Condensed Consolidated Interim Financial Statements of

CONSTANTINE METAL RESOURCES LTD.

(Expressed in Canadian Dollars)

For the six months ended April 30, 2012 and 2011

Suite 320 - 800 West Pender St., Vancouver, B.C. Canada V6C 2V6
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Notice to Reader:

These condensed consolidated interim financial statements of Constantine Metal Resources Ltd. have been prepared by management and approved by the Audit Committee on behalf of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed consolidated interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

Condensed Consolidated Interim Statements of Financial Position
Unaudited – Prepared by Management
(Expressed in Canadian dollars)

	April 30 2012	October 31 2011 (Note 12)
Assets		
Current assets:		
Cash and cash equivalents	**$ 156,772**	$ 1,115,268
Amounts receivable	**94,619**	279,654
Available-for-sale investments (Note 4)	**10,200**	31,200
Advances and prepaid expenses (Notes 5g and 7)	**50,479**	20,070
	312,070	1,446,192
Deposits	**40,855**	40,855
Exploration and evaluation properties (Note 5)	**16,534,408**	15,889,773
Equipment	**34,547**	39,763
	$ 16,921,880	$ 17,416,583
Liabilities		
Current liabilities:		
Trade payables and accrued liabilities	**$ 24,866**	$ 149,963
Amounts due to related parties (Note 7)	**-**	37,889
	24,866	187,852
Equity		
Share capital (Note 6)	**19,603,251**	19,598,178
Stock options reserve	**1,221,687**	1,089,213
Warrants reserve	**432,941**	432,941
Available-for-sale investments reserve (Note 4)	**(25,200)**	(4,200)
Deficit	**(4,335,665)**	(3,887,401)
	16,897,014	17,228,731
	$ 16,921,880	$ 17,416,583

Nature of Operations and Going Concern (Note 1)
Commitments (Note 11)
Subsequent Events (Note 13)

On Behalf of the Board of Directors:

"J. Garfield MacVeigh"	*"G. Ross McDonald"*
Director	Director

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
Unaudited – Prepared by Management
For the three and six months ended April 30, 2012 and 2011
(Expressed in Canadian dollars)

	three months ended		six months ended	
	April 30 2012	April 30 2011	**April 30 2012**	April 30 2011
		(Note 12)		(Note 12)
Expenses:				
Amortization	**$ 2,605**	$ 3,324	**$ 5,216**	$ 6,434
Consulting	**19,193**	18,084	**38,312**	44,994
Foreign exchange loss	**1,639**	24,320	**2,571**	24,431
General and administrative	**41,959**	93,886	**78,715**	169,692
Insurance	**6,461**	7,374	**12,469**	13,614
Interest	**-**	31,524	**-**	31,524
Investor relations	**-**	39,763	**10,383**	53,478
Legal	**3,080**	29,643	**3,080**	29,643
Management fees	**21,000**	3,000	**24,000**	6,000
Professional fees – audit	**1,900**	18,900	**9,750**	21,900
Payroll expenses	**55,066**	22,950	**102,844**	89,144
Rent	**11,841**	4,192	**24,536**	10,014
Share-based payments	**132,474**	9,407	**132,474**	9,407
Shareholder communications	**280**	1,403	**420**	3,353
Travel	**11,159**	9,717	**15,044**	16,813
Loss before other items	**(308,657)**	(317,487)	**(459,814)**	(530,441)
Other Items:				
Flow-through tax adjustment	**3,546**	-	**3,546**	-
Gain on sale of exploration and evaluation properties	**-**	(12,571)	**-**	99,014
Interest income	**4,055**	42	**8,004**	321
Loss for the period	**$ (301,056)**	$ (330,016)	**$ (448,264)**	$ (431,106)
Other comprehensive income (loss)				
Unrealized income (loss) on available-for-sale investments (Note 4)	**-**	(8,000)	**(21,000)**	6,000
Comprehensive loss for the period	**$ (301,056)**	$ (338,016)	**(469,264)**	$ (425,106)
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)	**(0.00)**	$ (0.00)
Weighted average number of common shares outstanding	**110,189,515**	98,885,609	**110,189,515**	98,885,609

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows
Unaudited – Prepared by Management
For the three and six months ended April 30, 2012 and 2011
(Expressed in Canadian dollars)

	three months ended		six months ended	
	April 30 2012	April 30 2011 (Note 12)	**April 30 2012**	April 30 2011 (Note 12)
Cash and cash equivalents provided by (used in):				
Operations:				
Loss for the period	**$ (301,056)**	$ (330,016)	**$ (448,264)**	$ (431,106)
Amortization	**2,605**	3,324	**5,216**	6,434
Stock based compensation (Note 6b)	**132,474**	9,407	**132,474**	9,407
Changes in non-cash working capital accounts:				
Amounts receivable	**174,522**	775	**185,035**	(26,971)
Trade payables and accrued liabilities	**(31,544)**	(27,449)	**(125,097)**	(61,682)
Amounts due to related parties	**(8,694)**	(3,360)	**(37,889)**	(6,440)
Advances and prepaid expenses	**39,281**	(85,293)	**(30,409)**	(126,422)
	$ 7,588	$ (432,612)	**$ (318,934)**	$ (636,780)
Investing activities:				
Mineral property expenditures (Note 5)	**$ (481,576)**	$ (909,837)	**$ (641,185)**	$ (1,310,754)
Purchase of equipment and fixtures	**-**	(8,460)	**-**	(8,460)
	$ (481,576)	$ (918,297)	**$ (641,185)**	(1,319,214)
Financing activities:				
Private placement proceeds	**$ -**	$ 2,250,000	**$ -**	$ 5,750,000
Recovery of share issuance costs	**1,623**	(205,834)	**1,623**	(548,603)
Warrants exercised	**-**	15,000	**-**	15,000
	$ 1,623	$ 2,059,166	**$ 1,623**	$ 5,216,397
Increase (decrease) in cash	**$ (472,365)**	$ 708,257	**$ (958,496)**	$ 3,260,403
Cash and cash equivalents, beginning of period	**629,137**	2,745,228	**1,115,268**	193,082
Cash and cash equivalents, end of period	**$ 156,772**	$ 3,453,485	**$ 156,772**	$ 3,453,485
Supplemental Disclosure of Non-Cash Investing and Financing Activities:				
Interest paid	**$ -**	$ -	**$ -**	$ 303
Interest received	**$ 4,055**	$ -	**$ 8,004**	$ -
Income taxes paid	**$ -**	$ -	**$ -**	$ -
Value of share issued for mineral properties	**$ 3,450**	$ 14,050	**$ 3,450**	$ 14,050
Warrants issued to agents and finders	**$ -**	$ 74,839	**$ -**	$ 240,457

See accompanying notes to condensed consolidated interim financial statements.

CONSTANTINE metal resources ltd.

