Condensed Consolidated Interim Financial Statements of

# CONSTANTINE METAL RESOURCES LTD.

(Expressed in Canadian Dollars)

For the three months ended January 31, 2014 and 2013

Suite 320 - 800 West Pender St., Vancouver, B.C. Canada V6C 2V6
Phone (604) 629-2348 Fax (604) 608-3878

**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)

| | January 31, 2014 | October 31, 2013 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash | **$ 442,135** | $ 181,557 |
| Amounts receivable | **12,924** | 12,168 |
| Available-for-sale investments (Note 4) | **89,379** | 89,379 |
| Advances and prepaid expenses | **28,561** | 33,990 |
| | **572,999** | 317,094 |
| Deposits | **34,555** | 34,555 |
| Exploration and evaluation properties (Note 5) | **14,760,117** | 15,493,156 |
| Equipment | **16,263** | 18,876 |
| | **$ 15,383,934** | $ 15,863,681 |
| **Liabilities** | | |
| Current liabilities: | | |
| Trade payables and accrued liabilities | **$ 28,842** | $ 55,822 |
| Deferred recovery of exploration costs (Note 5c) | **60,239** | 39,907 |
| Amount due to joint venture partner (Notes 5c and 7) | **29,232** | 29,485 |
| Amounts due to related parties (Note 7) | **29,719** | 18,707 |
| | **148,032** | 143,921 |
| **Equity** | | |
| Share capital (Note 6) | **20,229,778** | 20,226,538 |
| Stock options reserve (Note 6c) | **1,409,174** | 1,221,687 |
| Warrants reserve | **432,941** | 432,941 |
| Available-for-sale investments reserve (Note 4) | **(137,648)** | (137,648) |
| Deficit | **(6,698,343)** | (6,023,758) |
| | **15,235,902** | 15,719,760 |
| | **$ 15,383,934** | $ 15,863,681 |

Nature of Operations and Going Concern (Note 1)
Commitments (Note 11)
Events Subsequent to the end of the Period (Note 12)

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 months ended January 31, 2014 and 2013
(Expressed in Canadian dollars)

| | | January 31 2014 | | January 31 2013 |
|---|---|---|---|---|
| **Expenses:** | | | | |
| Amortization | $ | 2,612 | $ | 2,612 |
| Consulting | | 6,726 | | 28,403 |
| General and administrative | | 38,011 | | 50,413 |
| Insurance | | 5,507 | | 4,875 |
| Legal | | 1,838 | | 12,814 |
| Professional fees – audit | | - | | 7,000 |
| Payroll expenses | | 42,886 | | 37,009 |
| Rent (net) | | 14,462 | | 13,488 |
| Share-based payments (Note 6c) | | 187,487 | | - |
| Shareholder communications | | 420 | | 760 |
| Travel | | 2,332 | | 2,772 |
| **Loss before other items** | | (302,281) | | (160,146) |
| **Other Items:** | | | | |
| Gain (loss) on foreign exchange | | 84,952 | | (739) |
| Write-off exploration and evaluation properties (Notes 5b(v)) | | (457,256) | | - |
| **Net loss for the period** | | (674,585) | | (160,885) |
| **Other comprehensive loss** | | | | |
| Unrealized gain (loss) on available-for-sale investments (Note 4) | | - | | (1,200) |
| **Comprehensive loss for the period** | $ | (674,585) | $ | (162,085) |
| Basic and diluted loss per share | $ | (0.01) | $ | (0.00) |
| Weighted average number of common shares outstanding | | 116,029,013 | | 114,456,175 |

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows
Unaudited – Prepared by Management
For the three months ended January 31, 2014 and 2013
(Expressed in Canadian dollars)

