NSR can be repurchased by the other party for \$2,500,000, and that party would also retain a right of first refusal over the remaining portion of the NSR.

The Company recorded a gain for accounting purposes of \$99,014 on the cash and shares of Ocean Park received during the six months ended April 30, 2011.

f) Yukon Land Position and Joint Venture

Effective September 20, 2010, the Company entered into a joint venture agreement with Carlin Gold Corporation ("Carlin"). The Company and Carlin have staked an aggregate of 4,967 mineral claims in Yukon as part of the 50/50 joint venture. The Company's share of staking and other joint venture costs to April 30, 2011 was \$826,293. As at April 30, 2011, the Company has a balance of \$76,298 in cash advances outstanding to Carlin.

Acquisition by Joint Venture: Aztec Property, Yukon

In January 2011, the Company and Carlin (jointly, the "CCJV") entered into an option agreement to acquire a 100% interest in the Aztec property in Yukon, consisting of 226 claims in the Mayo Mining District.

In order to acquire a 100% interest in the property, CCJV must make cash payments totaling \$450,000 and issue 180,000 common shares of the Company and 270,000 common shares of Carlin over a period of five years. Annual advance royalty payments to the vendor of \$35,000 will commence January 20, 2017. The vendor will retain a 2.5% NSR royalty, 20% of which, (representing a 0.5% NSR) can be purchased by CCJV at any time for \$1,000,000, with a right of first refusal on the remaining 2% NSR royalty. CCJV will commit to a minimum exploration expenditure of \$45,000 on the property within the first year of the agreement. In February 2011, the Company paid \$12,500 and issued 10,000 shares of the Company in connection with this agreement.

g) *Hornet Creek Property, Idaho, U.S.A.*

In January 2011, the Company entered into a 99 year lease agreement on a precious metals prospect in Adams County, Idaho, USA. The property consists of 44 federal lode claims totaling approximately 909 acres.

In order to acquire a 100% leasehold right to the 44 claims that comprise the property, the Company must make cash payments totaling US\$155,000 (US\$35,000 paid) over a four year period. Under the terms of the agreement, the Company has the right to pay half of the remaining US\$120,000 cash payments in common shares of the Company, at its election. The vendor will retain a 2% NSR, half of which can be purchased by the Company at any time for US\$1,000,000, with a right of first refusal on the remaining 1% NSR.

During the term of the agreement, the Company will be responsible for annual land holding costs, currently estimated at \$6,600 per year.

Under the terms of the agreement, the Company must make a one-time \$500,000 cash payment upon a making commercial production decision.

5. Share Capital

a) Details of share capital:

	Shares	Amount	Contributed Surplus
Authorized:			
Unlimited common shares without par value			
Issued:			
Balance – October 31, 2009	60,791,772	\$ 10,573,725	1,254,038
Proceeds from exercise of stock options	56,250	13,035	(5,722)
Private placement, at \$0.20 per share	7,000,000	1,400,000	-
Less: private placement issuance costs	-	(97,050)	32,984
Finders shares on private placement	217,500	52,200	-
Proceeds from exercise of warrants	12,025,000	2,475,192	(70,192)
Shares issued for mineral property (note 4c)	25,000	5,250	-
Stock option compensation	-	-	52,170
Balance – October 31, 2010	80,115,522	\$ 14,422,352	\$ 1,263,278
Private placement, at \$0.15 per share	15,333,334	2,300,000	-
Private placement (flow-through), at \$0.175 per share	6,857,143	1,200,000	-
Private placement (flow-through), at \$0.30 per share	7,500,000	2,250,000	-
Shares issued for mineral properties (notes 4c and 4f)	60,000	14,050	-
Proceeds from exercise of warrants	50,000	15,000	-
Less: private placement issue costs	-	(789,458)	240,857
Stock option compensation	-	-	9,407
Balance – April 30, 2011	109,915,999	\$ 19,411,944	\$ 1,513,542

- (i) On December 13, 2010, the Company completed a \$3,500,000 brokered private placement. The financing consisted of the sale 15,333,334 hard dollar units (“Hard Dollar Units”) and 6,857,143 flow-through units (“Flow-Through Units”) for aggregate gross proceeds of \$3,500,000.

Each Hard Dollar Unit was priced at \$0.15 and consisted of one non-flow-through common share and one half of one non-flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional non-flow-through common share of the Company at a price of \$0.20 per share for a period of 24 months from the date of closing. Each Flow-Through Unit was priced at \$0.175 and consisted of one flow-through common share and one half of one non-flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional non-flow-through common share of the Company at a price of \$0.20 per share for a period of 24 months from the date of closing.

The Company paid the Agent an aggregate cash commission of \$235,624 and 1,494,078 non-transferrable broker warrants. Each broker warrant is exercisable into one common share for a period of 24 months from the date of closing at an exercise price of \$0.20.

- (ii) On March 17, 2011, the Company completed a brokered flow-through private placement of 7,500,000 shares issued at \$0.30 per share. The Company paid \$135,000 in agent’s commissions and issued 450,000 compensation warrants to the agent in connection with the



transaction. The compensation warrants are exercisable at a price of \$0.30 per warrant for a period of 2 years from the date of closing.

b) Warrants

As at April 30, 2011, the following share purchase warrants and finders' compensation warrants were outstanding:

	Number	Price per Share	Expiry Date
Warrants	3,400,000	\$0.30	November 24, 2011
Warrants	11,095,238	\$0.20	December 13, 2012
Agent's warrants	1,494,078	\$0.20	December 13, 2012
Compensation warrants	108,750	\$0.30	November 24, 2011
Compensation warrants	450,000	\$0.30	March 17, 2013

c) Share Purchase Options

The Company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from the date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date. Options begin vesting on the grant date based on a schedule outlined in the share purchase option plan. The maximum number of options to be granted under the plan is 10% of the Company's issued capital.

