Consolidated Financial Statements of

CONSTANTINE METAL RESOURCES LTD.

For the nine months ended July 31, 2011 and 2010

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NOTICE

NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

		July 31 2011		October 31 2010 (audited)
Assets				
Current assets:				
Cash and cash equivalents	**$**	**1,916,812**	$	193,082
Accounts receivable		**245,096**		78,424
Advances to joint venture (note 4f)		**133,961**		-
Prepaid expenses		**43,112**		28,422
Available-for-sale investments (note 3)		**71,000**		-
		2,409,981		299,928
Mineral properties (Schedule, note 4)		**15,048,309**		12,578,301
Fixed assets		**43,087**		44,384
	$	**17,501,377**	$	12,922,613
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	**$**	**38,456**	$	113,289
Due to related parties (note 6)		**-**		6,440
		38,456		119,729
Shareholders' Equity				
Share capital (note 5)		**19,411,378**		14,422,352
Contributed surplus		**1,522,948**		1,263,278
Accumulated other comprehensive income (note 3)		**12,000**		-
Deficit		**(3,483,405)**		(2,882,746)
		17,462,921		12,802,884
	$	**17,501,377**	$	12,922,613

Nature of Operations (note 1)

On Behalf of the Board of Directors:

"J. Garfield MacVeigh"
Director

"K. Wayne Livingstone"
Director

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operations and Comprehensive Loss
Interim Unaudited – Prepared by Management

	Three months ended July 31		Nine months ended July 31	
	2011	2010	**2011**	2010
Expenses:				
Amortization	**$ 3,324**	$ 1,845	**$ 9,758**	$ 2,417
Consulting	**5,319**	1,968	**50,313**	72,625
Foreign exchange (gain)	**(20,762)**	(34,581)	**3,669**	(65,411)
General and administrative	**69,062**	55,700	**238,754**	270,302
Insurance	**6,270**	7,743	**19,884**	24,730
Interest	**(24,851)**	-	**6,673**	728
Investor relations (note 5c)	**49,308**	14,006	**112,193**	58,803
Legal	**8,823**	4,347	**38,466**	18,166
Management fees	**3,000**	3,000	**9,000**	9,000
Professional fees – audit	**5,000**	4,000	**26,900**	15,900
Payroll expenses	**37,758**	33,043	**126,902**	101,696
Rent	**14,109**	4,753	**24,123**	13,313
Shareholder communications	**903**	5,158	**4,256**	10,712
Stock based compensation	**-**	15,193	**-**	47,486
Travel	**12,003**	3,133	**28,816**	21,852
	(169,266)	(119,308)	**(699,707)**	(602,319)
Gain (loss) on mineral property (note 4e)	**(287)**	-	**98,727**	-
Interest income	**-**	1,306	**321**	3,438
Loss for the period	**$ (169,553)**	$ (118,002)	**$ (600,659)**	$ (598,881)
Other comprehensive income (loss)				
Unrealized gain on available-for-sale investments (note 3)	**(8,000)**	-	**12,000**	-
Total comprensive income (loss) for the period	**$ (177,553)**	$ (118,002)	**$ (588,659)**	$ (598,881)
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding	**102,602,810**	76,210,298	**102,602,810**	76,210,298

See accompanying notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity
Interim Unaudited – Prepared by Management
For the 9 months ended July 31, 2011 and July 31, 2010

	Number of Shares	Capital Stock	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity
		$	$	$	$	$
Balance,October 31, 2009	60,791,772	$10,573,725	$1,254,038	$(2,159,912)	-	$ 9,667,851
Net loss for the year	-	-	-	(722,834)	-	(722,834)
Proceeds from exercise of stock options	56,250	13,035	(5,722)	-	-	7,313
Private placement, at $.20 per share	7,000,000	1,400,000	-	-	-	1,400,000
Less: private placement issuance costs	-	(97,050)	32,984	-	-	(64,066)
Finders' shares on private placement	217,500	52,200	-	-	-	52,200
Proceeds from exercise of warrants	12,025,000	2,475,192	(70,192)	-	-	2,405,000
Shares issued for mineral property	25,000	5,250	-	-	-	5,250
Stock-based compensation	-	-	52,170	-	-	52,170
Balance, October 31, 2010	80,115,522	$14,422,352	$1,263,278	$(2,882,746)	$ -	$ 12,802,884
Net loss for the period	-	-	-	(600,659)	-	(600,659)
Unrealised gain on available-for-sale investments	-	-	-	-	12,000	12,000
Private placement, at $.15 per share (note 5a(i))	15,333,334	2,300,000	-	-	-	2,300,000
Less: private placement issuance costs	-	(790,024)	240,857	-	-	(549,167)
Private placement (flow-through) at $0.175 per share (note 5a(i))	6,857,143	1,200,000	-	-	-	1,200,000
Private placement (flow-through) at $0.30 per share (note 5a(ii))	7,500,000	2,250,000	-	-	-	2,250,000
Proceeds from exercise of warrants	50,000	15,000	-	-	-	15,000
Shares issued for mineral properties	60,000	14,050	-	-	-	14,050
Stock-based compensation (note 5c)	-	-	18,813	-	-	18,813
Balance, July 31, 2011	109,915,999	$19,411,378	$1,522,948	$(3,483,405)	$ 12,000	$ 17,462,921