| | | **January 31 2014** | | January 31 2013 |
|---|---|---|---|---|
| Net loss for the period | **$** | **(674,585)** | $ | (160,885) |
| Cash and cash equivalents provided by (used in): | | | | |
| **Operations:** | | | | |
| Amortization | | **2,613** | | 2,612 |
| Share-based payments (Note 6c) | | **187,487** | | - |
| Write-off exploration and evaluation properties (Note 5b(v)) | | **457,256** | | - |
| Changes in non-cash working capital accounts: | | | | |
| Amounts receivable | | **(756)** | | 20,576 |
| Amount due to joint venture partner (Notes 5c and 7) | | **(253)** | | (288) |
| Trade payables and accrued liabilities | | **1,242** | | 69,447 |
| Deferred recovery of exploration costs (Note 5a) | | **20,332** | | 428,390 |
| Amounts due to related parties (Note 7) | | **(1,923)** | | 26,242 |
| Advances and prepaid expenses | | **5,429** | | 4,875 |
| | | **(3,158)** | | 390,969 |
| **Investing activities:** | | | | |
| Exploration and evalution properties (Note 5) | | **(253,122)** | | 59,583 |
| Recovery of exploration and evalution property expenditures (Note 5) | | **516,856** | | (134,839) |
| | | **263,735** | | (75,256) |
| Increase (decrease) in cash | | **260,577** | | 315,713 |
| Cash and cash equivalents, beginning of period | | **181,557** | | 125,679 |
| Cash and cash equivalents, end of period | **$** | **442,134** | $ | 441,392 |
| Supplemental Disclosure of Non-Cash Investing and Financing Activities: | | | | |
| Accounts payable related to exploration and evaluation properties | **$** | **15,287** | $ | 25,753 |
| Interest received | **$** | **-** | $ | - |
| Value of shares issued for mineral properties (Note 6a) | **$** | **3,240** | $ | 2,520 |

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes in Equity
For the three months ended January 31, 2014 and 2013
(Expressed in Canadian dollars)

| | Share Capital | | Reserves | | | | |
|---|---|---|---|---|---|---|---|
| | Number of Shares | Capital Stock | Stock Options | Warrants | Available-for-Sale Investments | Deficit | Total Equity |
| **Balance, October 31, 2012** | 114,435,999 | $ 20,110,817 | $ 432,941 | $ 432,941 | $ (32,400) | $ (4,657,886) | $ 17,075,159 |
| Net loss for the year | - | - | - | - | - | (1,365,872) | (1,365,872) |
| Unrealized loss on available-for-sale investments (Note 4) | - | - | - | - | (105,248) | - | (105,248) |
| Shares issued for exploration and evaluation properties (Note 6a) | 1,572,666 | 115,721 | - | - | - | - | 115,721 |
| **Balance, October 31, 2013** | 116,008,665 | $ 20,226,538 | $ 1,089,213 | $ 432,941 | $ (137,648) | $ (6,023,758) | $ 15,719,760 |
| Net loss for the period | - | - | - | - | - | (674,585) | (674,585) |
| Share-based payments (Note 6c) | - | - | 187,487 | - | - | - | 187,487 |
| Shares issued for exploration and evaluation properties (Notes 5b(ii) and 6a) | 36,000 | 3,240 | - | - | - | - | 3,240 |
| **Balance, January 31, 2014** | 116,044,665 | $ 20,229,778 | $ 1,276,700 | $ 432,941 | $ (137,648) | $ (6,698,343) | $ 15,235,902 |

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, except for cash flow generated from the monetization of exploration assets and projects, 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 January 31, 2014, the Company has incurred losses since inception and has an accumulated operating deficit of $6,698,343. 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. These conditions indicate the existence of material uncertainties that cast significant doubt that the Company will be able to continue on a going concern basis.

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) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as available-for-sale ("AFS"), which are stated at their fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### b) Approval of Consolidated Financial Statements

These consolidated interim financial statements of the Company for the three months ended January 31, 2014 and 2013 were approved and authorized for issue by the Board of Directors on March 26, 2014.

**c) Basis of Consolidation**

These condensed consolidated interim financial statements include the accounts of the Company and its 100% controlled entity, Constantine North Inc. (an Alaska corporation).

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

**d) Adoption of New and Revised Standards and Interpretations**

At the date of authorization of these consolidated 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* (2010)**

A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from IAS 39 *Financial Instruments: Recognition and Measurement*.

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss ("FVTPL"). In these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in OCI rather than within profit or loss.

IFRS 9 (2010) applies to annual periods beginning on or after January 1, 2015. This standard supersedes IFRS 9 (2009). However, for annual reporting periods beginning before January 1, 2015, an entity may early-adopt IFRS 9 (2009) instead of applying this standard.

**IFRS 10 *Consolidated Financial Statements***

Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 *Separate Financial Statements* and SIC-12 *Consolidation - Special Purpose Entities*.

The standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.

The standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in "special purpose entities"). Under IFRS 10, control is based on whether an investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the returns.

IFRS 10 is applicable to annual reporting periods beginning on or after January 1, 2013. If early-adopted, must be adopted together with IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011).

## 2. Basis of Preparation (continued)

### d) Adoption of New and Revised Standards and Interpretations (continued)

**IFRS 11 *Joint Arrangements***

Replaces IAS 31 *Interests in Joint Ventures*. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

Joint arrangements are either joint operations or joint ventures:

- A **joint operation** is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognize their assets, liabilities, revenue and expenses in relation to their interest in a joint operation (including their share of any such items arising jointly).