Condensed Consolidated Interim Statements of Changes in Equity
Unaudited – Prepared by Management
For the three and six months ended April 30, 2012 and 2011
(Expressed in Canadian dollars)

	Share Capital		Reserves				
	Number of Shares	Capital Stock	Stock Options	Warrants	Available-for-Sale Investments	Deficit	Total Equity
Balance, November 1, 2010	80,115,522	$ 14,577,852	$ 1,071,194	$ 192,084	$ -	$ (3,038,246)	$ 12,802,884
Net loss for the period	-	-	-	-	-	(431,106)	(431,106)
Unrealized gain on available-for-sale investments	-	-	-	-	6,000	-	6,000
Private placement	15,333,334	2,300,000	-	-	-	-	2,300,000
Flow-through private placement	6,857,143	1,200,000	-	-	-	-	1,200,000
Flow-through private placement	7,500,000	2,250,000	-	-	-	-	2,250,000
Share issuance costs	-	(789,458)	-	240,857	-	-	(548,601)
Proceeds from exercise of warrants	50,000	15,000	-	-	-	-	15,000
Share-based payments	-	-	9,407	-	-	-	9,407
Shares for exploration and evaluation properties	60,000	14,050	-	-	-	-	14,050
Balance, April 30, 2011 (Note 12)	109,915,999	19,567,444	1,080,601	432,941	6,000	(3,469,352)	17,617,634
Net loss for the period	-	-	-	-	-	(418,049)	(418,049)
Unrealized loss on available-for-sale investments	-	-	-	-	(10,200)	-	(10,200)
Share-based payments	-	-	8,612	-	-	-	8,612
Shares for exploration and evaluation properties	270,000	31,300	-	-	-	-	31,300
Balance, October 31, 2011	110,185,999	19,598,744	1,089,213	432,941	(4,200)	(3,887,401)	17,229,297
Net loss for the period	-	-	-	-	-	(448,264)	(448,264)
Unrealized loss on available-for-sale investments	-	-	-	-	(21,000)	-	(21,000)
Reversal of shares issuance costs	-	1,623	-	-	-	-	1,623
Share-based payments	-	-	132,474	-	-	-	132,474
Shares for exploration and evaluation properties	50,000	3,450	-	-	-	-	3,450
Balance, April 30, 2012	110,235,999	$ 19,603,817	$ 1,221,687	$ 432,941	$ (25,200)	$ (4,335,665)	$ 16,897,580

See accompanying notes to condensed consolidated interim financial statements.

1. Nature of Operations and Going Concern

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 further developed 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, 2012, the Company has incurred losses since inception and has an accumulated operating deficit of $4,335,665. 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.

The head office and principal address of the Company is #320 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6.

2. Basis of Preparation

a) Basis of consolidation

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

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

b) Basis of presentation

The Company's condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 9, and are presented in Canadian dollars except where otherwise indicated.

c) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These are the Company's second condensed consolidated interim financial statements prepared in accordance with IAS 34 and IFRS using accounting policies consistent with IFRS. The accounting policies have been selected to be consistent with IFRS as is expected to be effective on October 31, 2012, the Company's first annual IFRS reporting date. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's first condensed consolidated interim financial statements prepared in accordance with IAS 34 and IFRS dated January 31, 2012 as well as the Company's annual financial statements for the year ended October 31, 2011 prepared in accordance with previous Canadian generally accepted accounting principles ("Canadian GAAP").

d) Approval of the financial statements

The condensed consolidated interim financial statements of the Company for the six months ended April 30, 2012 and 2011 were approved and authorized for issue by the Board of Directors on June 21, 2012.

3. Significant Accounting Policies

a) Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. These estimates and underlying assumptions are reviewed on an ongoing basis.

Significant estimates where management's judgment is applied include recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, the recoverability and measurement of deferred tax assets and liabilities, and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

b) New and revised standards and interpretations

At the date of authorization of these financial statements, the IASB and IFRS Interpretations Committee ("IFRIC") have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods.

- IFRS 9, *Financial Instruments: Classification and Measurement* – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.

(Expressed in Canadian dollars)

- IFRS 10, *Consolidated Financial Statements* – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

- IFRS 11, *Joint Arrangements* – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.

- IFRS 12, *Disclosure of Interests in Other Entities* – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

- IFRS 13, *Fair Value Measurement* – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

The Company has not early adopted these standards, amendments and interpretations; however, the Company is currently assessing the impact of these standards or amendments on the financial statements of the Company.

c) Comparative figures

Certain comparative figures have been reclassified to conform to current period's presentation.

4. Available-for-sale Investments

In December 2010, the Company received 100,000 shares of Ocean Park Ventures Corp., pursuant to an option agreement on the Trapper property (Note 5f). The Company sold 40,000 of the shares in 2011. The following table is a summary of the Company's available-for-sale investments:

	April 30, 2012			October 31, 2011		
	Number of Shares	Cost	Fair Value	Number of Shares	Cost	Fair Value
Ocean Park Ventures Corp.	60,000	$ 35,400	$ 10,200	60,000	$ 35,400	$ 31,200

For the six months ended April 30, 2012, the Company recorded an unrealized loss of $21,000 on its available-for-sale investments. As at April 30, 2012, the balance of the Company's available-for-sale investment reserve is $(25,200).

Notes to Condensed Consolidated Interim Financial Statements
Unaudited – Prepared by Management
For the three and six months ended April 30, 2012 and 2011
(Expressed in Canadian dollars)

5. Exploration and Evaluation Properties

The following table is a summary of the Company's U.S. property interests:

	Balance, November 1 2010	For the year ended October 31 2011	Balance, October 31 2011	For the six months ended April 30 2012	**Balance April 30 2012**
Palmer Property, Alaska, USA					
Acquisition costs	$ 878,712	$ -	$ 878,712	$ -	**$ 878,712**
Advance royalty payments	207,939	43,091	251,030	21,409	**272,439**
Alaska labour	431,874	15,643	447,517	6,007	**453,524**
Property maintentance cost	18,714	-	18,714	-	**18,714**
Assaying and testing	185,721	2,031	187,752	6,657	**194,409**
Field transportation	2,517,673	10,007	2,527,680	477	**2,528,157**
Geophysics	334,616	1,051	335,667	-	**335,667**
Drilling	3,672,328	-	3,672,328	-	**3,672,328**
Property filing and maintenance fees	247,470	58,593	306,063	1,056	**307,119**
Geology and field support	1,500,107	37,426	1,537,533	5,351	**1,542,884**
Technical consulting	806,228	114,597	920,825	16,229	**937,054**
Travel	140,074	12,030	152,104	5,378	**157,482**
	10,941,456	294,469	11,235,925	62,564	**11,298,489**
Hornet Creek, Idaho, USA					
Acquisition costs	11,366	42,979	54,345	14,220	**68,565**
Assaying and testing	282	21,395	21,677	1,777	**23,454**
Field transportation	-	255	255	5,951	**6,206**
Geology and field support	-	-	-	2,451	**2,451**
Technical consulting	498	7,927	8,425	283	**8,708**
Travel	-	2,211	2,211	159	**2,370**
	12,146	74,767	86,913	24,841	**111,754**
Total	$ 10,953,602	$ 369,236	$ 11,322,838	$ 87,405	**$ 11,410,243**

(Expressed in Canadian dollars)

The following table is a summary of the Company's Canadian property interests:

	Balance, November 1 2010	For the year ended October 31 2011	Balance, October 31 2011	For the six months ended April 30 2012	**Balance April 30 2012**
Munro-Croesus Property, ON, Canada					
Acquisition costs	$ 436,841	$ 35,359	$ 472,200	$ 1,541	**$ 473,741**
Assaying and testing	26,549	79,568	106,117	(1)	**106,116**
Drilling	424,201	699,279	1,123,480	4,260	**1,127,740**
Field transportation	9,308	6,031	15,339	1,353	**16,692**
Geophysics	95,129	54,317	149,446	-	**149,446**
Travel	26,972	23,285	50,257	3,015	**53,272**
Geology and field support	106,076	43,611	149,687	23,049	**172,736**
Technical consulting	184,579	94,492	279,071	13,928	**292,999**
	1,309,655	1,035,942	2,345,597	47,145	**2,392,742**
Four Corners Property, ON, Canada					
Acquisition costs	68,431	36,250	104,681	5,000	**109,681**
Assaying and testing	-	23,367	23,367	-	**23,367**
Drilling	34,235	208,686	242,921	550	**243,471**
Geophysics	46,030	10,863	56,893	-	**56,893**
Field Transportation	130	816	946	-	**946**
Travel	252	6,805	7,057	-	**7,057**
Technical consulting	24,744	41,775	66,519	10,577	**77,096**
Geology and field support	12,367	18,880	31,247	1,860	**33,107**
	186,189	347,442	533,631	17,987	**551,618**
Phoenix Gold Property, ON, Canada					
Acquisition costs	80,975	-	80,975	21,950	**102,925**
Geophysics	-	-	-	216,846	**216,846**
Technical consulting	-	144	144	5,501	**5,645**
	80,975	144	81,119	244,297	**325,416**
Balance carried forward	$ 1,576,819	$ 1,383,528	$ 2,960,347	$ 309,429	**$ 3,269,776**