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows
Interim Unaudited – Prepared by Management
For the 3 and 9 months ended July 31, 2011 and July 31, 2010

	Three months ended July 31		Nine months ended July 31	
	2011	2010	**2011**	2010
Cash provided by (used in):				
Operations:				
Loss for the period	**$ (169,553)**	$ (118,002)	**$ (600,659)**	$ (598,881)
Amortization	**3,324**	1,845	**9,758**	2,417
Stock-based compensation	**9,407**	15,193	**18,813**	47,486
Changes in non-cash working capital				
Accounts receivable	**(139,700)**	(55,461)	**(166,672)**	(37,040)
Advances to joint venture (Note 4f)	**(57,663)**	-	**(133,961)**	-
Accounts payable	**(13,153)**	905,895	**(74,833)**	714,430
Due to related parties	**-**	8,250	**(6,440)**	3,978
Prepaid expenses	**35,434**	(11,679)	**(14,690)**	(195,744)
	(331,904)	746,041	**(968,684)**	(63,354)
Investing activities:				
Mineral property expenditures (Note 4)	**(1,204,204)**	(1,963,724)	**(2,514,958)**	(2,122,462)
Purchase of equipment and fixtures	**(8,460)**	(42,884)	**(8,460)**	(42,884)
	(1,544,568)	(1,260,567)	**(3,492,102)**	(2,228,700)
Financing activities:				
Private placement proceeds (Note 5a)	**-**	-	**5,750,000**	1,400,000
Less: share issuance costs paid in cash	**(565)**	-	**(549,168)**	(11,867)
Stock options exercised	**-**	-	**-**	7,313
Warrants exercised	**-**	-	**15,000**	2,405,000
	(565)	-	**5,215,832**	3,800,446
Increase (decrease) in cash	**$ (1,536,673)**	$ (1,260,567)	**$ 1,723,730**	$ 1,571,746
Cash, beginning of period	**3,453,485**	3,205,042	**193,082**	372,729
Cash, end of period	**$ 1,916,812**	$ 1,944,475	**$ 1,916,812**	$ 1,944,475

Supplemental Disclosure of Non-Cash Financing Activity:

Value of shares issued for mineral properties	**$ -**	$ 5,250	**$ 14,050**	$ 5,250
Shares issued for finder's fees	**$ -**	$ -	**$ -**	$ 52,200
Interest paid	**$ -**	$ -	**$ 303**	$ -
Warrants issued for broker and finder's fees	**$ -**	$ -	**$ 240,457**	$ 32,984
Income taxes paid	**$ -**	$ -	**$ -**	$ -
Accounts payable related to properties	**$ -**	$ 911,511	**$ -**	$ 2,906

See accompanying notes to consolidated financial statements.

1. Nature of Operations and Going Concern

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

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

The Company has not generated any revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. As at July 31, 2011, the Company has incurred losses since inception and has an accumulated operating deficit of $3,478,405. The continuation and long-term viability of the Company remains dependent upon its ability to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its resource properties, confirmation of the Company's interests in the underlying properties, and the attainment of profitable operations.

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

2. Significant Accounting Policies

a) Basis of presentation

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

b) Recent Accounting Pronouncements – Not Yet Adopted

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

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

2. Significant Accounting Policies (Continued)

b) Recent Accounting Pronouncements – Not Yet Adopted (continued)

(ii) International financial reporting standards ("IFRS)

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

3. Available-for-sale Investments

Available-for-sale investments consist of investments in public company shares and have an aggregate carrying value and fair value of $71,000 at July 31, 2011 (2010-Nil). The aggregate book value of these securities was $59,000, which difference resulted in accumulated other comprehensive income of $6,000 at July 31, 2011.