A summary of the Company's options outstanding as at April 30, 2011 is as follows:

	Six months ended April 30, 2011		Year ended October 31, 2010	
	Number of Shares	weighted average exercise price	Number of shares	weighted average exercise price
Balance, beginning of year	5,190,000	\$0.28	5,265,000	\$0.28
Granted	250,000	\$0.27		
Exercised	-	-	(56,250.00)	0.13
Cancelled	-	-	(18,750.00)	0.13
Balance, end of period/year	5,440,000	\$0.28	5,190,000	\$0.28
Weighted average remaining life of options outstanding, October 31, 2010			2.3 years	
Weighted average remaining life of options outstanding, April 30, 2011			3.1 years	

The fair value of options reported as compensation expense in the current and prior year-to-date has been estimated using the Black-Scholes Pricing Model using the following range of assumptions:

	2011	2010
Risk-free interest rate	1.79%	1.90%
Expected life of options in days	1,095	1,825
Annualized volatility	113%	101%
Dividend rate	0.00	0.00

The fair value computed using the Black-Scholes model is only an estimate of the potential value of the individual options and the Company is not required to make payments for such transactions.

For the six months ended April 30, 2011, the Company recorded \$9,407 (2010-\$32,293) of stock based compensation costs, which are included in Investor Relations expenses.

6. Related Party Transactions

The following represents the details of related party transactions paid or accrued for the six months ended April 30, 2011 and 2010:

as at April 30,	2011	2010
Management and technical fees paid or accrued to companies owned by directors	\$ 59,435	12,049
Consulting fees paid to officers	-	28,650
Accounting and administration fees paid or accrued to a company 50% owned by an officer of the Company	36,000	15,000
	\$ 95,435	55,699

At April 30, 2011, the unpaid portion of the above amounts was \$Nil (2010 - \$4,272).

7. Management of Capital

The Company manages its cash, common shares, stock options and warrants (note 5) as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

8. Financial Instruments

All financial instruments are recorded initially at estimated fair value on the balance sheet and classified into one of five categories: held for trading, held to maturity, available for sale, loans and receivables and other liabilities. All of the Company's financial instruments are considered to be cash and cash equivalents, loans and receivables or other liabilities, and therefore none require separate valuation involving the determination of items of other comprehensive income.



Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and amounts due to related parties.

The fair values of cash, amounts receivable, accounts payable and accrued liabilities, and amounts due to related parties approximate their book values because of the short-term nature of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

The Company's only exposure to credit risk is on its cash and cash equivalents. Cash and cash equivalents are with a Canadian Schedule 1 bank and a US bank for its subsidiary. The Company has no asset-backed commercial paper.

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand.

Market Risk

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its marketable securities portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates and fluctuations.

Exchange Risk

As at April 30, 2011, the majority of the Company's cash was held in Canada in Canadian dollars. The Company's significant operations are carried out in Canada and in Alaska, USA. As a result a portion of the Company's cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are denominated in United States dollars and are therefore subject to fluctuations in exchange rates.

The carrying value of financial assets and liabilities at April 30, 2011 and 2010 are as follows:



As at April 30,	2011	2010
Financial Assets		
<i>Held-for-trading, measured at fair value</i>		
Cash and cash equivalents	\$ 3,453,485	\$ 3,800,500
<i>Available-for-sale, measured at fair value</i>		
Marketable securities	\$ 65,000	\$ -
Financial Liabilities		
<i>Other liabilities, measured at amortized cost</i>		
Accounts payable, accrued liabilities and due to related parties	\$ 51,607	\$ 43,284

The fair value hierarchy of financial instruments measured at fair value on the balance sheet is as follows:

As at April 30,	2011	2010
	Level 1	Level 1
Cash and cash equivalents	\$ 3,453,485	\$ 3,800,500
Marketable securities	65,000	-

The Company does not use Level 2 or Level 3 valuation inputs for valuing cash and cash equivalents.

9. Segmented Information

The Company has one operating segment, which is mineral exploration. The Company's assets by geographical location are as follows:

as at April 30,	2011
Canada	\$ 6,637,553
United States	11,031,687
Total	\$ 17,669,241

10. Comparative Figures

Certain comparative figures have been reclassified in accordance with the current period's presentation.



Management Discussion and Analysis For the six months ended April 30, 2011

General

The information in this Management's Discussion and Analysis, or MD&A, is intended to assist the reader in the understanding and assessment of the trends and significant changes in the results of operations and financial conditions of Constantine Metal Resources Ltd. (the "Company" or "Constantine"). This MD&A should be read in conjunction with the unaudited consolidated financial statements of the Company, including the notes thereto, for the six months ended April 30, 2011 and 2010, which are prepared in accordance with Canadian generally accepted accounting principles for interim financial statements, and the annual audited financial statements and MD&A for the year ended October 31, 2010. This MD&A has taken into account information available up to and including June 14, 2011.

Constantine is a junior exploration company engaged in the exploration and development of a polymetallic (copper-zinc-gold-silver) massive sulphide exploration project in southeast Alaska known as the Palmer Project, its principal project, and gold properties in Ontario, British Columbia and the Yukon. The company's principal Ontario gold project is the Munro-Croesus project, which includes the past-producing high-grade Croesus gold mine located east of the Timmins gold camp. In the past year, the Company has acquired three additional gold projects; the Phoenix gold project 75 kilometers south of Timmins, Ontario, the Trapper gold project in northern British Columbia and the Constantine-Carlin Yukon Joint Venture gold project in the Yukon Territory. In January 2011, Constantine acquired the Hornet Creek copper gold base metal property in west-central Idaho, and a 50% interest in the Aztec gold property in Yukon Territory as part of the Constantine-Carlin Yukon Joint Venture.

The Company is a reporting issuer in British Columbia and Ontario and trades on the TSX Venture Exchange under the symbol CEM.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations. The Company is currently engaged in exploration and development of mineral properties and does not have any source of revenue or operating assets. The recoverability of the amounts shown for mineral properties is dependent upon the ability of the Company to obtain necessary financing to complete exploration, technical studies and, if warranted, development and future profitable production or proceeds from the disposition of properties. The amounts shown as mineral properties represent costs to date and do not necessarily represent present or future values.

Highlights

1. In March 2011, the Company raised \$2,250,000 through a brokered flow-through financing, to fund exploration activities on the Company's Canadian resource properties, which include the high-grade Munro-Croesus gold project in Ontario and the Company's large property position in Yukon's emerging new Carlin-type gold district.
2. The Munro Croesus project drilling program started in early March and continued beyond the end of the quarter. Results from the first several drill holes, including several new high grade gold intersections have been recently reported (see News Release #77, June 8, 2011),
3. The 100% owned Munro-Croesus Gold Project located 75 kilometers east of Timmins, Ontario, includes strategic claims adjacent to the Fenn-Gib gold deposit which was recently acquired by Lake Shore Gold Corp. from Barrick Gold Corporation for \$60 million. Constantine's 100% owned claims are located 300 meters west and along trend from the historic Fenn-Gib gold resource and also along the east and northeast boundaries of the Fenn-Gib property.