- A **joint venture** is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 (2011). Unlike IAS 31, the use of "proportionate consolidation" to account for joint ventures is not permitted.

IFRS 11 is applicable to annual reporting periods beginning on or after January 1, 2013. If early-adopted, must be adopted together with IFRS 10, IFRS 12, IAS 27 (2011) and IAS 28 (2011).

**IFRS 12 *Disclosure of Interests in Other Entities***

Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

In high-level terms, the required disclosures are grouped into the following broad categories:

- **Significant judgments and assumptions** - such as how control, joint control, significant influence has been determined
- **Interests in subsidiaries** - including details of the structure of the group, risks associated with structured entities, changes in control, and so on
- **Interests in joint arrangements and associates** - the nature, extent and financial effects of interests in joint arrangements and associates (including names, details and summarized financial information)
- **Interests in unconsolidated structured entities** - information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities.

IFRS 12 lists specific examples and additional disclosures, which further expand upon each of these disclosure objectives, and includes other guidance on the extensive disclosures required.

IFRS 12 is applicable to annual reporting periods beginning on or after January 1, 2013. If early-adopted, must be adopted together with IFRS 10, IFRS 11, IAS 27 (2011) and IAS 28 (2011).

## 2. Basis of Preparation (continued)

### d) Adoption of New and Revised Standards and Interpretations (continued)

**IFRS 13 *Fair Value Measurement***

Replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard.

This IFRS defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements and other measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements. With some exceptions, the standard requires entities to classify these measurements into a "fair value hierarchy" based on the nature of the inputs:

- **Level 1** - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- **Level 2** - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3** - unobservable inputs for the asset or liability.

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g., whether it is recognized in the financial statements or merely disclosed) and the level in which it is classified.

IFRS 13 is applicable to annual reporting periods beginning on or after January 1, 2013.

***Presentation of Items of Other Comprehensive Income* (Amendments to IAS 1)**

Amends IAS 1 *Presentation of Financial Statements* to revise the way other comprehensive income is presented. The amendments:

- Preserve the amendments made to IAS 1 in 2007 to require profit or loss and other comprehensive income to be presented together, i.e., either as a single "statement of profit or loss and comprehensive income", or a separate "statement of profit or loss' and a 'statement of comprehensive income", rather than requiring a single continuous statement as was proposed in the exposure draft

- Require entities to group items presented in other comprehensive income based on whether they are potentially reclassifiable to profit or loss subsequently, i.e., those that might be reclassified and those that will not be reclassified

- Require tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items (without changing the option to present items of other comprehensive income either before tax or net of tax).

The amendment is applicable to annual reporting periods beginning on or after January 1, 2013.

## 2. Basis of Preparation (continued)

### d) Adoption of New and Revised Standards and Interpretations (continued)

**IAS 27 *Separate Financial Statements***

This amended version of IAS 27 now only deals with the requirements for separate financial statements, which have been carried over largely unamended from IAS 27 *Consolidated and Separate Financial Statements*. Requirements for consolidated financial statements are now contained in IFRS 10.

The amendment is applicable to annual reporting periods beginning on or after January 1, 2013.

**IAS 28 *Investments in Associates and Joint Ventures***

IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture).
The Company has not early-adopted these standards, amendments and interpretations; however, the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

## 3. Significant Accounting Policies

### a) Judgments and estimates

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Significant areas requiring the use of estimates relate to the determination of impairment of exploration and evaluation properties, determination of mineral reserves, and provision for closure and reclamation.

### b) Foreign currency translation

The functional and reporting currency of the Company and its subsidiary is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the dates of transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in profit or loss, except for differences on the retranslation of available-for-sale instruments, which are recognized in other comprehensive loss.

## 4. Available-for-Sale Investments

The following table is a summary of the Company's available-for-sale investments as at January 31, 2014 and October 31, 2013:

| | January 31, 2014 | | | October 31, 2013 | | |
|---|---|---|---|---|---|---|
| | Number of Shares | Cost | Fair Value | Number of Shares | Cost | Fair Value |
| Dunnedin Ventures Inc. (formerly Ocean Park Ventures Corp.) | 1,276,844 | $227,027 | $ 89,379 | 1,276,844 | $227,027 | $ 89,379 |

For the three months ended January 31, 2014, the Company recorded an unrealized loss of $Nil (2013-$1,200) on its available-for-sale investments. As at January 31, 2014, the balance of the Company's available-for-sale investment reserve is $137,648 (2013-$33,600).