(table continued on next page)

(Expressed in Canadian dollars)

	Balance, November 1 2010	For the year ended October 31 2011	Balance, October 31 2011	For the six months ended April 30 2012	**Balance April 30 2012**
Balance forward	$ 1,576,819	$ 1,383,528	$ 2,960,347	$ 309,429	**$ 3,269,776**
Trapper Gold Property, B.C., Canada					
Acquisition costs	16,981	23,800	40,781	21,500	**62,281**
Assaying and testing	3,809	(585)	3,224	-	**3,224**
Field transportation	3,439	2,616	6,055	-	**6,055**
Geology and field support	11,439	745	12,184	-	**12,184**
Technical consulting	5,750	17,229	22,979	1,805	**24,784**
Travel	4,712	317	5,029	525	**5,554**
Cost recoveries	-	(90,252)	(90,252)	(21,500)	**(111,752)**
	46,130	(46,130)	-	2,330	**2,330**
Golden Mile Property, ON, Canada					
Geophysics	-	-	-	160,699	**160,699**
Project and exploration costs	-	-	-	8,964	**8,964**
	-	-	-	169,663	**169,663**
Yukon, Canada					
Acquisition costs	-	15,300	15,300	34,646	**49,946**
Assaying and testing	-	184,795	184,795	12,222	**197,017**
Field transportation	-	470,388	470,388	5,176	**475,564**
Geology	-	151,196	151,196	21,509	**172,705**
Geochemisty	-	285,593	285,593	-	**285,593**
Technical consulting	-	50,399	50,399	7,028	**57,427**
Other	1,750	537,587	539,337	20,227	**559,564**
Write-off of property costs	-	(90,420)	(90,420)	-	**(90,420)**
Cost recoveries	-	-	-	(25,000)	**(25,000)**
	1,750	1,604,838	1,606,588	75,808	**1,682,396**
Total	$ 1,624,699	$ 2,942,236	$ 4,566,935	$ 557,230	**$ 5,124,165**
Total U.S. and Canadian exploration and evaluation properties				**$ 644,635**	**$ 16,534,408**

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 2011.

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 initially paid $40,000 in cash and issued 500,000 shares at a value of $0.70 in consideration of the property assets acquired. A further 250,000 shares were issued to the vendor on October 26, 2011, following confirmation of certain environmental conditions that were met, pursuant to the acquisition agreement. 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 Munro-Croesus gold mineral property is subject to the terms of an option and preferential rights agreement signed by the Company in May 2012 (Note 13).

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.

The Four Corners property is subject to the terms of an option and preferential rights agreement signed by the Company in May 2012 (Note 13).

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 district. In order to acquire a 100% interest in the project, the Company must make cash payments totaling $75,000 ($35,000 paid to date) 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%.

On April 20, 2012, the Company paid $20,000 and issued 30,000 shares of the Company in connection with the property option payment on the Phoenix gold property (Note 6).

The Phoenix gold mineral property is subject to the terms of an option and preferential rights agreement signed by the Company in May 2012 (Note 13).

e) Golden Mile Property, Ontario

In March 2012 the Company announced that it had entered into an option agreement to acquire the Golden Mile property in northern Ontario, Canada. Under the terms of the agreement, which has an effective date of December 10, 2010, the Company must make payments of $175,000 and issue 180,000 of the Company over a four year period commencing on December 10, 2012. The first payment will consist of $15,000 and 36,000 shares of the Company.

The Golden Mile property is subject to the terms of an option and preferential rights agreement signed by the Company in May 2012 (Note 13).

f) Trapper Gold Property, B.C.

In May 2010 the Company signed an option 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 ($55,000 paid to date) and issue 155,000 common shares (40,000 common shares issued to date) 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%.

On April 13, 2012, the Company paid $20,000 and issued 20,000 shares of the Company in connection with the property option payment on the Trapper Gold property (Note 6).

In November 2010 the Company granted an option to Ocean Park Ventures Corp. ("Ocean Park") on the Trapper gold property. 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 4). 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 (incurred), $1,250,000 by second anniversary of the agreement, $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 the Company 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 by December 15, 2017, 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 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.

g) 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 3,960 mineral claims in Yukon as part of a 50/50 joint venture. As at April 30, 3012, the Company's net joint venture costs are $1,682,398. As at April 30, 2012, the Company had a balance of $44,541 in advances made to the joint venture (Note 7).

On February 27, 2012, the Company announced the signing of a letter of intent to spin-out the Yukon properties into a new company. The term within which to execute a definitive agreement on the letter of intent expired in April 2012, without an agreement being completed.

h) 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 may elect to pay half of the remaining US$120,000 cash payments in common shares of the Company. The lessor 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.

6. Share Capital

Authorized: unlimited common shares without par value

Issued and outstanding: 110,235,999 common shares

On April 13, 2012, the Company issued 20,000 shares valued at $1,500 related to the Trapper Gold property (Note 5f).

On April 20, 2012, the Company issued 30,000 shares valued at $1,950 related to the Phoenix Gold property (Note 5d).

(Expressed in Canadian dollars)

a) Warrants

As at April 30, 2012, the following share purchase warrants and agent warrants were outstanding:

	Six months ended April 30, 2012		Year ended October 31, 2011	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
Balance, beginning of period	**16,598,066**	**$ 0.22**	3,826,250	$ 0.30
Exercised	**-**	**-**	(50,000)	0.30
Expired	**(3,558,750)**	**0.22**	(217,500)	0.30
Granted	**-**	**-**	13,039,316	0.20
Balance, end of period	**13,039,316**	**$ 0.22**	16,598,066	$ 0.22
Weighted average fair value of warrants and agent warrants granted		**$ -**		$ 0.12
Weighted average remaining life of warrants outstanding, April 30, 2012				**0.6 years**
Weighted average remaining life of warrants outstanding, October 31, 2011				0.9 years

A summary of the Company's warrants and agent warrants (compensation options) outstanding as at April 30, 2012 is as follows:

Expiry Date	Exercise Price	Number of warrants and agent warrants
December 13, 2012	$ 0.20	12,589,316
March 17, 2013	$ 0.30	450,000
		13,039,316

The fair value cost of warrants and agent warrants included in private placement issuance costs was estimated using the Black-Scholes Pricing Model using the following range of assumptions:

	April 30, 2012	October 31, 2011
Risk-free interest rate	**-**	1.69%
Expected life (in days)	**-**	730
Annualized volatility	**-**	106%
Dividend rate	**-**	-

(Expressed in Canadian dollars)

b) Stock Options

The Company has established a stock 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.