4. The Company with its joint venture partner, Carlin Gold Corporation continued to expand its land position in the exciting new, emerging Carlin type gold play in the Yukon Territory's Selwyn Basin. The Joint Venture now controls a total of 4967 claims comprising approximately 1000 square kilometers (375 square miles) which represents more than a 50% increase in the Companies' large, strategically located land package and one of the largest property positions in this new district.
5. On February 9, 2011 the Company acquired a 100% interest in the Hornet Creek copper-gold massive sulphide prospect in west-central Idaho through a long term lease agreement.
6. In February 2011 the Company announced the signing of an investor relations agreement with San Diego Torrey Hills Capital, Inc. ("Torrey Hills Capital") to provide comprehensive investor relations services for the Company.
7. Subsequent to the end of the quarter, Ocean Park Ventures Corp. ("Ocean Park"), the Company's earn-in partner on the Trapper Gold Project, announced that camp construction is now underway at the Constantine's 100% owned Trapper Gold Project in advance of a \$4M+ exploration program that will include over 5000 meters of diamond drilling. Drilling is anticipated to begin in late July. The phase 1 drill program will test an historically defined gold-in-soils and bedrock anomaly that has been traced for over 2 kilometers of strike and up to 500 meters in width. The work is being funded and managed by Ocean Park under an option-joint venture agreement with Constantine.

Gold Projects

Constantine controls 100% interest in three gold projects, the Munro-Croesus, Phoenix and Trapper projects. One of these projects is the famous high-grade past-producing Croesus Gold Mine located along the north side of the Porcupine Destor Fault zone, approximately 75 kilometers east of the center of the Timmins gold camp. The Phoenix Gold project in the south Timmins area, Ontario and the Trapper Gold project, northern British Columbia, are 100% acquisitions. Constantine's gold properties are important assets of the Company that provide exposure to high quality gold exploration targets and are a significant part of the current year's exploration activities. The Company also has a 50% interest in 4967 mineral claims in Yukon, in a joint venture with Carlin Gold Corporation, which is focused on exploration for Carlin-style gold mineralization. Flow through funds raised in December 2010 financing and in the recent February 2011 financing will be used for an aggressive drill program to test Munro Croesus project drill targets (in progress) and to fund the Company's 50% of the Yukon Joint Venture field exploration costs.

Munro-Croesus Project (Ontario)

The Munro Croesus property, the Four Corners property located 1.2 kilometers east of Munro Croesus and the JM Property are together referred to as the Munro Croesus Project. The Project includes strategic claims adjacent to the Fenn-Gib property which was recently acquired by Lake Shore Gold Corp. from Barrick Gold Corporation for \$60 million. Constantine's 100% owned claims are located 300 meters west and along trend from the historic Fenn-Gib gold resource and also along the east and northeast boundaries of the Fenn-Gib property. An aggressive drill program announced on March 8th 2011 is just being completed and the first round of results, includes several new high grade gold intersections from the new shallow G-Vein and the 200 Zone at depth below the old mine workings that are discussed below. The Four Corners Canamax zone and the Perry Pond target were also tested with the current program.

Munro Croesus Gold Property (Munro Croesus Project)

The Munro-Croesus property includes the formerly producing Croesus mine, known to have produced some of the highest grade gold ever mined in Ontario. Prior to the current drilling program on the



property, two previous drilling campaigns in early 2008 and early 2009 totalled 2,864 meters. The previous drilling located high-grade Croesus type gold veins in the south offset fault block of the Croesus vein and identified a new footwall zone of high-grade gold mineralization (12.2 g/t gold over 0.46m) at depth under the historic mine workings.

The focus of 2011 drill program was to test the Croesus mine at depths up to 300 meters below the old workings and in particular the new footwall zone (200 Zone) within the favourable carbon-rich phase of the Croesus flow rocks. A second drill was added part way through the program to test a new shallow vein target (the G-Vein) identified in the immediate footwall of the Croesus high grade vein. Target descriptions and new 2011 results received and disclosed to date (see news release dated June 8, 2011) are discussed below.

200 Zone

The 200 Zone is a parallel Croesus type vein zone located at a vertical depth of 200 to 250 meters from surface and originally identified in previous drilling by Constantine. This vein zone occurs within the same distinct sulphide-carbon rich host rock sequence and shares the same broad gray-zone alteration with associated arsenopyrite mineralization as the historically mined vein.

Assays have been received for the first 8 of a total of 15 holes completed on the 200 Zone (MC11-14 to MC11-28 totaling 4179 meters). The holes intersected gold bearing quartz veins and associated alteration and arsenopyrite mineralization 150 to 175 meters vertically below historic Croesus mine workings. Several of these holes also intersected significant near-surface gold mineralization in the footwall and hanging wall to stopes of the Croesus mine. Assay highlights include:

9.56 g/t gold over 1.31 meters, including 43.00 g/t gold over 0.22 meters in MC11-17
5.88 g/t gold over 4.65 meters, including 11.87 g/t gold over 1.34 meters in MC11-19
13.29 g/t gold over 1.78 meters, including 18.03 g/t gold over 1.24 meters in MC11-20

Drilling to date has defined the 200 Zone vein system over an area approximately 150 meters by 85 meters. Assays are pending for 7 holes from this zone.

New G-Vein

Assays have been received for the first 11 of a total of 38 short holes (MC11-C1 to MC11-C38 totaling 1375 meters) completed on shallow targets and are summarized in Table 1 below. These holes primarily tested a new vein structure, the G Vein, located at shallow depths approximately 25 meters into the footwall and west of the historically mined Croesus vein. Assay highlights from the G Vein include:

13.3 g/t gold over 0.17 meters in MC11-C2
35.6 g/t gold over 0.20 meters in MC11-C4
23.7 g/t gold over 0.28 meters in MC11-C7

The 200 Zone drill hole pattern provides 10-25 meter drill spacing that will be utilized to carry out orientation downhole geophysics to attempt to map out the favourable carbon-sulphide rich phases of the Croesus flow that appear to be important in localizing the high grade gold and potentially detect directly, small high grade gold chutes within the current drill pattern. Some of the high grade chutes of the original mined vein material exceeded 20 to 30 percent by weight gold and the Company believes there is good potential for similar as yet undiscovered mineralization to be detectable by off-hole geophysical methods.