As at	July 31, 2011			October 31, 2010		
	Number of Shares	Cost	Fair Value	Number of Shares	Cost	Fair Value
Ocean Park Ventures Corp.	100,000	$ 59,000	$ 71,000	0	$ -	$ -
	100,000	$ 59,000	$ 71,000	0	$ -	$ -

4. Mineral Properties

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

	Balance, October 31 2009	Fiscal 2010 Expenditures	Balance, October 31 2010	Fiscal 2011 Expenditures	Balance July 31 2011
Palmer Property, Alaska, USA (note 4a)					
Acquisition costs	$ 878,712	$ -	$ 878,712	$ -	$ 878,712
Advance royalty payments	163,403	44,536	207,939	31,298	239,237
Project and exploration costs	7,011,748	2,843,058	9,854,806	140,625	9,995,431
	8,053,863	2,887,593	10,941,456	171,923	11,113,380
Munro-Croesus Property, Ontario, Canada (note 4b)					
Acquisition costs	433,775	3,066	436,841	7,563	444,404
Project and exploration costs	820,818	51,996	872,814	909,400	1,782,214
	1,254,593	55,062	1,309,655	916,963	2,226,618
Four Corners Property, Ontario, Canada (note 4c)					
Acquisition costs	43,181	25,250	68,431	36,250	104,681
Project and exploration costs	88,904	28,854	117,758	282,696	400,454
	132,085	54,104	186,189	318,946	505,135
Phoenix Gold Property, Ontario, Canada (note 4d)					
Acquisition costs	-	80,975	80,975	-	80,975
	-	80,975	80,975	-	80,975
Trapper Gold Property, B.C., Canada (note 4e)					
Acquisition costs	-	16,981	16,981	-	16,981
Project and exploration costs	-	29,149	29,149	14,144	43,293
Cost recovery	-	-	-	(60,273)	(60,273)
	-	46,130	46,130	14,144	-
Yukon (note 4f)					
Acquisition costs			-	830,857	830,857
Project and exploration costs	-	-	1,751	219,106	220,857
	-	-	1,751	1,049,962	1,051,713
Hornet Creek, Idaho, USA (note 4g)					
Acquistion costs	-	-	11,274	35,573	46,847
Project and exploration costs	-	-	779	22,861	23,640
	-	-	12,053	58,435	70,487
Total Mineral Property Costs	$ 9,440,541	$ 3,123,865	$ 12,578,209	$ 2,530,374	$ 15,048,309

a) Palmer Property, Alaska, USA

The Palmer property is comprised of 340 federal mining claims subject to a 99 year mining lease, dated December 19, 1997, and 63 state mining claims located near Haines, Alaska. To maintain the lease, the Company is required to make annual advance royalty payments of US $42,500 and pay Federal claim maintenance fees, which were US$47,600 in 2010.

4. Mineral Properties (Continued)

a) Palmer Property, Alaska, USA (continued)

The lease is subject to a 2.5% net smelter return ("NSR") royalty. The Company has a right of first refusal to purchase the NSR or any portion thereof at any time during the term of the lease. The advance royalty payments are deductible from the NSR royalty.

b) Munro-Croesus Property, Ontario

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

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

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

c) Four Corners Property, Ontario

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

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

d) Phoenix Gold Property, Ontario

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

e) Trapper Gold Property, B.C.

In May 2010 the Company signed an 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 ($15,000 paid on signing the agreement) and issue 155,000 common shares or pay $155,000 in cash, at the Company's election, over a 4

4. Mineral Properties (Continued)

e) Trapper Gold Property, B.C. (continued)

year period. The vendor will retain a 2.5% NSR royalty of which 1.0% can be purchased by the Company at any time for $500,000, with a right of first refusal on the remaining 1.5%.

In November, 2010 the Company 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 3). In order to maintain the option and earn a 50% interest in the property, Ocean Park must make cumulative exploration expenditures on the property totaling $4,750,000 as follows: $750,000 by December 15, 2011, $1,250,000 by second anniversary, $2,250,000 by the third anniversary and $4,750,000 by December 15, 2014. In addition, Ocean Park must issue an additional 900,000 common shares to Constantine as follows: 200,000 shares by the second anniversary, 300,000 shares by third anniversary and 400,000 shares by December 15, 2014.

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

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

The Company recorded a gain for accounting purposes of $98,727 on the cash and shares of Ocean Park received during the nine months ended July 31, 2011.

f) Yukon Land Position and Joint Venture

Effective September 20, 2010, the Company entered into a joint venture agreement with Carlin Gold Corporation ("Carlin"). The Company and Carlin have staked an aggregate of 4,967 mineral claims in Yukon as part of the 50/50 joint venture. The Company's share of staking and other joint venture costs to July 31, 2011 was $1,049,962. As at July 31, 2011, the Company had a balance of $133,961 in cash advances outstanding to Carlin.

Acquisition by Joint Venture: Aztec Property, Yukon

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

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

4. Mineral Properties (Continued)

f) Yukon Land Position and Joint Venture (continued)

Company paid $12,500 and issued 10,000 shares of the Company in connection with this agreement.

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

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

In order to acquire a 100% leasehold right to the 44 claims that comprise the property, the Company must make cash payments totaling US$155,000 (US$35,000 paid) over a four year period. Under the terms of the agreement, the Company has the right to pay half of the remaining US$120,000 cash payments in common shares of the Company, at its election. The 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.