On March 5, 2012, the Company granted 1,925,000 stock options to purchase 1,925,000 shares of the Company at an exercise price of $0.11 per share, expiring March 5, 2017. The stock options were being issued to directors, officers and employees of the Company and are subject to approval by regulatory authorities.

A summary of the status of the Company's stock options at April 30, 2012 and October 31, 2011 and changes during the periods therein is as follows:

	Six months ended April 30, 2012		Year ended October 31, 2011	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance, beginning of period	**3,515,000**	**$ 0.24**	5,190,000	$ 0.28
Granted	**1,925,000**	**0.11**	250,000	0.27
Exercised	**-**	**-**	-	-
Expired	**-**	**-**	(1,425,000)	0.40
Cancelled	**(250,000)**	**0.27**	(500,000)	0.24
Balance, end of period	**5,190,000**	**$ 0.24**	3,515,000	$ 0.24
Weighted average fair value of options granted		**$ 0.19**		$ 0.10

Weighted average remaining life of options outstanding, April 30, 2012	**2.7 years**
Weighted average remaining life of options outstanding, October 31, 2011	2.5 years

(Expressed in Canadian dollars)

A summary of the Company's stock options outstanding as at April 30, 2012 is as follows:

Expiry Date		Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Excercisable
February 18, 2013	$	0.57	390,000	0.8	390,000
January 12, 2014	$	0.13	1,175,000	1.8	1,175,000
October 27, 2014	$	0.235	1,700,000	2.5	1,700,000
March 5, 2017	$	0.11	1,925,000	4.8	1,925,000
			5,190,000	2.7	5,190,000

A summary of the Company's stock options outstanding as at October 31, 2011 is as follows:

Expiry Date		Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Excercisable
February 18, 2013	$	0.57	390,000	0.8	390,000
January 12, 2014	$	0.13	1,175,000	1.8	1,175,000
February 20, 2014	$	0.27	250,000	1.8	250,000
October 27, 2014	$	0.235	1,700,000	2.5	1,700,000
			3,515,000	2.7	3,515,000

The fair value cost of share purchase options was estimated using the Black-Scholes Pricing Model using the following range of assumptions:

	April 30, 2012	October 31, 2011
Risk-free interest rate	**1.12%-2.15%**	1.24% - 2.15%
Expected life (in days)	**640 - 1,799**	730 - 1,095
Annualized volatility	**86% - 117%**	86% - 117%
Dividend rate	**-**	-

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 month period ended April 30, 2012, the Company recorded $132,474 (2011 - $9,407) of share-based payments related to stock options granted during the period.

(Expressed in Canadian dollars)

7. Related Party Transactions

The following represents the details of related party transactions paid or accrued for the six months ended April 30, 2012 and 2011:

For the six months ended April 30,		2012		2011
Management and technical fees paid or accrued to companies owned by directors	**$**	**11,775**	$	59,435
Consulting fees paid to officers		**35,917**		-
Accounting and administration fees paid or accrued to a company 50% owned by an officer		**36,000**		36,000
Share-based payments to key management		**96,344**		-
	$	**180,036**	$	95,435

The above amounts represent short-term benefits to key management personnel for the six months ended April 30, 2012 and 2011. Key management is defined as the officers and directors of the Company.

At April 30, 2012, included in advances and prepaid expenses was $44,541 (October 31, 2011 – $Nil) advanced to Carlin, a company related by common directors and officers, for the Company's portion of mineral property expenditures relating to the Yukon joint venture (Note 5g).

8. Management of Capital

The Company manages its cash, common shares, stock options and warrants (Note 6) 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 exploration and evaluation 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. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

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.

9. Financial Instruments

a) 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, amounts receivable, available-for-sale investments, trade payables and amounts due to related parties.

The fair values of cash and cash equivalent, amounts receivable, available-for-sale investments, trade payables and amounts due to related parties approximate their book values because of the short-term nature of these instruments.

b) 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. A portion of 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, 2012, 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, amounts receivable, and trade payables are denominated in United States dollars and are therefore subject to fluctuations in exchange rates.

(Expressed in Canadian dollars)

c) Fair Value Measurements

The carrying value of financial assets and financial liabilities at April 30, 2012, and October 31, 2011 is as follows:

As at		**April 30, 2012**		October 31, 2011
Financial Assets				
FVTPL, measured at fair value				
Cash and cash equivalents	**$**	**156,772**	$	1,115,268
Loans and receivables, measured at amortized cost				
Amounts receivable	**$**	**94,619**	$	-
Available-for-sale, measured at fair value				
Available-for-sale investments	**$**	**10,200**	$	31,200
Financial Liabilities				
Other liabilities, measured at amortized cost				
Trade payables	**$**	**24,866**	$	149,963
Amounts due to related parties	**$**	**-**	$	37,889

The fair value hierarchy of financial instruments measured at fair value is as follows:

As at		**April 30, 2012**		October 31, 2011
		Level 1		Level 1
Cash and cash equivalents	**$**	**156,772**	$	1,115,268
Available-for-sale investments	**$**	**10,200**	$	31,200

The Company does not use Level 2 or Level 3 valuation inputs.

10. Segmented Information

The Company has one operating segment, which is exploration and evaluation of its mining properties.

At April 30, 2012, the Company operates in two geological areas, being Canada and the United States. The following is an analysis of net loss, current assets and non-current assets by geographical area:

(Expressed in Canadian dollars)

		Canada		United States		Total
Net Loss						
For the six months ended April 30, 2011	**$**	**(446,928)**	**$**	**(1,336)**	**$**	**(448,264)**
For the six months ended April 30, 2011	$	(424,091)	$	(7,015)	$	(431,106)
Current Assets						
As at April 30, 2012	**$**	**303,076**	**$**	**8,994**	**$**	**312,070**
As at October 31, 2011	$	1,444,801	$	1,391	$	1,446,192
Deposits						
As at April 30, 2012	**$**	**40,855**	**$**	**-**	**$**	**40,855**
As at October 31, 2011	$	40,855	$	-	$	40,855
Exploration and Evaluation Properties						
As at April 30, 2012	**$**	**5,124,165**	**$**	**11,410,243**	**$**	**16,534,408**
As at October 31, 2011	$	4,566,935	$	11,322,838	$	15,889,773
Equipment						
As at April 30, 2012	**$**	**34,587**	**$**	**-**	**$**	**34,587**
As at October 31, 2011	$	39,763	$	-	$	39,763

11. Commitments

The Company has a lease agreement for the rental of office space, which expires on May 31, 2016. The minimum lease obligation for the lease for the remainder of this fiscal year is $20,257.

The future minimum lease obligations under the lease are as follows:

		Amount
2012 fiscal year	$	20,257
2013 fiscal year		42,469
2014 fiscal year		44,452
2015 fiscal year		46,435
2016 fiscal year		27,762
	$	181,375

The Company currently rents out a portion of its office space on a month-to-month basis for $2,000 per month.

12. Transition to International Financial Reporting Standards

The Company has adopted IFRS with a transition date of November 1, 2010 (the “Transition Date”), the details of which are described in the condensed interim financial statements for the three months ended January 31, 2012. Under IFRS 1, *First-time adopted of International Financial Reporting Standards*, the IFRS are applied retrospectively at the Transition Date with all adjustments to assets and liabilities as stated under Canadian GAAP taken to deficit unless certain exemptions are applied.

a) Share-based Payment Transactions

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2, *Share-based Payment* to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the Transition Date. The Company elected not to apply IFRS 2 to equity instruments that vested prior to the Transition Date.

b) Flow-through Shares

Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under Canadian GAAP. Under Canadian GAAP, the Company accounted for the issue of flow-through shares in accordance with the provisions of CICA Emerging Issues Committee Abstract 146, *Flow-through Shares*. At the time of issue, the funds received are recorded as share capital. At the time of the filing of the renunciation of the qualifying flow-through expenditures to investors, the Company recorded a deferred tax liability with a charge directly to shareholders' equity. Also under Canadian GAAP, a portion of the deferred tax assets that were not recognized in previous years, due to the recording of a valuation allowance, are recognized as a recovery of income taxes in the statements of operations.