Four Corners Gold Property (Munro Croesus Project)

Constantine has an option agreement to acquire a 100% interest in the 63 claim Four Corners property located 1.2 kilometers east of the Munro Croesus property, which forms part of the Munro Croesus gold



project. The Four Corners property straddles an area between the prolific Porcupine Destor Fault Zone (PDDZ) and the Pipestone Fault Zone, and within the same structural corridor that hosts the high-grade Croesus Mine to the west and the >2.0 million ounce combined production from the past producing Holt-McDermott and Holloway Mines located 25 kilometers to the east. The geological setting at Four Corners shares many similarities to classic Archean gold systems.

The Four Corners **Canamax Zone** is located on a komatiite-tholeiite contact along the Munro Break and was previously tested in wide spaced drilling by Canamax and Barrick Gold. The zone is characterized by extensive silica-iron carbonate-fuchsite-sericite alteration. The best result from previous drilling is 2.28 g/t gold over 4.0 meters. The Company just completed 3 holes on 100 meter spacing as part of the 2011 Munro Croesus Project drill program to test this target and results from these holes are pending.

Two 2011 drill holes have recently been completed on the Four Corners **Perry Pond target** where previous drilling by St. Andrews intersected 9.37 g/t gold over 1.25 meters within a south dipping deformation zone that cuts tholeiitic and komatiitic volcanic rocks. The drill was demobilized upon the recent completion of these holes and results are pending.

Background on Adjacent Fenn-Gib Property

The Fenn-Gib property is located between Constantine's Munro-Croesus and Four Corners properties. Past drilling on Fenn-Gib defined a large mineralized envelope with minimum one kilometer strike length and widths up to 250 meters. The recent acquisition news release by Lake Shore Gold has reported that it is targeting an initial bulk tonnage resource of at least 2 to 3 million ounces at Fenn-Gib based on historic drilling and Whittle pit shell. The structural and geological controls on mineralization at Fenn-Gib are interpreted to project westward onto underexplored parts of the Munro-Croesus property, which is located within 300 meters and along trend of the historic Fenn-Gib gold resource.

JM Gold Property (Munro Croesus Project)

The JM property was acquired by staking in August 2010 and consists of 2 claims (4 units, 65 hectares) immediately to the north of the Munro Croesus property. The property covers the projected extension of the favourable Croesus mine stratigraphy to the northwest of the Croesus Mine. Historical reports and assessment file information will be compiled on the property to guide the follow up work.

Phoenix Gold Project (Ontario)

The Phoenix Gold property agreement signed in April 2010 allows Constantine to earn a 100% interest in 35 claims (519 units ~8304 hectares) located 75 kilometers south of the Timmins gold camp. The claims were staked based on Ontario geological survey airborne magnetic maps that indicate possible westerly extensions of the Matachewan-Kirkland-Larder Lake Break that is associated with Matachewan and Kirkland-Larder Lake gold camps. Favourable Tisdale Group volcanic rocks underlie the property, including several areas of ultramafic rocks that may play an important part in localizing gold deposits near r along fundamental structural breaks or deformation zones. No field work has been carried out on the project to date. Initial work on Phoenix Gold will include completing compilation of previous assessment work followed up by surface prospecting, possibly soil sampling and selected areas for geological mapping. A GIS compilation of government data and historic exploration is partially completed. Some reconnaissance geological field work is planned for the 2011 field season.

Constantine-Carlin Gold Yukon JV project

The Constantine-Carlin 50/50 Joint Venture (the "JV") was formed in fall 2010 specifically to target and explore for Carlin-type gold deposits in the Yukon's Selwyn Basin. The JV moved quickly to establish a



large land position in this emerging gold frontier, acquiring areas with permissive geology and drainages with strong geochemical anomalies. The JV now controls a total of 4,967 claims in 16 properties comprising approximately 1000 square kilometers (385 square miles), which represents one of the largest property positions in this new district. A summer field program of \$1.2 million has commenced. It is designed to rapidly evaluate targets and, subject to sampling results, advance them to the drill testing stage in 2011.

For years, gold mining companies have searched the globe for the next Carlin-type gold district, and the new Osiris discovery by Atac Resources Ltd. has described Carlin-type sediment hosted gold mineralization in Yukon. The potential significance of this discovery is enormous when considering Nevada's Carlin-type deposits are typically large and high grade and have produced over 100 million ounces of gold since discovery in the 1960s. Carlin-type deposits occur in a specific tectonic setting and have unique geological characteristics. Key characteristics of Carlin-type gold environments that are present at the Company's newly staked claims in the vicinity of the new Osiris discovery include:

- Favourable carbonate-bearing host rock sequences
- Proximity to documented occurrences of low-temperature arsenic and mercury minerals (realgar, orpiment and cinnabar)
- Ancient continental margin tectonic setting, similar to Nevada
- Prominent regional scale thrust faults similar to those present in the Carlin-type environment in Nevada
- Presence of regional-scale antiforms that may present structural traps for gold mineralization
- Key pathfinder elements in regional stream sediments

Several of the claim areas contain historical documented anomalous gold and arsenic soil and silt geochemistry. These properties will be advanced quickly to re-establish and expand on the historical work. Sampling will take place in July on the Mac Pass project, which has a strong and large historical arsenic soil and silt anomaly (gold not assayed). The JV's TUT project contains coincident anomalous historical soil, silt and rock geochemical values for gold and arsenic encountered in reconnaissance-type coverage which were not further defined. Geological mapping, prospecting and geochemical sampling of these targets is designed to establish drill targets that can be tested during the 2011 field season. Stream sediment and soil anomaly stage prospects in the Yukon have advanced rapidly into major drill hole discoveries. Over 7,000 soils and silt regional samples, designed to identify additional targets, are programmed in the initial evaluation stage in addition to the detailed work.