## 5. Exploration and Evaluation Properties

The following table is a summary of the Company's exploration and evaluation property interests:

| | Balance, October 31 2012 | Fiscal 2013 Expenditures | Balance October 31 2013 | Fiscal 1st Qtr Expenditures | Balance January 2014 |
|---|---|---|---|---|---|
| **Palmer Property, Alaska, USA** | | | | | |
| Acquisition costs (recoveries) | $ 878,712 | $ - | $ 878,712 | $ - | $ 878,712 |
| Less: Recovery of acquisition costs | - | (389,644) | (389,644) | (267,500) | (657,144) |
| Advance royalty payments | 293,781 | 43,342 | 337,123 | 11,369 | 348,492 |
| Alaska labour | 453,741 | 351,406 | 805,147 | - | 805,147 |
| Property maintenance cost | 18,714 | - | 18,714 | - | 18,714 |
| Assaying and testing | 194,398 | 43,890 | 238,288 | 144 | 238,432 |
| Field transportation | 2,529,825 | 445,676 | 2,975,501 | (807) | 2,974,694 |
| Geophysics | 335,667 | 98,883 | 434,550 | 9,292 | 443,842 |
| Drilling | 3,672,328 | 897,892 | 4,570,220 | 9,751 | 4,579,971 |
| Property filing and maintenance fees | 355,788 | 90,611 | 446,399 | (22) | 446,377 |
| Geology and field support | 1,551,922 | 366,480 | 1,918,402 | 133,603 | 2,052,005 |
| Technical consulting | 965,848 | 195,126 | 1,160,974 | 7,223 | 1,168,197 |
| Travel | 159,206 | 47,190 | 206,396 | 2,973 | 209,369 |
| Cost recoveries | - | (2,589,306) | (2,589,306) | (187,240) | (2,776,546) |
| **Total U.S. Property** | $ 11,531,409 | $ (519,933) | $ 11,011,476 | $ (281,215) | $ 10,730,261 |

(continued on next page)

## 5. Exploration and Evaluation Properties (continued)

| | Balance, October 31 2012 | Fiscal 2013 Expenditures | Balance October 31 2013 | Fiscal 1st Qtr Expenditures | Balance 1-Jan 2014 |
|---|---|---|---|---|---|
| **Munro-Croesus Property, ON, Canada** | | | | | |
| Acquisition costs | $ 479,322 | $ 2,256 | $ 481,578 | - | 481,578 |
| Assaying and testing | 107,444 | 211 | 107,655 | - | 107,655 |
| Drilling | 1,127,740 | - | 1,127,740 | - | 1,127,740 |
| Field transportation | 21,389 | 909 | 22,298 | - | 22,298 |
| Geophysics | 149,446 | - | 149,446 | - | 149,446 |
| Travel | 56,984 | 8,796 | 65,780 | - | 65,780 |
| Geology and field support | 175,009 | 4,520 | 179,529 | 763 | 180,292 |
| Technical consulting | 324,560 | 15,702 | 340,262 | - | 340,262 |
| | 2,441,894 | 32,394 | 2,474,288 | 763 | 2,475,051 |
| **Four Corners Property, ON, Canada** | | | | | |
| Acquisition costs | 109,681 | 5,000 | 114,681 | - | 114,681 |
| Assaying and testing | 23,367 | - | 23,367 | - | 23,367 |
| Drilling | 243,471 | - | 243,471 | - | 243,471 |
| Geophysics | 56,893 | - | 56,893 | - | 56,893 |
| Field Transportation | 946 | - | 946 | - | 946 |
| Travel | 7,485 | - | 7,485 | - | 7,485 |
| Technical consulting | 81,447 | - | 81,447 | 225 | 81,672 |
| Geology and field support | 33,107 | - | 33,107 | - | 33,107 |
| | 556,397 | 5,000 | 561,397 | 225 | 561,622 |
| **Phoenix Gold Property, ON, Canada** | | | | | |
| Acquisition costs | 102,925 | 21,200 | 124,125 | - | 124,125 |
| Assaying and testing | 15,688 | - | 15,688 | - | 15,688 |
| Field transportation | 6,238 | - | 6,238 | - | 6,238 |
| Geology and field support | 30,044 | 2,920 | 32,964 | - | 32,964 |
| Geophysics | 216,846 | - | 216,846 | - | 216,846 |
| Technical consulting | 30,146 | 11,109 | 41,255 | - | 41,255 |
| Travel | 20,140 | - | 20,140 | - | 20,140 |
| Write-off exploration and evaluation property (Note 5b(v)) | | - | - | (457,256) | (457,256) |
| | 422,027 | 35,229 | 457,256 | - | - |
| **Golden Mile Property, ON, Canada** | | | | | |
| Acquisition costs | 9,904 | 19,601 | 29,505 | 24,240 | 53,745 |
| Assaying and testing | - | 23,283 | 23,283 | - | 23,283 |
| Drilling | - | 151,640 | 151,640 | 2,645 | 154,285 |
| Field transportation | - | 11,943 | 11,943 | 85 | 12,028 |
| Geophysics | 160,669 | - | 160,669 | - | 160,669 |
| Geology and field support | 154,440 | 270,368 | 424,808 | 29,359 | 454,167 |
| Technical consulting | - | 84,466 | 84,466 | 6,503 | 90,969 |
| Travel | - | 15,601 | 15,601 | 2,905 | 18,506 |
| Cost recoveries | (118,423) | (657,591) | (776,014) | (61,116) | (837,130) |
| | 206,590 | (80,689) | 125,901 | 4,621 | 130,522 |
| **Total Ontario Properties** | $ 3,626,908 | $ (8,066) | $ 3,618,842 | $ 5,609 | $ 3,167,195 |