IFRS does not contain explicit guidance pertaining to this tax incentive. Therefore, the Company has adopted a policy whereby the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issue is initially recorded as a flow-through liability and included in trade payables and accrued liabilities. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through liability is reversed, with any difference charged to the statements of operation as deferred tax expense. A portion of the deferred tax assets that were not recognized in previous years, due to the recording of a valuation allowance, will reduce the deferred tax liability and record a deferred tax recovery.

The change in accounting policy related to flow-through shares resulted in an increase in share capital and a corresponding increase in deficit of $155,500 as at the Transition Date and a further increase in share capital and a corresponding increase in deferred tax expense of $300,000 for the year ended October 31, 2011.

c) Reclassification within Equity sections

Under Canadian GAAP, "Contributed surplus" was used to record the issuance of stock options and share purchase warrants. Upon adoption of IFRS, the balances in "Contributed surplus" have been reclassified to "Stock option reserve" and "Warrants reserve". In addition, the Company reclassified the balance of the "Accumulated other comprehensive income" that existed under Canadian GAAP into "Available-for-sale investments reserve".

(Expressed in Canadian dollars)

Reconciliation of Consolidated Statement of Financial Position as at April 30, 2010

As at April 30, 2010	Note	Canadian GAAP	IFRS Adjustments	IFRS
Assets				
Current assets				
Cash and cash equivalents		$ 3,453,485	$ -	$ 3,453,485
Amounts receivable		105,396	-	105,396
Advances to joint venture		76,298	-	76,298
Prepaid expenses		78,546	-	78,546
Available-for-sale investments		65,000	-	65,000
		3,778,725	-	3,778,725
Non-current assets				
Exploration and evaluation properties		13,844,105	-	13,844,105
Equipment		46,411	-	46,411
Total assets		$ 17,669,241	$ -	$ 17,669,241
Liabilities				
Current liabilities				
Trade payables and accrued liabilities		$ 51,607	$ -	$ 51,607
Amounts due to related parties		-	-	-
Total liabilities		51,607	-	51,607
Equity				
Share capital	12(e)	19,411,944	155,500	19,567,444
Contributed surplus	12(f)	1,513,542	(1,513,542)	-
Accumulated other comprehensive income	12(f)	6,000	(6,000)	-
Stock options reserve	12(f)	-	1,080,601	1,080,601
Warrants reserve	12(f)	-	432,941	432,941
Available-for-sale investments reserve	12(f)	-	6,000	6,000
Deficit	12(e)	(3,313,852)	(155,500)	(3,469,352)
Total equity		17,617,634	-	17,617,634
Total liabilities and equity		$ 17,669,241	$ -	$ 17,669,241

Reconciliation of Consolidated Statement of Loss and Comprehensive Loss
For the three and six months ended April 30, 2011

The Company did not identify any differences from Canadian GAAP to IFRS. As a result, the consolidated statement of loss and comprehensive loss for the three months and six months ended April 30, 2011 represents IFRS standards.

Reconciliation of Consolidated Statement of Cash Flows
For the three and six months ended April 30, 2011

The Company did not identify any differences from Canadian GAAP to IFRS. As a result, the consolidated statement of cash flows for the three months and six months ended April 30, 2011 represents IFRS standards.

13. Subsequent Events

Private Placement

On May 25, 2012, the Company completed a $525,000 private placement agreement with Teck Resources Limited (“Teck”) that includes certain rights regarding several of Constantine’s Ontario gold properties. The private placement consists of 4,200,000 units priced at $0.125. Each unit consists of one common share of the Company and one-half non-transferable common share purchase warrant. Each warrant is exercisable to acquire one common share at an exercise price of $0.16 for a period of 24 months from the closing date of the private placement.

Option and Preferential Rights Agreement

Concurrent with the private placement, the Company granted Teck an exclusive right to elect to option the Phoenix and Golden Mile properties, and a right of first offer/first refusal on certain claims in the Munro-Croesus Project area, referred to herein as the Munro Selection properties. Material terms of the option to joint venture, defined within separate memorandum of understanding agreements, and a preferential rights agreement are detailed below:

Golden Mile Property Option/Joint Venture Agreement: Teck has until July 31, 2012 to take up the first option that allows Teck to earn a 51% interest in the Golden Mile property by incurring $1,500,000 in exploration expenditures by September 30, 2015 and making $25,000 annual cash payments to the Company. Teck may earn an additional 15% interest in the property, for a total interest of 66%, by incurring an additional $3,500,000 in expenditures by September 30, 2019 and making $50,000 annual cash payments to the Company.

Phoenix Property Option/Joint Venture Agreement: Teck has until September 30, 2012 to take up the first option that allows Teck to earn a 51% interest in the Phoenix property by incurring $1,200,000 in exploration expenditures by September 30, 2015. Teck may earn an additional 15% interest in the property, for a total interest of 66%, by incurring an additional $3,300,000 in expenditures by September 30, 2019.

Munro Selection Properties Preferential Rights Agreement: The Company grants Teck preferential rights, exercisable until the later of November 30, 2012 and 30 days after the date Constantine delivers to Teck the results of 2012 exploration work, for work the Company may complete prior to July 31, 2012 on certain Munro-Croesus project area claims. The preferential rights provide Teck with a right of first offer/first refusal to option or otherwise acquire an interest in the Munro Selection properties. The Munro Selection properties exclude ten claims within the Munro-Croesus property, which were retained by the Company.

Management Discussion and Analysis
For the six months ended April 30, 2012
(Expressed in Canadian dollars)

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 interim financial statements of the Company, including the notes thereto, for the six months ended April 30, 2012 and 2011, the audited financial statements of the Company for the year ended October 31, 2011 and 2010 and the MD&A of such financial statements, and other information relating to the Company on file with the Canadian provincial securities regulatory authorities on SEDAR at www.sedar.com. The Company's interim financial statements for the six months ended April 30, 2012 are prepared in accordance with International Financial Reporting Standards ("IFRS"), and the annual audited financial statements for the year ended October 31, 2011 have been amended to reflect adjustments identified as a result of the conversion to IFRS. This MD&A has taken into account information available up to and including June 20, 2012.

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.

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 net costs to date and do not necessarily represent present or future values.

Highlights

1. $525,000 Private Placement Completed - On May 28, 2012, Constantine completed a private placement with Teck Resources Limited (the "Teck Financing") which also included the granting of certain rights regarding several of Constantine's Ontario gold properties. Teck Resources Limited ("Teck") invested $525,000 in Constantine at a premium to market, with the proceeds of the financing intended to fund exploration on the Company's Ontario gold properties (including reimbursement for recent airborne geophysical survey work) and general working capital. Concurrent with the private placement, Constantine entered into an agreement with Teck (the "Munro Selection Properties Preferential Rights Agreement" or "MSPPR Agreement") which grants Teck an exclusive right to elect to option the Phoenix and Golden Mile properties, and a right of first offer/first refusal on certain claims in the Munro-Croesus Project area, referred to as the Munro Selection properties.