Highlighted features of the sixteen properties include the following:

- All projects contain anomalous gold-arsenic-mercury-antimony geochemistry in the Yukon Geological Survey's 31,000 sample stream sediment data base (RGS), representing a classic "Carlin-type" geochemical signature. Stream sediment values range up to 350 ppb gold (99th percentile) and 3800 ppm arsenic (99th percentile, second highest arsenic value in Selwyn Basin portion of RGS database).
- All project areas contain potentially favorable calcareous units within the stratigraphic section.
- Several of the projects have nearby gold mineralized intrusions with strong alteration systems in the adjacent sedimentary rocks.
- The relationship between intrusions and Carlin-style mineralization has been well demonstrated in Nevada. Several of the JV projects have similar settings.



- Satellite imagery analysis completed by the JV has defined potential alteration targets on many of the projects. Some of these alteration features have recently been ground verified and will be selected for initial work.

Highlights of New Properties

- A total of six new properties were staked: Canol, Jerry, Stan, MC, MP, and RG, based primarily on RGS stream sediment data that demonstrate “Carlin-type” gold-arsenic-mercury antimony signatures.
- The Mac Pass project hosts a large, open-ended, strong arsenic soil anomaly (up to 962 ppm) measuring 1800 x 1000 meters, defined by previous base metal exploration programs which did not analyze for gold. This is a prime target for immediate follow-up.
- Calcareous units occur within the stratigraphic section in all of the new properties, representing a favorable Carlin-type host rock setting.
- All of the new projects are located on or near the Canol Road.

The JV is making plans for aggressive exploration of its large Yukon land package in Q2 and Q3 2011. The planned program is scheduled to consist of over 7,000 soil, silt, and rock samples. Favorable regional geochemistry and geology have identified a Carlin-type exploration opportunity, which is highlighted by the Osiris discovery. Stream sediment and soil anomaly stage prospects in the Yukon have advanced rapidly into major drill hole discoveries. Additional figures and information on the Joint Venture’s large Yukon land package can be found at www.constantinemetals.com. Flow-through funds raised in December 2010 financing and in the recent February 2011 financing will be used to fund the Company’s 50% portion of the 2011 field exploration costs.

Trapper Gold Project (British Columbia)

Ocean Park recently announced that camp construction is now underway at the Company’s 100% owned Trapper Gold Project in advance of a \$4M+ exploration program that will include over 5000 meters of diamond drilling. Drilling is anticipated to begin in late July. The phase 1 drill program will test an historically defined gold-in-soils and bedrock anomaly that has been traced for over 2 kilometers of strike and up to 500 meters in width. The work is being funded and managed by Ocean Park under an option-joint venture agreement with Constantine.

In April 2010 the Company signed an agreement to acquire an undivided 100% interest in 9 contiguous mining claims (3,756 hectares) that make up the Trapper Gold property, which is located in the Atlin Mining Division in northern British Columbia. The property lies 45 km north of the Golden Bear mine road, accessed from Dease Lake and 200 km south of the Yukon-BC border. The property covers a very large gold-in-soil anomaly that has yet to be drill tested. The gold anomaly was originally established by Chevron Minerals of Canada in the early 1980’s, with more than 900 soil samples defining a greater than one kilometer long zone that averages 100 to 200 meters in width and remains open ended along strike. Within the anomaly, 25 individual soil samples yielded gold values greater than 1000 ppb gold (1.0 g/t), and two sites yielded >8000 ppb (8.0 g/t) gold. Recent reconnaissance soil sampling by Constantine 1000 meters along trend has expanded the gold anomaly to over 2 kilometers in length. The gold anomaly is associated with mafic volcanic rocks assigned to the Triassic aged Stuhinni Group that are intruded by diorite and dacitic feldspar porphyry stocks. Extensive iron carbonate-silica alteration suggests that the soil anomaly is associated with a robust large scale hydrothermal system.



In November 2010 the Company signed an option agreement with Ocean Park (TSX-V: OCP) on the 100% owned Trapper Gold property in northwest British Columbia. Pursuant to the terms of the option agreement, Ocean Park paid the Company \$100,000 and issued 100,000 Ocean Park shares to Constantine. In order to maintain the option and earn a 50% interest in the property, Ocean Park must make cumulative exploration expenditures on the Property totaling \$4,750,000 over the next 3 years. In addition, Ocean Park must issue an additional 900,000 common shares to Constantine as follows: 200,000 shares by the second anniversary, 300,000 shares by third anniversary and 400,000 shares by December 15, 2014.

After completing its \$4,750,000 in exploration expenditures and issuing the share consideration to Constantine to earn the 50% interest, Ocean Park may elect to extend the option and earn an additional 20% interest, for a total interest of 70%. To earn the additional 20% interest, Ocean Park must issue an additional 500,000 common shares by December 15, 2015 and spend an additional \$5,000,000 in exploration expenditures on the Property within three years, with a minimum annual expenditure of \$1,000,000.

In the event that the Ocean Park exercises the option, Ocean Park and Constantine will enter into a joint venture to further develop the Property, with each party contributing to their pro rata portion of the approved exploration program. If, at any time, a party's interest in the joint venture is reduced to below ten per cent, it shall be deemed to have conveyed its interest proportionately to the other party in consideration of the right to receive a 2% net smelter royalty ("NSR") for gold below US\$1,000/oz, and 3% if above. One-half of the NSR and a right of first refusal on the other half can be repurchased by the other party for \$2,500,000.

Base Metal Projects

Palmer project (southeast Alaska, USA)

Overview

The Company's principal asset is the 100% controlled Palmer polymetallic massive sulphide project in Alaska. The project is logistically well situated within 3 miles of a paved highway and 35 miles north of the deep-sea port of Haines. The Palmer project consists of a 340 federal claim property that is subject to certain annual advanced royalty payments and a net smelter royalty payment to the lessor should the property reach commercial production and 63 state claims that are owned outright by Constantine, but subject to an Area of Interest net smelter return and certain Alaska State payments to maintain them in good standing. The property includes a large number of precious metals-enriched volcanogenic massive sulfide ("VMS") prospects distributed along two sub parallel trends and within two or more stratigraphic horizons along a combined 14.5 kilometer (9 mile) strike length of volcanic-sedimentary stratigraphy. Extensive zones of quartz-sericite-pyrite alteration that link many of the occurrences are interpreted to be indicative of a very large mineralized system. Palmer project highlights are itemized below.