5. Share Capital

a) Authorized: unlimited common shares without par value

Issued and outstanding: 109,915,999

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

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

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

(ii) On March 17, 2011, the Company completed a brokered flow-through private placement of 7,500,000 shares issued at $0.30 per share. The Company paid $135,000 in agent's commissions and issued 450,000 compensation warrants to the agent in connection with the transaction. The compensation warrants are exercisable at a price of $0.30 per warrant for a period of 2 years from the date of closing.

5. Share Capital (Continued)

b) Warrants

As at July 31, 2011, the following share purchase warrants and finders' compensation warrants were outstanding:

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

c) Share Purchase Options

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

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

	Nine months ended July 31, 2011		Year ended October 31, 2010	
	Number of Shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Balance, beginning of year	5,190,000	$0.28	5,265,000	$0.28
Granted	250,000	$0.27	-	-
Exercised	-	-	(56,250)	0.13
Expired	(1,425,000)	$0.40	-	-
Cancelled	-	-	(18,750)	0.13
Balance, end of period/year	4,015,000	$0.28	5,190,000	$0.28

Weighted average remaining life of options outstanding, October 31, 2010	2.3 years
Weighted average remaining life of options outstanding, July 31, 2011	2.8 years

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

	2011	2010
Risk-free interest rate	1.79%	1.90%
Expected life of options in days	1,095	1,825
Annualized volatility	113%	101%
Dividend rate	0	0

5. Share Capital (Continued)

c) Share Purchase Options (continued)

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 nine months ended July 31, 2011, the Company recorded $18,813 (2010-$47,486) of stock based compensation, which is included in Investor Relations expense for the nine months ended July 31, 2011.

6. Related Party Transactions

The following represents the details of related party transactions paid or accrued for the nine months ended July 31, 2011 and 2010:

as at July 31,	2011	2010
Management and technical fees paid or accrued to		
companies owned by directors	34,752	12,049
Consulting fees paid to officers	96,644	28,650
Accounting and administration fees paid or accrued		
to a company 50% owned by an officer of the Company	54,000	15,000
	185,396	55,699

At July 31, 2011, the unpaid portion of the above amounts was $Nil (2010 - $8,250).

7. Management of Capital

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

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.
In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

8. Financial Instruments

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

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash and

8. Financial Instruments (Continued)

Financial Risk Management (Continued)

cash equivalents, accounts receivable, accounts payable and accrued liabilities, and amounts due to related parties.

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

Financial Instrument Risk Exposure

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

Credit Risk

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

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. A portion of the Company's cash is invested in business accounts which are available on demand. As at July 31, 2011, the Company has Canadian Exploration Expenditure obligations of over $2,250,000, which the Company has agreed to incur by December 31, 2012. There is a risk that the Company will be unable to raise the funds necessary to meet all of its flow-through expenditure obligations.

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 July 31, 2011, the majority of the Company's cash was held in Canada in Canadian dollars. The Company's significant operations are carried out in Canada and in Alaska, USA. As a result a portion of the Company's cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are denominated in United States dollars and are therefore subject to fluctuations in exchange rates.

CONSTANTINE metal resources ltd.

8. Financial Instruments (Continued)

The carrying value of financial assets and liabilities at July 31, 2011 and 2010 are as follows:

As at July 31,	2011	2010
Financial Assets		
Held-for-trading, measured at fair value		
Cash and cash equivalents	**$ 1,916,812**	$ 3,800,500
Available-for-sale, measured at fair value		
Available-for-sale investments	**$ 71,000**	$ -
Financial Liabilities		
Other liabilities, measured at amortized cost		
Accounts payable, accrued liabilities and due to related parties	**$ 33,456**	$ 43,284

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

As at July 31	2011	2010
	Level 1	Level 1
Cash and cash equivalents	**$ 1,916,812**	$ 3,800,500
Available-for-sale investments	**71,000**	**-**

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

9. Segmented Information

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

as at July 31,	2011
Canada	$ 6,291,296
United States	11,210,081
Total	$ 17,501,377

10. Comparative Figures

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

Management Discussion and Analysis
For the nine months ended July 31, 2011

General

The information in this Management's Discussion and Analysis, or MD&A, is intended to assist the reader in the understanding and assessment of the trends and significant changes in the results of operations and financial conditions of Constantine Metal Resources Ltd. (the "Company" or "Constantine"). This MD&A should be read in conjunction with the unaudited consolidated financial statements of the Company, including the notes thereto, for the nine months ended July 31, 2011 and 2010, which are prepared in accordance with Canadian generally accepted accounting principles for interim financial statements, and the annual audited financial statements and MD&A for the year ended October 31, 2010. This MD&A has taken into account information available up to and including September 23, 2011.