2. New Gold Property Acquisition - In March 2012, Constantine signed an agreement to acquire a 100% interest in the 423 claim unit, 68 square kilometer, Golden Mile property near Timmins, Ontario. The

property is located 9 kilometers northeast of Goldcorp's multimillion ounce Hoyle Pond deposit in the East Timmins Camp and the property is comparable in size to the West Timmins and Main Camp holdings of the major gold production companies operating in the Timmins Gold Camp.

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 next phase of exploration on the project requires a minimum $5,000,000 exploration program and the project was inactive during the 2011 field season except for some environmental baseline work and ongoing geological studies, due to challenging market conditions. 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 Palmer project, a $5,000,000 exploration program is recommended for the next phase of exploration. 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, down-hole and possibly airborne geophysical surveys will be included in the program.

No work was carried out on the Palmer property during the second fiscal quarter. The Company will require additional funds or a partner to carry out the proposed next phase of exploration work.

Gold Projects

Constantine controls 100% interest in four gold projects, the Munro Croesus, Phoenix, Golden Mile and Trapper projects. The Munro Croesus project includes the famous high-grade past-producing Croesus Gold Mine located along the north side of the Porcupine Destor Fault zone associated with the Pipestone Fault and approximately 75 kilometers east of the center of the Timmins gold camp. The Golden Mile Project is also along the Pipestone Fault, a splay of the Porcupine Destor Deformation Zone and located 30 kilometers east of Timmins and 9 kilometers northeast of Goldcorp's Hoyle Pond Mine. The Phoenix Gold project is in the south Timmins area, and the Trapper Gold project is in northern British Columbia. The Trapper Project is optioned to Ocean Park Ventures Corp. who can earn a 70% interest in the project by completing $9.75 million in work expenditures and issuing certain cash and share payments to Constantine. The Company also has a 50% interest in 4,619 mineral claims in Yukon, in a joint venture with Carlin Gold Corporation, a company which is focused on exploration for Carlin-style gold deposits.

Constantine completed a $525,000 financing with Teck in May 2012, proceeds from which have been and will be used to fund Ontario gold exploration (including reimbursement for recent airborne geophysical survey work) and general working capital. Concurrent with the private placement, Constantine granted Teck an exclusive right to elect to option the Phoenix and Golden Mile properties, and a right of first offer/first refusal on certain claims in the Munro-Croesus Project area, referred to as the Munro Selection properties.

Munro-Croesus Project (Ontario)

Under the MSPPR Agreement signed with Teck in May 2012, Constantine has granted Teck certain preferential rights, exercisable until the later of November 30, 2012 or 30 days after the date Constantine delivers to Teck the results of 2012 exploration work, for work Constantine may complete prior to July 31, 2012 on certain Munro-Croesus project area claims. The MSPPR Agreement provides Teck with a right of first offer/first refusal to option or otherwise acquire an interest in the Munro Selection properties defined as part of the Munro Croesus property, the Four Corners property and the JM property. The Rights agreement specifically excludes ten claims that are part of the Munro Croesus property identified as the two Croesus shaft area claims at the historic high-grade Croesus mine, and a contiguous block of eight claims located immediately adjacent and along strike to the west of the 2.1 million ounce Fenn-Gib deposit that are part of the Munro Croesus property.

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 eight strategic claims adjacent to the Fenn-Gib property which was acquired by Lake Shore Gold Corp. ("Lake Shore Gold") from Barrick Gold Corporation for $60 million. Since acquiring the Fenn-Gib property, Lake Shore Gold has drilled four resource confirmation/expansion holes and completed an NI 43-101 resource calculation. The new resource estimate is reported by Lake Shore Gold to include a total of 40.8 million tonnes grading 0.99 grams per tonne ("gpt") for a total of 1.30 million contained gold ounces in the

Indicated category and 24.5 million tonnes at 0.95 gpt for a total of 0.75 million ounces gold in the Inferred category. Lake Shore has subsequently initiated a drilling program at Fenn-Gib and has announced mineralized intercepts confirming expansion potential of Lake Shore's resource to the west towards Constantine's claims (Lakeshore news release May 1, 2012). Constantine's 100% owned claims are located within 300 meters west and along trend from the Fenn-Gib gold resource and also along the east and northeast boundaries of the Fenn-Gib property.

Munro Croesus Gold Property (Munro Croesus Project)

Part of the Munro Croesus property is included under the terms of the MSPPR Agreement with Teck, with the specific exclusion of 10 claims described under the Munro Croesus Project introduction above.

The Munro-Croesus property includes the formerly producing Croesus mine, known to have produced some of the highest grade gold ever mined in Ontario. Three drilling programs (8414 meters) have been carried out by Constantine on the property since it was acquired in 2007, The previous drilling located high-grade Croesus type gold veins in the south offset fault block of the Croesus Mine vein and identified a new footwall zone (200 Zone) of high-grade gold mineralization (12.2 g/t gold over 0.46m) at depth under the historic mine workings. The 2011 drill program (5,550 meters) tested the 200 Zone footwall target and identified 2 shallow high grade vein structures in the immediate footwall and hanging wall of the inclined Croesus shaft.

The crown pillar at the Croesus Mine was cleaned off to evaluate the geology and structure and provide information on crown pillar stability. The Croesus vein structure exposed in the pillar is a complex multi-vein structure up to 8 meters wide and will be sampled in the 2012 field season. A 750 meter short hole drill program is proposed in 2012 to test high grade vein structures in the immediate hanging wall of the Croesus shaft that were intersected for the first time in the 2011 drill program. Several old prospects and showings on the greater Munro Croesus property are currently being re-examined and sampled.

Four Corners Property (Munro Croesus Project)

The Four Corners property is included under the terms of the MSPPR Agreement with Teck, described under the Munro Croesus Project introduction above.

Constantine has fulfilled the terms of the underlying Four Corners option agreement (subject to annual advanced royalty payments of $5,000/year and a 2.5% Net Smelter Return Royalty) to acquire a 100% interest in the 63 claim Four Corners property that forms part of the Munro-Croesus project. The Property is located 1.2 kilometers east of the Munro Croesus property, with Lake Shore Gold's Fenn-Gib property located in between. The Four Corners property straddles an area between the prolific Porcupine Destor Fault Zone (PDDZ), the Pipestone Fault Zone and the Munro Break, 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.
Since acquiring the Four Corners property in 2008, the Company has previously reported on the drilling of 3 holes (1,079 meters) on the Perry Pond prospect (2009 and 2011) and trenching and drilling of 3 holes (949 meters) in the Canamax zone area (2010 and 2011).

JM Gold Property (Munro Croesus Project)

The JM Gold property is included under the terms of the MSPPR Agreement with Teck, which is described under the Munro Croesus Project introduction above.

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. Some geology and sampling is currently being carried out in conjunction with completing the compilation of historical work in the area.

Phoenix Gold Project (Ontario)

The Teck Financing agreement allows Teck until September 30, 2012 to take up the first option to earn a 51% interest in the Phoenix gold property by incurring $1,200,000 in exploration expenditures by September 30, 2015. Teck may earn an additional 15% interest in the property, for a total interest of 66%, by incurring an additional $3,300,000 in expenditures by September 30, 2019.

The Company conducted a Geotech Airborne survey over the property in late April- early May that was funded by the Teck Financing. A first pass prospecting, geology and selective soil sampling program was carried out in May. Additional work will be based on the results of this initial program.

The underlying Phoenix Gold property agreement signed in April 2010 allows Constantine to earn a 100% interest in 35 claims (519 units ~8,304 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 and along fundamental structural breaks or deformation zones. The project is located in the very active North Shining Tree gold area and approximately 10 kilometers south of the new SGX Resources Gold discovery that was announced on January 26, 2012 and highlighted by drillhole SL-11-36 that encountered 69 meters of 1.27 g/t gold.