- The 64 square kilometer property encompasses numerous underexplored VMS prospects located within large scale hydrothermal alteration zones. In addition to the immediate opportunity to expand the current RW and South Wall resources, excellent potential exists to discover other new deposits on the property.
- Constantine completed the first NI 43-101 compliant resource (see news release dated January 20, 2010) on the Palmer property. Using an NSR cut-off of \$50 per tonne an inferred resource of 4.75 million tonnes grading 1.84 percent copper, 4.57 percent zinc, 0.28 grams per tonne gold, and 29.1 grams per tonne silver has been estimated.



- Mineralogical studies and metallurgical benchmarking demonstrated coarse grained mineralogy and the likelihood, through further test work, that the Palmer mineralization will yield good recoveries with high grade concentrates at relatively low milling cost.
- The resource area could likely be accessed by short lateral development.
- The Company believes that the geometry of the currently defined, wide, steeply dipping South Wall sulphide mineralization is favourable for low cost underground mining methods.
- The project has a favourable location with good logistics, including direct access to Pacific Rim concentrate markets via 60 kilometers of existing road connecting the project to the deep sea port at Haines, Alaska.

To advance the project, a \$5,000,000 exploration program is recommended for the Palmer project in 2011. The focus will be to test extensions of the RW and Southwall Zones with 2 drills and one drill to test other prospects that may include the Cap, Nunatak, HG and MHC drill targets. Additional surface, downhole and possibly airborne geophysical surveys will be included in the program. The Company will require additional funds or a partner to complete the intended exploration work for 2011.

Hornet Creek (Idaho, USA)

The Hornet Creek gold-copper prospect is in the Hornet Creek mining district, near North Hornet Creek, and northeast of Peck Mountain in west central Idaho and consists of 44 federal lode claims located on BLM and forest service lands.

The property includes the Peck Mountain gold-copper volcanogenic massive sulphide ("VMS") prospect, where limited drilling by Conoco Inc. in the early 1980s is reported to have intersected 17 meters (true width) of massive sulphide grading 3 g/t gold and 0.16% copper. Several old pits, trenches and short adits dating from the early 1900s exist on the property. Grab samples collected by Constantine in proximity to an adit located in the footwall to the massive sulphide horizon contained up to 1.72% copper and 0.98 g/t gold. Other grab samples collected adjacent to old workings to the northwest of the drilled prospect assayed up to 12.05 g/t gold in heavily iron-oxide mineralized rocks that are locally associated with barite.

The Hornet Creek property lies within the Blue Mountains region that is host to several gold-enriched volcanogenic massive sulphide prospects and deposits. Most notable of these is the 39 million tonne Red Ledge deposit located approximately 40 kilometers to the north. The property is situated in an area with excellent access and infrastructure, and is amenable to year round exploration. Primary industries within the region currently include logging and ranching, with active mining occurring as recently as the mid-1980s at the nearby Iron Dyke high-grade copper-gold mine.

Bear Creek Mining Company staked the property in 1964 and the property was subsequently held briefly by Noranda and Asarco. Conoco acquired the property in 1978 and drilled six wide spaced holes, four of which are in the immediate prospect area. One of these holes is reported to have intersected a 17 meter (55 foot) true width of massive pyrite containing 3 g/t gold, 0.16% copper and 1.2% barium (United States Geological Survey Professional Paper 1439). None of the Conoco drilling tested down dip of this intersection, and the two closest holes are located along strike 180 meters to the northeast and 260 meters to the southwest. Mineralization encountered in neighbouring holes includes semi-massive sulphide, massive barite, and sulphidic debris flow intervals (no assay data available). Subsequent to the work by Conoco, the property was vended to Chevron Minerals. It is unknown what, if any, further work was completed.

The Company plans to compile all available historical information on the property in early 2011. An initial



field program will include geological mapping, rock and soil sampling, and geophysics to establish drill targets.

Results of Operations

Mineral Property Acquisitions and Expenditures

In the six months ended April 30, 2011 the Company incurred expenditures of \$1,265,803 on its mineral properties, net of \$59,986 in cost recoveries on the Trapper property. The majority of these expenditures (\$826,293) were incurred on the Yukon joint venture property in Yukon, where the Company has staked a significant land position with its JV partner.

In January 2011 the Company acquired a 100% interest in the Hornet Creek copper-gold massive sulphide prospect in west-central Idaho through a long-term lease agreement. The Company spent a total of \$71,033 on the Hornet Creek project as at April 30, 2011, which included acquisition costs of \$47,210.

In November 2010, Constantine optioned the Trapper property to Ocean Park Ventures Corp. and received an initial option payment of \$100,000 and 100,000 shares from Ocean Park. As a result of the cash and share payments received, the Company realized a gain for accounting purposes of \$99,014 on the Trapper gold project for the period ended April 30, 2011.

In November 2010, the Company entered into a 50/50 joint venture agreement with Carlin Gold Corporation and, together with Carlin, staked an aggregate of 4,967 mineral claims in the Yukon Territory. The Company's 50% share of staking and other joint venture costs at April 30, 2011 was \$828,044.

In the six months ended April 30, 2011, the Company paid \$12,500 and issued 10,000 shares in connection with its share of the joint venture's Aztec property acquisition in Yukon.

Operating Costs

The Company recorded expenses of \$530,441 for the six months ended April 30, 2011, a 10% over the previous year (\$483,011). The largest increase in 2011 expenses was in payroll costs, which increased from \$68,653 in 2010 to \$89,144 in 2011. Payroll expenses for 2011 were expected to be higher, based on the additional personnel added to payroll at the end of last year. For the six months ended April 30 2011, general and administrative costs consisted of:

<u>General and Administrative expenses</u>	<u>Amount</u>
Conferences, trade shows and advertising	\$ 88,192
Accounting and administration	36,000
Office expenses	20,359
Transfer agent, listing and filing fees	18,636
Other	<u>6,504</u>
Total	\$ 169,692

Summary of Quarterly Results

In the quarter ended April 30, 2011, the Company incurred expenditures of \$863,531 on its mineral properties. Of this amount, \$505,873 was spent on the Yukon joint venture project, as the Company and its partner moved to significantly increase their Yukon land position. In this quarter, the Company also spent \$251,592 on the Munro-Croesus project, where it began a drilling program that was still ongoing at



the end of the quarter. In the quarter ended April 30, 2011, incurred costs of \$43,775 on the Four Corner property for acquisition costs (\$25,000 cash and \$11,250 in share payments).