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

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

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

Highlights

1. The 7280 meter 2011 Munro Croesus drill program completed in late June 2011, has documented significant gold mineralization in multiple different areas of the greater Munro Croesus project, combined with the potential for extensions of Lake Shore Gold's Fenn-Gib deposit (acquired from Barrick for $60 million) onto Constantine ground, immediately on trend with the deposit
2. The $1.2 million Constantine-Carlin Joint Venture summer field program in the Yukon was initiated in late June 2011 and completed in mid-September 2011 after collecting approximately 12,000 soil, silt and rock samples. Initial laboratory data at the TUT property has confirmed a coincident gold and arsenic soil anomaly. First pass sampling at the JV's X Block property has encountered several areas with anomalous gold and arsenic, with associated thallium and mercury.
3. On August 23, 2011, Ocean Park Ventures reported that over 2,600 meters of diamond drilling

have been completed in 13 of 25 planned diamond drill holes on the Company's Trapper Gold Project. Twelve of thirteen drill holes have intersected 1 to 3 zones of sulphide mineralization associated with intense carbonate and/or silica alteration over widths of between 5 and 97 metres with visible gold reported in 1 hole. Assay results are pending for all drill holes. The work is being funded and managed by Ocean Park under an option-joint venture agreement with Constantine.

Gold Projects

Constantine controls 100% interest in three gold projects, the Munro-Croesus, Phoenix and Trapper projects. One of these projects is the famous high-grade past-producing Croesus Gold Mine located along the north side of the Porcupine Destor Fault zone, approximately 75 kilometers east of the center of the Timmins gold camp. The Phoenix Gold project in the south Timmins area, Ontario and the Trapper Gold project, northern British Columbia, are 100% acquisitions. Constantine's gold properties are important assets of the Company that provide exposure to high quality gold exploration targets and are a significant part of the current year's exploration activities. The Company also has a 50% interest in 4967 mineral claims in Yukon, in a joint venture with Carlin Gold Corporation, which is focused on exploration for Carlin-style gold mineralization. A $1.2 million summer field program was initiated in late June 2011 and completed in mid-September 2011 after collecting approximately 12,000 soil, silt and rock samples. At the Munro Croesus Project a 7280 meter drill program that started in early March, 2011 was completed in late June 2011.

Munro-Croesus Project (Ontario)

The Munro Croesus property, the Four Corners property located 1.2 kilometers east of Munro Croesus and the JM Property are together referred to as the Munro Croesus Project. The Project includes strategic claims adjacent to the Fenn-Gib property which was recently acquired by Lake Shore Gold Corp. from Barrick Gold Corporation for $60 million. Constantine's 100% owned claims are located within 300 meters west and along trend from the historic Fenn-Gib gold resource and also along the east and northeast boundaries of the Fenn-Gib property. A 7,280 meter drill program started in early March, 2011 and completed in late June 2011 tested the Croesus Mine target at shallow and moderate depths, and the Four Corners property at the Canamax and Perry Pond targets.

Munro Croesus Gold Property (Munro Croesus Project)

The Munro-Croesus property includes the formerly producing Croesus mine, known to have produced some of the highest grade gold ever mined in Ontario. Prior to the current drilling program on the property, two previous drilling campaigns in early 2008 and early 2009 totaled 2,864 meters. The previous drilling located high-grade Croesus type gold veins in the south offset fault block of the Croesus vein and identified a new footwall zone of high-grade gold mineralization (12.2 g/t gold over 0.46m) at depth under the historic mine workings.

Summary of the 2011 Munro Croesus drill program:

Near surface high-grade veins have been intersected in both the hanging wall and footwall to the main high-grade Croesus Mine vein structure, including intercepts of **18.79 g/t gold over 4.10 meters** in MC11-C38 and **18.03 g/t gold over 1.24 meters** in MC11-20.[1] These intersections highlight the potential

[1] Samples of drill core were cut by a diamond blade rock saw, with half of the cut core placed in individual sealed polyurethane bags and half placed back in the original core box for permanent storage. Sample lengths typically vary from a minimum 0.1 meters to a maximum 1.0 meter interval with an average 0.5 meter sample length. Drill core samples were delivered directly, by Constantine personnel, to the ALS Chemex prep lab in Timmins Ontario in sealed woven plastic bags. Prepared pulps were shipped by ALS Chemex to their North Vancouver Lab where gold was determined by fire-assay *fusion of a 30 g sub-sample*

for more high-grade Croesus type ore that was only mined historically to a depth of 40 meters and that could be accessible by a shallow (< 50 meter deep) open pit. Drilling has also outlined the **200 Zone** target for more detailed exploration 175-200 meters below the Croesus Mine workings (**9.56 g/t gold over 1.31 meters** in MC11-17 and **12.2 g/t gold over 0.46 meters** in MC08-10). The 2011, 200 Zone drilling has provided a suitable drill spacing for down-hole geophysics to map out the chemically and structurally favourable, sulphide-carbon rich host rocks and potentially directly target zones of high-grade gold for which the Croesus Mine was famous.