Golden Mile Property Acquisition (Ontario)

The MSPPR Agreement with Teck gives Teck the right until July 31, 2012 to take up the first option to earn a 51% interest in the Golden Mile property, by incurring $1,500,000 in exploration expenditures by September 30, 2015 and making $25,000 annual cash payments to Constantine. Teck may earn an additional 15% interest in the property, for a total interest of 66%, by incurring an additional $3,500,000 in expenditures by September 30, 2019 and making $50,000 annual cash payments to Constantine.

The Company conducted a Geotech airborne survey over the property in March 2012 that was funded by the Teck Financing and carried out a soil sampling program in May-June 2012 on two favourable geological and geophysical targets. Compilation of historical work is ongoing and additional work will depend on targets identified by the compilation in combination with the new geophysical results and soil sampling results.

The Golden Mile Property covers the important Pipestone Fault System where it crosses the “Porcupine Giant Mine Corridor” that has produced more than 55 million ounces of gold. This structural intersection, which contains excellent targets within the Kidd-Munro volcanic sequence and adjacent Porcupine sediments, is overburden covered and has seen very limited drill testing for gold. The 423 claim unit, 68 square kilometer Golden Mile property is located 9 kilometers northeast of Goldcorp's multimillion ounce Hoyle Pond deposit and is comparable in size to the West Timmins and Main Camp holdings of the major gold production companies operating in the Timmins Gold Camp. To acquire a 100% interest in the Property, Constantine must make payments totaling $175,000 and 180,000 shares over a 4 year period commencing on December 10th, 2012 (effective agreement date is December 10, 2011). The Vendors will receive a $10,000 annual advanced royalty payment commencing on December 10, 2017 and retain a 3.0% NSR royalty of which 1.0 % can be purchased by Constantine at any time for $1,000,000 with a right of first refusal on the remaining 2.0% NSR royalty. An airborne survey has been recently completed over the property to provide a base for geological interpretation and drill targeting in the mainly overburden covered project area.

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 3,960 claims in 13 properties comprising approximately 800 square kilometers (310 square miles), which represents one of the largest property positions in this new district. A $1.8 million summer field program was initiated in late June 2011 and completed in mid-September 2011 after collecting approximately 13,000 soil, silt and rock samples. The results of this work are summarized in the Company's 2011 Annual Report.

On February 27, 2012, the Company announced the signing of a letter of intent to spin-out the Yukon properties into a new company. The terms within which enter into a definitive agreement subsequent expired on April 15, 2012 without the completion of an agreement. The Company continues to pursue a variety of opportunities to advance the Yukon projects in a manner that maximizes shareholder value.

Trapper Gold Project (British Columbia)

The 100% partner-funded 2011 program included 8,581 meters of drilling in 42 holes. The work was completed by Ocean Park Ventures Corp. ("Ocean Park") who can earn a 70% interest in the project by spending $9.75 million in work expenditures and issuing certain cash and share payments to Constantine. Ocean Park has not yet completed the required expenditures to earn their initial 51% interest in the Project. Results and a discussion of the 2011 exploration program are summarized in the 2011 year-end report. Some highlights of the 2011 Phase 1 drill program include:

- Recognition of a large porphyry gold-copper complex with at least two porphyry centres, including associated hydrothermal breccias
- Drilling of a dense, multi-kilometre gold-mineralized structural network including core zones of gold-rich sulfide stockworks that are locally semi-massive in character
- Drill discovery of gold-mineralized feldspar porphyry dykes and sills with gold grade enrichment at the margins
- Discovery of at-or-near-surface copper-mineralized feldspar porphyry.

(Expressed in Canadian dollars)

Ocean Park reports (Ocean Park Ventures news release, January 17, 2012) plans for drill-testing all of these targets in 2012, including definition drilling of the gold-mineralized porphyry discoveries and gold-rich sulfide stockworks, which have demonstrated significant grade and size potential. There are also plans to drill test the core gold-copper porphyry complex located adjacent to the Main Gold zone.

Results of Operations

Exploration and Evaluation Property Expenditures and Acquisitions

In the six months ended April 30, 2012 the Company incurred net expenditures of $644,635 on its exploration and evaluation properties. The largest component of these expenditures ($377,545) was spent on airborne geophysics for the Company's Phoenix and Golden Mile properties in Ontario. An amount of $47,145 was spent for exploration costs on the Company's Munro-Croesus property, and an amount of $87,405 was spent on the Company's U.S. properties during the six months ended April 30, 2012.

In April 2012, the Company paid $20,000 and issued 20,000 shares of the Company in order to maintain its option on the Trapper Gold property in British Columbia, Canada and paid $20,000 and issued 30,000 shares of the Company in order to maintain its option on the Phoenix gold property in Ontario, Canada.

In March 2012, the Company entered into an option agreement to acquire the Golden Mile property in Ontario (see news release dated March 5, 2012).

Operating Costs

The Company recorded operating expenses of $459,814 for the six months ended April 30, 2012, compared to $530,441 for the same period last year. Payroll expenses were higher in 2012, due to more personnel time allocated to general and administrative functions during the period. The Company also recorded $132,474 in non-cash share-based payments expense, for the fair value of 1,925,000 stock options issued in March 2012. General and administrative costs for the six months ended April 30, 2012 were significantly lower than last year (2011-$169,692) primarily due to lower conference, trade show and advertising cost. General and administrative costs for the six months ended April 30, 2012 consisted of:

General and Administrative expenses	Amount
Conferences, trade shows and advertising	$ 22,020
Accounting and administration	23,738
Office expenses	15,806
Transfer agent, listing and filing fees	13,376
Other	3,775
Total	$ 78,715

Summary of Quarterly Results

In the three months ended April 30, 2012 the Company incurred net expenditures of $485,025 on its exploration and evaluation properties. The Company's Phoenix and Golden Mile properties in Ontario received most of the exploration expenditures during the period, where an airborne geophysics program was completed. A total of $453,575 was incurred on exploration costs for the Company's Canadian properties, and an amount of $31,450 was incurred on exploration costs for the Company's U.S. properties during the three months ended April 30, 2012.

(Expressed in Canadian dollars)

In March 2012, the Company entered into an option agreement to acquire the Golden Mile property in Ontario (see news release dated March 5, 2012). In April 2012, the Company paid $20,000 and issued 20,000 shares of the Company in order to maintain its option on the Trapper Gold property in British Columbia, Canada and paid $20,000 and issued 30,000 shares of the Company in order to maintain its option on the Phoenix gold property in Ontario, Canada.

The Company's operating expenses for the three months ended April 30, 2012 were $308,657 (2011-$317,487), with $132,474 (2011-$Nil) of that amount incurred for non-cash share-based payments expense. Payroll expenses of $55,066 (2011-$22,950) were higher than the same period last year due to a greater amount of personnel time allocated to general and administrative functions during the quarter.

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, 2012	$	(301,056)	$	(0.00)
January 31, 2012		(147,208)		(0.00)
October 31, 2011		51,504		0.00
July 31, 2011		(169,553)		(0.00)
April 30, 2011		(330,016)		(0.00)
January 31, 2011		(101,090)		(0.00)
October 31,2010		(123,953)		(0.01)
July 31, 2010		(118,002)		(0.01)

The April 30, 2012 and 2011 and January 31, 2012 and 2011 figures in the above Summary of Quarterly Results have been prepared in accordance with IFRS, and all other figures in the table have been prepared in accordance with Canadian GAAP.