The Company incurred a loss of \$330,016 (2010-\$258,040) for the quarter. General and administrative costs of \$93,886 (2010-\$137,343) were the largest component of expenses. Investor relations expense of \$49,170 (2010-\$27,263) during the quarter were anticipated and will remain higher than last year as the Company continues to maintain a higher investor relations profile.

The following is a summary of certain consolidated financial information of the Company for the past eight quarters:

For Quarter Ended	Income (Loss)	Income (Loss) per share
April 30, 2011	\$ (330,016)	\$ 0.00
January 31, 2011	(101,090)	0.00
October 31, 2010	(132,554)	0.00
July 31, 2010	(118,002)	(0.01)
April 30, 2010	(258,040)	(0.01)
January 31, 2010	(222,839)	(0.01)
October 31, 2009	(241,637)	(0.01)
July 31, 2009	(524,821)	(0.01)
April 30, 2009	(166,409)	(0.01)

Liquidity and Capital Resources

The Company is not in commercial production on any of its mineral properties and accordingly, it does not generate cash from operations. The Company finances its activities by raising capital through the equity markets.

The Company's cash position at April 30, 2011 was \$3,453,485 (2010-\$3,205,042) and its working capital at April 30, 2011 was \$3,727,118 (2010-\$3,415,248). The Company completed a \$3,500,000 equity financing in December 2010 (\$2,300,000 in hard dollars and \$1,200,000 in flow-through financing), and a \$2,250,000 flow-through financing in March 2011. Its cash position as of the date of this report is approximately \$2,500,000

Constantine will require additional working capital within the next 12 months in order to fund its current flow-through exploration budgets and ongoing operating costs. The Company is dependent on equity capital to fund exploration and development of its mineral properties. Actual funding requirements may vary from those planned due to a number of factors, including the timing and progress of exploration activities.

At this time, the Company has no material contractual commitments for capital expenditures.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet financing arrangements.

Related Party Transactions

Certain directors and officers of the Company provided specific services to the Company during the six months ended April 30, 2011 as follows:



as at April 30,	2011	2010
Management and technical fees paid or accrued to companies owned by directors	\$ 59,435	12,049
Consulting fees paid to officers	-	28,650
Accounting and administration fees paid or accrued to a company 50% owned by an officer of the Company	36,000	15,000
	\$ 95,435	55,699

Management of Capital

The Company manages its cash, common shares and stock options as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account.

Use of Proceeds from Financings

<i>Planned Use of Proceeds as Previously Disclosed</i>	<i>Actual Use of Proceeds to April 30, 2011</i>
December 2010 Flow-Through Financing:	
<ul style="list-style-type: none"> \$1,200,000 to be used to incur eligible Canadian exploration expenditures ("CEE") on the Company's Canadian gold projects. 	<ul style="list-style-type: none"> CEE spent to date. \$315,365 Balance of funds remaining to be spent \$884,635
December 2010 Financing:	
<ul style="list-style-type: none"> \$2.3 million to be used on exploration of the Palmer Project and for general and administrative and working capital purposes. 	<ul style="list-style-type: none"> Cost of financings \$548,603 Yukon project 804,569 Palmer project 67,703 Other mineral projects 91,649 Fixed assets 8,460 Working capital items 460,166 Balance of funds remaining to be spent \$318,850
March 2011 Flow-Through Financing:	
<ul style="list-style-type: none"> \$2,250,000 to be used to incur CEE on the Company's Canadian gold projects. 	<ul style="list-style-type: none"> None of these funds have been committed to date.



Summary of Outstanding Shares Data

At April 30, 2011, the Company had 109,915,999 shares outstanding.

The following warrants and stock options were outstanding at April 30, 2011:

		Price per Share	Expiry Date
Warrants	12,589,316	\$0.20	December 13, 2012
Warrants and Compensation Options	3,508,750	\$0.30	November 24, 2011
Compensation Options	450,000	\$0.30	March 17, 2013
Stock options	1,425,000	\$0.40	May 11, 2011
Stock options	390,000	\$0.57	February 13, 2013
Stock options	1,175,000	\$0.13	January 12, 2014
Stock options	2,200,000	\$0.235	October 27, 2014
Stock options	250,000	\$0.27	February 11, 2014
	21,988,066		

Recent Accounting Pronouncements – Not Yet Adopted

Business Combination, Consolidated Financial Statements and Non-controlling interest

For interim and annual financial statements relating to its fiscal year commencing on or after January 1, 2011, the Company will be required to adopt new CICA Section 1582 “Business Combinations”, Section 1601 “Consolidated Financial Statements” and Section 1602 “Non-Controlling Interests”. Section 1582 replaces existing Section 1581 “Business Combinations”, and Sections 1601 and 1602 together replace Section 1600 “Consolidated Financial Statements.” The adoption of Sections 1582 and collectively, 1601 and 1602 provides the Canadian equivalent to IFRS 3 “Business Combinations” and International Accounting Standard IAS 27 “Consolidated and Separate Financial Statements” respectively. The impact of adopting these new standards has not yet been assessed and cannot reasonably be estimated at this time.

International Financial Reporting Standards (“IFRS”)

In February 2008 the Accounting Standards Board confirmed that International Financial Reporting Standards (IFRS) will replace Canadian GAAP for publicly accountable enterprises for financial periods beginning on and after January 1, 2011. The Company’s first mandatory filing under IFRS, which will be the quarterly period beginning November 1, 2011, will contain IFRS-compliant information on a comparative basis, as well as reconciliations for that quarter and as at the November 1, 2010 transition date. Although IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in recognition, measurement and disclosure. The Company is considering a plan for IFRS convergence and has started the assessment process. Detailed analysis of the differences between IFRS



and the Company's accounting policies and assessment of the various alternatives for first time adoption of IFRS are in progress.

Disclosure Controls and Procedures

Management is responsible for the design, establishment and maintenance of disclosure controls and procedures over the public disclosure of financial and non-financial information regarding the Company and internal control over financial reporting to provide reasonable assurance regarding the integrity of the Company's financial information and reliability of its financial reporting. Management maintains appropriate information systems, procedures and controls to ensure integrity of the financial statements and to ensure that information used internally and disclosed externally is complete and reliable.