Four Corners Property Drilling (Munro Croesus Project)

Constantine has an option agreement to acquire a 100% interest in the 63 claim Four Corners property that forms part of the Munro-Croesus project and 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) and the Pipestone Fault Zone, and within the same structural corridor that hosts the high-grade Croesus Mine to the west and the >2.0 million ounce combined production from the past producing Holt-McDermott and Holloway Mines located 25 kilometers to the east. The geological setting at Four Corners shares many similarities to classic Archean gold systems.

2011 drilling on the nearby Four Corners property tested two separate target areas referred to as the Canamax zone and the Perry Pond prospect. At the **Four Corners' Canamax Zone**, 3 holes were drilled on 100 meter spaced sections. All holes intersected very robust carbonate +/- silica+/- fuchsite alteration with gold values. The two most easterly holes intersected the strongest gold mineralization over wide widths (e.g. 18.25 meters grading 0.34 g/t gold in CMX11-01 and 10.05 meters grading 0.55 g/t gold in CMX11-03A).

At the **Four Corners Perry Pond prospect**, two holes were drilled on section that tested shallow to moderate south dipping shear zones and steep north dipping contacts between tholeiite-komatiite rocks. The best value from the current drilling is 0.64 g/t gold over 4.05 meters. Previous drilling by St. Andrew Goldfields Ltd. on the prospect intersected 9.37 g/t gold over 1.25 meters within a south dipping deformation zone that cuts tholeiitic and komatiitic volcanic rocks.

Background on Adjacent Fenn-Gib Property

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

JM Gold Property (Munro Croesus Project)

The JM property was acquired by staking in August 2010 and consists of 2 claims (4 units, 65 hectares) immediately to the north of the Munro Croesus property. The property covers the projected extension of

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with atomic absorption spectroscopy (AAS) finish. A subset of samples were also screened and analyzed for metallics gold. All samples were analyzed for multi-element inductively-coupled plasma (ICP) atomic emission spectroscopy, following multi-acid digestion.

the favourable Croesus mine stratigraphy to the northwest of the Croesus Mine. Historical reports and assessment file information will be compiled on the property to guide the follow up work.

Phoenix Gold Project (Ontario)

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

Constantine-Carlin Gold Yukon JV Project

For years, gold mining companies have searched the globe for the next Carlin-type gold district, and the new Osiris discovery by Atac Resources Ltd. has described Carlin-type sediment hosted gold mineralization in the Yukon. The potential significance of this discovery is enormous when considering Nevada's Carlin-type deposits are typically large and high grade and have produced over 100 million ounces of gold since discovery in the 1960s. Carlin-type deposit potential in the Yukon is supported by several interesting local and regional features:

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

The Constantine-Carlin 50/50 Joint Venture (the "JV") was formed in fall 2010 specifically to target and explore for Carlin-type gold deposits in the Yukon's Selwyn Basin. The JV moved quickly to establish a large land position in this emerging gold frontier, acquiring areas with permissive geology and drainages with strong geochemical anomalies. The JV now controls a total of 4,967 claims in 16 properties comprising approximately 1000 square kilometers (385 square miles), which represents one of the largest property positions in this new district. A $1.2 million summer field program was initiated in late June 2011 and completed in mid-September 2011 after collecting approximately 12,000 soil, silt and rock samples.

First pass reconnaissance sampling was completed on all properties that identified multiple soil and silt geochemical anomalies, several of which have been followed up by infill sampling, gridding and mapping with the objective of rapidly establishing quality drill targets. The program was facilitated by on-site XRF analyses for key pathfinder elements, in particular arsenic. Gold assay results have been received for approximately one-quarter of all samples collected to date.

Summary Highlight Results to Date

Initial laboratory data at the TUT property has confirmed a coincident gold and arsenic soil anomaly. The anomaly, which spans 6.5 kilometers in length and ranges from 300 to 1200 meters in width, is defined by soils with greater than 100 ppm arsenic and greater than 20 ppb gold. Individual soil samples within this area are as high as 2809 ppb (2.81 grams per tonne gold) and 58652 ppm (5.87 percent) arsenic. On-site XRF analysis of detailed infill grid samples has defined a greater than 1000 ppm arsenic core to the anomaly that is 1.5 kilometers in length and 500 meters in width. Seven mineralized grab samples from initial prospecting within the 1000 ppm arsenic core anomaly area range from 2.01 grams per tonne gold to greater than 15 grams per tonne gold, with an average grade of 5.21 grams per tonne gold.[2] The core of the soil anomaly correlates with a zone of altered and heavily fractured rhyolite dikes that are commonly associated with quartz-arsenopyrite veining. Dikes within the zone average 35 to 50 meters in width and are located near the outer edge of a contact metamorphic aureole, approximately one kilometer outboard of a Cretaceous-age quartz monzonite stock.