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, 2012 was $156,772 (2011-$3,453,485) and its working capital at April 30, 2012 was $287,204 (2011-$3,727,118). Its cash position as of the date of this report is approximately $520,000.

During the six months ended April 30, 2012, the Company incurred the remaining Canadian Exploration Expenditure spending obligations it had left in regard to a $2.3 million flow-through private placement which closed in December 2010.

The Company is dependent on equity capital to fund exploration and development of its mineral properties. Constantine will require additional working capital in the near term to fund further exploration work and ongoing operating costs. 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.

Changes in Accounting Policies – Initial Adoption

Adoption of International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board declared that International Financial Reporting Standards is to replace Canadian GAAP for publicly accountable enterprises for financial periods beginning on or after January 1, 2011.

In order to produce the required financial statements in accordance with IAS 34, the Company used accounting policies consistent with IFRS as issued by the IASB and interpretations of IFRIC.

The condensed interim financial statements for the three and six month periods ended April 30, 2012 are the Company's second condensed interim financial statements prepared in accordance with IAS 34 using accounting policies consistent with IFRS. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's fist condensed interim financial statements prepared in accordance with IAS 34 and IFRS dated January 31, 2012.

The adoption of IFRS resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP. The accounting policies set out in the Company's financial statements have been applied consistently to all periods presented.

Transition to IFRS

The Company has adopted IFRS with a transition date of November 1, 2010. Under IFRS 1, First-time Adoption of International Financial Reporting Standards, the Company elected to take the following IFRS 1 optional exemption:

Share-based Payment – IFRS 1 encourages, but does not require, first time adopters to apply IFRS 2, Share-based Payment to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before January 1, 2010. The Company elected not to apply IFRS 2 to equity instruments that vested prior to January 1, 2010.

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. In order to allow users to better understand these changes, the Company has provided the reconciliations between Canadian GAAP and IFRS in Note 16 to the condensed interim financial statements.

Canadian GAAP to IFRS differences:

(a) Flow-through shares

Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under Canadian GAAP. Under Canadian GAAP, the Company accounted for the issue of flow-through shares in accordance with the provisions of CICA Emerging Issues Committee Abstract 146, Flow-through Shares. At the time of issue, the funds received are recorded as share capital. At the time of the filing of the renunciation of the qualifying flow-through expenditures to investors, the Company recorded a deferred tax liability with a charge directly to shareholders' equity. Also under Canadian GAAP, a portion of the deferred tax assets that were not recognized in previous years, due to the recording of a valuation allowance, are recognized as a recovery of income taxes in the statements of operations.

IFRS does not contain explicit guidance pertaining to this tax incentive. Therefore, the Company has adopted a policy whereby the premium paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issue is initially recorded as a flow-through liability and included in trade payables and accrued liabilities. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through liability is reversed, with any difference charged to the statements of operation as deferred tax expense. A portion of the deferred tax assets that were not recognized in previous years, due to the recording of a valuation allowance, will reduce the deferred tax liability and record a deferred tax recovery.

The change in accounting policy related to flow-through shares resulted in an increase in share capital and a corresponding increase in deficit of $155,500 as at the Transition Date and a further increase in share capital and a corresponding increase in deferred tax expense of $300,000 for the year ended October 31, 2011.

(b) Reclassification within Equity section

Under Canadian GAAP, "Contributed surplus" was used to record the issuance of warrants and stock options. Upon adoption of IFRS, the balances in "Contributed surplus" have been reclassified to "Stock options reserve" and "Warrants reserve". In addition, the Company reclassified the balance of the "Accumulated other comprehensive income" that existed under Canadian GAAP into "Available-for-sale investments reserve".

Detailed schedules of the impact of these changes are included in Note 12 of the interim financial statements for the six months ended April 30, 2012.

(Expressed in Canadian dollars)

Related Party Transactions

Certain directors and officers of the Company provided specific services to the Company during the six months ended April 30, 2012 as follows:

For the six months ended April 30,		2012		2011
Management and technical fees paid or accrued to companies owned by directors	**$**	**11,775**	$	59,435
Consulting fees paid to officers		**35,917**		-
Accounting and administration fees paid or accrued to a company 50% owned by an officer		**36,000**		36,000
Share-based payments to key management		**96,344**		-
	$	**180,036**	$	95,435

The above amounts represent short-term benefits to key management personnel for the six months ended April 30, 2012 and 2011. Key management is defined as the officers and directors of the Company.

At April 30, 2012, included in advances and prepaid expenses was $44,541 (October 31, 2011 – $Nil) advanced to Carlin, a company related by common directors and officers, for the Company's portion of mineral property expenditures relating to the Yukon joint venture.

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.

(Expressed in Canadian dollars)

Use of Proceeds from Financings

Planned Use of Proceeds as Previously Disclosed	*Actual Use of Proceeds to April 30, 2012*
December 2010 Financing:	
• $2.3 million to be used on exploration of the Palmer project and for general and administrative and working capital purposes	• Cost of this financing and two flow-through financings $ 549,169 • Palmer project 363,277 • Hornet Creek project 92,807 • Canadian projects 110,322 • Fixed assets 8,461 • Working capital items 1,019,242 $ 2,143,278 • Amount still to be spent $ 156,722
March 2011 Flow-Through Financing:	
• $2,250,000 to be used to incur eligible Canadian exploration expenditures (“CEE”) on the Company’s Canadian gold projects.	• CEE spent to date $2,250,000 • As at April 30, 2012, the entire balance of CEE has been expended on the Company’s exploration properties.

Summary of Outstanding Shares Data

On April 30, 2012, the Company had 110,235,999 shares outstanding.

The following warrants and stock options were outstanding at April 30, 2012:

		Price per Share	Expiry Date
Warrants	12,589,316	$0.20	December 13, 2012
Compensation Options	450,000	$0.30	March 17, 2013
Stock options	390,000	$0.57	February 13, 2013
Stock options	1,175,000	$0.13	January 12, 2014
Stock options	1,700,000	$0.235	October 27, 2014
Stock options	1,925,000	$0.11	March 5,2017
	18,229,316		

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.

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. To date the Company has not incurred any costs and does 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 an inspection report received from the Ministry of Northern Development, Mines and Forestry (Ontario) in early 2011. The summary of field observations and recommendations in the Inspection Report are near surface stope 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. The bedrock around the small raise to surface that is filled with waste rock and the crown pillar at the Croesus shaft has been cleared of surface rubble by an excavating program in October 2011. The small raise area has been fenced and cautionary signage has been put in place. A preliminary evaluation of the near surface stope stability and a crown pillar stability assessment has been completed by a qualified engineer, independent of the Company. The initial conclusion based on historic data and new information from drill data through the old workings and the recent excavation work is that the "old workings will stand for a long time" and that "surface subsidence would be minimal at the down-dip edge of the zone and could be as much as 1 meter near the upper edge." Now that the crown pillar is exposed, a site visit by the engineer is planned for 2012 and formal reporting of the conclusions will be made to the Ministry of Northern Development, Mines and Forestry (Ontario).Surface water samples upstream and downstream of the site have been 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 meets 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, 2012, the Company had a cash balance of $156,772 to settle current liabilities of $24,866. 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.

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.

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 amounts due to related parties 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.

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.

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, 2012. 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.

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. 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.

Approval

Darwin Green, Vice-President Exploration for Constantine, and a qualified person as defined by Canadian National Instrument 43-101, has reviewed the technical information contained in this MD&A and has also verified the analytical data for drill core samples disclosed in this release by reviewing the blanks duplicates and certified reference material standards and confirming that they fall within limits as determined by acceptable industry practice.

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.