Corporate Governance

Management of the Company is responsible for the preparation and presentation of the interim and annual financial statements and notes thereto, MD&A and other information contained in this MD&A. Additionally, it is management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The Company's management is held accountable to the Board of Directors ("Directors"), each member of which is elected annually by the shareholders of the Company. The Directors are responsible for reviewing and approving the annual audited financial statements and MD&A. Responsibility for the review and approval of the Company's unaudited interim financial statements and MD&A is delegated by the Directors to the Audit Committee, which is comprised of three directors, two of whom are independent of management. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The auditors are appointed annually by the shareholders to conduct an audit of the financial statements in accordance with generally accepted auditing standards. The external auditors have complete access to the Audit Committee to discuss the audit, financial reporting and related matters resulting from the annual audit as well as assist the members of the Audit Committee in discharging their corporate governance responsibilities.

Forward-Looking Statements

Forward-looking statements include, but are not limited to statements regarding the use of proceeds, costs and timing of the development of new deposits, statements with respect to success of exploration and development activities, permitting time lines, currency fluctuations, environmental risks, unanticipated reclamation expenses, and title disputes or claims.

Forward-looking statements often, but not always are identified by the use of words such as "plans", "seeks", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "targets", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "should", "could", "would", "might", "will", or "will be taken", "occur" or "be achieved".

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These statements are based on a number of assumptions and factors, including assumptions regarding general market conditions; future prices of gold and other metals; possible variations in ore resources, grade or recovery rates; actual results of current exploration activities; actual results of current reclamation activities; conclusions of future economic evaluations;



changes in project parameters as plans continue to be refined; failure of plant, equipment, or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; risks related to joint venture operations; timing and receipt of regulatory approvals of operations; the ability of the Company and other relevant parties to satisfy regulatory requirements; the availability of financing for proposed transactions and programs on reasonable terms; the ability of third-party service providers to deliver services on reasonable terms and in a timely manner; and delays in the completion of development or construction activities. Other factors that could cause the actual results to differ include market prices, results of exploration, availability of capital and financing on acceptable terms, inability to obtain required regulatory approvals, unanticipated difficulties or costs in any rehabilitation which may be necessary, market conditions and general business, economic, competitive, political and social conditions. Additional factors are discussed in the Company's October 31, 2010 MD&A, filed on SEDAR, at www.sedar.com, in the sections titled "*Risk Factors*". Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, there may be other factors which cause actual results to differ. Significant additional drilling is required by the Company at its Palmer property to fully understand the system size before a meaningful resource can be calculated and completed. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

Risk Factors

Companies operating in the mining industry face many and varied kind of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the Company.

Industry

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is not feasible or practical to proceed. The Company monitors its risk based activities and periodically employs experienced consulting, engineering, insurance and legal advisors to assist in its risk management reviews.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Metal Prices

The principal activity of the Company is the exploration and development of precious metal and base metal resource properties. The feasible development of such properties is highly dependent upon the price of gold, silver, copper lead and zinc. A sustained and substantial decline in precious metal and base metal commodity prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors which could affect precious metal and base metal commodity prices in order to assess the feasibility of its resource projects.



Political Risk

The resource properties on which the Company is actively pursuing its exploration and development activities are located in Alaska, USA and in British Columbia and Ontario, Canada. While the political climate in Alaska, Idaho, British Columbia and Ontario is considered by the Company to be stable, there can be no assurances that this will continue indefinitely. To alleviate such risk, the Company funds its operations on an as-needed basis. The Company does not presently maintain political risk insurance for its foreign exploration projects.

Environmental

Exploration and development projects are subject to the environmental laws and regulations of the state of Alaska and of the United States of America (Palmer Project) and the environmental laws and regulations of Canada and the province of Ontario (Munro-Croesus and Phoenix Gold Project) and British Columbia (Trapper Gold property). As such laws are subject to change, the Company monitors proposed and potential changes and management believes the Company remains in compliance with current environmental regulations in the relevant jurisdictions.

Constantine has assumed the environmental liability at the Croesus minesite on the Munro Croesus property. A 250,000 share portion of the total 750,000 share payment is escrowed until later this year to cover liability costs over a certain amount. To date we have not incurred any costs and do not expect that the final costs will be material, however it does remain an uncertain liability. The Ontario government requires a closure plan if the claims are abandoned or become inactive and the requirements of the plan may require some environmental reclamation costs. The previous owner completed remediation of what the Company considers to be the major liabilities, which included capping the Walsh and Croesus shafts. The Croesus minesite was visited by a mines inspector in September 2010 and we have recently received an inspection report from the Ministry of Northern Development, Mines and Forestry (Ontario) that is being reviewed. The summary of field observations and recommendations are near surface slope stability concerns and recommendation for a crown pillar stability assessment. There is a specific near-term recommendation to secure the location of a small raise to surface that is filled with waste rock with a fence and signs. An area is currently being fenced to isolate this area. Surface water samples upstream and downstream of the site are recommended to determine water quality issues.

There may be environmental liabilities related to the prior historical workings of the recently acquired Hornet Creek property in Idaho, U.S.A.

Operational

Exploration development projects require third party contractors for the execution of certain activities. The availability and cost of third party contractors is subject to a competitive environment for their use, which is beyond the control of the Company.

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the balance sheet and arises from the Company's cash and receivables.

The Company's cash is held primarily through a Canadian chartered bank, which is a high-credit quality financial institution. The credit risk in receivables is considered low by management as it consists primarily of amounts owing for Canadian government sales tax credits.



Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At April 30, 2011, the Company had a cash balance of \$3,453,485 to settle current liabilities of \$51,607. All of the Company's financial liabilities have maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency rate risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is insignificant and therefore does not hedge its foreign exchange risk.

Sensitivity analysis

The carrying value of cash, receivables, accounts payable and accrued liabilities, and amounts closely approximate their fair values in view of the relatively short periods to maturities of these financial instruments.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

Effectiveness of Disclosure Controls

The Chief Financial Officer and Chief Executive Officer have evaluated the effectiveness of the Company's disclosure controls as of April 30, 2011. They have concluded that the Company's disclosure controls and procedures provide reasonable assurance that material information relating to the Company would be made known to them by others within the Company, particularly during the period during which this report was being made.

Approval

Mr. Darwin Green, vice-president of exploration of the Company and a Qualified Person as defined by Canadian National Instrument 43-101, has reviewed and approved the technical information contained in this report. True widths are 90% to 100% of reported widths for 2011 Munro Croesus Project drill intersections.



The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Additional Information

Additional disclosures pertaining to the Company's technical reports, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.