Initial sampling at the JV's X Block property has encountered several areas with anomalous gold and arsenic, with associated thallium and mercury that have been followed up with more detailed work. Separate soil samples have returned values of up to 4248 ppb (4.25 grams per tonne) gold, 9756 ppm arsenic, 13.6 ppm thallium and 9.3 ppm mercury. The geological setting of these anomalous sample areas is within the lower Paleozoic strata and structures targeted in the initial staking.

The TUT and X Block properties are located 35 and 55 kilometers respectively from the North Canol Road, and 140 kilometers northeast of the community of Ross River. An established winter road route passes near the edge of both properties. A Yukon Mining Land Use Class III permit approval has been received by the Joint Venture that is valid for a term of five years and allows ongoing exploration that includes drilling on the JV's twelve Yukon gold properties.

Trapper Gold Project (British Columbia)

On August 23, 2011, Ocean Park Ventures reported that over 2,600 meters of diamond drilling have been completed in 13 of 25 planned diamond drill holes. Twelve of thirteen drill holes have intersected 1 to 3 zones of sulphide mineralization associated with intense carbonate and/or silica alteration over widths of between 5 and 97 metres with visible gold reported in 1 hole. Assay results are pending for all drill holes. A ground based induced polarization (IP) geophysical survey, an airborne electromagnetic survey, and an extensive expansion to the historic soil geochemical grid have also been completed.The work is being funded and managed by Ocean Park under an option-joint venture agreement with Constantine.

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. The project is logistically well situated within 3 miles of a

[2] Mineralized grab samples refers to samples assaying greater than 0.5 grams per tonne gold. Average of seven samples utilizes a value of 10 grams per tonne for one sample that exceeds the upper analytical limit of 10 gram per tonne.

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. The Company will require additional funds or a partner to complete the intended exploration work.

<u>Hornet Creek (Idaho, USA)</u>

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

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

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

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

The Company plans to compile all available historical information on the property. An initial field program is proposed that includes geological mapping, rock and soil sampling, and geophysics to establish drill targets.

Results of Operations

Mineral Property Acquisitions and Expenditures

In the nine months ended July 31, 2011 the Company incurred costs of $2,530,374 on mineral properties, net of $60,273 in cost recoveries on the Trapper property. The majority of these expenditures were incurred on the Munro-Croesus project in Ontario, where the Company completed a 7,400 meter drilling program. A total of $916,963 was spent on the Munro-Croesus property and $318,946 on the adjacent Four Corners property in the nine months ended July 31, 2011.

In January 2011 the Company acquired a 100% interest in the Hornet Creek copper-gold massive sulphide prospect in west-central Idaho through a long-term lease agreement. The Company spent a total of $70,487 on the Hornet Creek project as at July 31, 2011, which included acquisition costs of $46,847.

In November 2010, Constantine optioned the Trapper property to Ocean Park Ventures Corp. and received an initial option payment of $100,000 and 100,000 shares from Ocean Park. As a result of the cash and share payments received, the Company realized a gain for accounting purposes of $99,727 on the Trapper gold project for the nine month period ended July 31, 2011.

In November 2010, the Company entered into a 50/50 joint venture agreement with Carlin Gold Corporation and, together with Carlin, staked an aggregate of 4,967 mineral claims in Yukon. The Company’s 50% share of staking and exploration costs at July 31, 2011 was $1,049,962.

In February, 2011, the Company paid $12,500 and issued 10,000 shares in connection with its share of the joint venture’s Aztec property acquisition in Yukon.

Operating Costs

The Company recorded expenses of $699,707 for the nine months ended July 31, 2011, a 15% increase over the previous year ($602,319). The largest increase in 2011 expenses was in investor relations costs, which increased from $58,803 in 2010 to $112,193 in 2011. Payroll expenses for 2011 also increased over the previous year---from $101,696 to $126,902. Payroll costs were expected to be higher, based on the additional personnel added to payroll at the end of last year. The Company's legal costs of $38,466 for the first nine months of this year were higher than the previous year (2010-$18,166), due to increased acquisition and due diligence work.

For the nine months ended July 31 2011, general and administrative costs consisted of:

General and Administrative expenses	Amount
Conferences, trade shows and advertising	$ 112,246
Accounting and administration	54,038
Office expenses	35,419
Transfer agent, listing and filing fees	26,436
Other	10,615
Total	$ 238,754

Summary of Quarterly Results

In the quarter ended July 31, 2011, the Company incurred expenditures of $1,264,571 on mineral properties. Of this amount, $223,669 was spent on the Yukon joint venture project, as the Company and its partner began initial exploration of the property. In this quarter, the Company also spent $876,153 on the Munro-Croesus project, where it completed a 7400 meter drilling and exploration program.

The Company incurred a loss of $164,553 (2010-$118,002) for the quarter. General and administrative costs of $69,062 (2010-$55,700) were the largest component of expenses. Investor relations expense of $49,308 (2010-$14,006) during the quarter were anticipated and will remain higher than last year as the Company continues to maintain a higher investor relations profile.

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

For Quarter Ended	Income (Loss)	Income (Loss) per share
July 31, 2011	$ (169,553)	$ 0.00
April 30, 2011	(330,016)	0.00
January 31, 2011	(101,090)	0.00
October 31,2010	(132,554)	0.00
July 31, 2010	(118,002)	(0.01)
April 30, 2010	(258,040)	(0.01)
January 31, 2010	(222,839)	(0.01)
October 31, 2009	(241,637)	(0.01)
July 31, 2009	(524,821)	(0.01)
April 30, 2009	(166,409)	(0.01)

Liquidity and Capital Resources

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

The Company's cash position at July 31, 2011 was $1,916,812 (2010-$193,082) and its working capital at July 31, 2011 was $2,371,525 (2010-$1,944,475). The Company completed a $3,500,000 equity financing in December 2010 ($2,300,000 in hard dollars and $1,200,000 in flow-through financing), and a $2,250,000 flow-through financing in March 2011. Its cash position as of the date of this report is approximately $1,500,000.

As at July 31, 2011, the Company has Canadian Exploration Expenditure obligations of over $2,250,000, which the Company has agreed to incur by December 31, 2012. There is a risk that the Company will be unable to raise the funds necessary to meet all of its flow-through expenditure obligations.

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.

Related Party Transactions

Certain directors and officers of the Company provided specific services to the Company during the nine months ended July 31, 2011 as follows:

as at July 31,	2011	2010
Management and technical fees paid or accrued to companies owned by directors	34,752	12,049
Consulting fees paid to officers	96,644	28,650
Accounting and administration fees paid or accrued to a company 50% owned by an officer of the Company	54,000	15,000
	185,396	55,699

Management of Capital

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

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

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

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

Use of Proceeds from Financings

Planned Use of Proceeds as Previously Disclosed	*Actual Use of Proceeds to* July 31*, 2011*
December 2010 Flow-Through Financing:	
• $1,200,000 to be used to incur eligible Canadian exploration expenditures ("CEE") on the Company's Canadian gold projects.	• CEE spent to date. $1,191,593 • Balance of funds remaining to be spent $8,407
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 financings $ 549,169 • Yukon project 815,857 • Palmer project 172,700 • Other mineral projects 90,998 • Fixed assets 8,460 • Working capital items 662,816 • Total $ 2,300,000
March 2011 Flow-Through Financing:	
• $2,250,000 to be used to incur CEE on the Company's Canadian gold projects.	• None of these funds have been committed to date.

Summary of Outstanding Shares Data

At July 31, 2011, the Company had 109,915,999 shares outstanding.

The following warrants and stock options were outstanding at July 31, 2011:

		Price per Share	Expiry Date
Warrants	12,589,316	$0.20	December 13, 2012
Warrants and Compensation Options	3,558,750	$0.30	November 24, 2011
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	2,200,000	$0.235	October 27, 2014
Stock options	250,000	$0.27	February 11,2014
	20,513,066		

Recent Accounting Pronouncements – Not Yet Adopted

Business Combination, Consolidated Financial Statements and Non-controlling interest

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

International Financial Reporting Standards (“IFRS”)

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

Disclosure Controls and Procedures

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

Corporate Governance

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

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

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

Forward-Looking Statements

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

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

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These statements are based on a number of assumptions and factors, including assumptions regarding general market conditions; future prices of gold and other metals; possible variations in ore resources, grade or recovery rates; actual results of current exploration activities; actual results of current reclamation activities; conclusions of future economic evaluations; changes in project parameters as plans continue to be refined; failure of plant, equipment, or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; risks related to joint venture operations; timing and receipt of regulatory approvals of operations; the ability of the

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

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

Risk Factors

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

Industry

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

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

Metal Prices

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

Political Risk

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

Environmental

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

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

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

Operational

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

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to 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 July 31, 2011, the Company had a cash balance of $1,916,812 to settle current liabilities of $38,456. All of the Company's financial liabilities have maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

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

(a) Interest rate risk

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

(b) Foreign currency rate risk

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

Sensitivity analysis

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

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

Effectiveness of Disclosure Controls

The Chief Financial Officer and Chief Executive Officer have evaluated the effectiveness of the Company's disclosure controls as of July 31, 2011. They have concluded that the Company's disclosure controls and procedures provide reasonable assurance that material information relating to the Company would be made known to them by others within the Company, particularly during the period during which this report was being made.

Approval

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.