**(continued on next page)**

## 5. Exploration and Evaluation Properties (continued)

| | Balance, October 31 2012 | Fiscal 2013 Expenditures | Balance October 31 2013 | Fiscal 1st Qtr Expenditures | Balance Janury 31 2014 |
|---|---|---|---|---|---|
| **Ontario Properties (Balance forward)** | $ 3,626,908 | $ (8,066) | $ 3,618,842 | $ 5,609 | $ 3,167,195 |
| **Trapper Gold Property, B.C., Canada** | | | | | |
| Acquisition costs | 62,281 | 32,000 | 94,281 | - | 94,281 |
| Assaying and testing | 3,224 | - | 3,224 | - | 3,224 |
| Field transportation | 6,055 | - | 6,055 | - | 6,055 |
| Geology and field support | 12,184 | 500 | 12,684 | - | 12,684 |
| Technical consulting | 24,784 | - | 24,784 | - | 24,784 |
| Travel | 6,079 | - | 6,079 | - | 6,079 |
| Cost recoveries | (111,752) | (35,355) | (147,107) | - | (147,107) |
| | 2,855 | (2,855) | - | - | - |
| **Yukon, Canada** | | | | | |
| Acquisition costs | 52,191 | 210 | 52,401 | - | 52,401 |
| Assaying and testing | 197,379 | - | 197,379 | - | 197,379 |
| Field transportation | 476,911 | - | 476,911 | - | 476,911 |
| Geology | 183,705 | 883 | 184,588 | 75 | 184,663 |
| Geochemisty | 290,093 | - | 290,093 | - | 290,093 |
| Technical consulting | 61,319 | 289 | 61,608 | - | 61,608 |
| Other | 565,593 | 12,685 | 578,278 | 748 | 579,026 |
| Writedown of exploration and evaluation properties (Note 5c) | (90,420) | (863,000) | (953,420) | - | (953,420) |
| Cost recoveries | (25,000) | - | (25,000) | (1,000) | (26,000) |
| | 1,711,771 | (848,933) | 862,838 | (177) | 862,661 |
| **Total Canadian Properties** | $ 5,341,534 | $ (859,854) | $ 4,481,680 | $ 5,432 | $ 4,029,856 |
| **Total U.S. and Canadian exploration and evaluation properties** | **$ 16,872,943** | **$ (1,379,787)** | **$ 15,493,156** | **$ (275,783)** | **$ 14,760,117** |

### a) U.S. Exploration Property: Palmer Project, Alaska

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 2013.

The lease is subject to a 2.5% net smelter returns ("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.

## 5. Exploration and Evaluation Properties (continued)

### a) U.S. Exploration Property: Palmer Project, Alaska (continued)

Pursuant to the terms of an option and joint venture agreement on the Palmer property (see below), the Company has received an aggregate of $3,539,855 from Dowa Metals & Mining Co. Ltd. ("Dowa") from the beginning of that agreement to January 31, 2014. A portion of these funds was unspent as of January 31, 2014 and an amount of $60,239 has been recorded as deferred recovery of exploration costs in the Company's statement of financial position.

Option and Joint Venture Agreement with Dowa Metals & Mining Co., Ltd ("Dowa")

On February 1, 2013, the Company received a US$500,000 cash payment upon signing an option and joint venture agreement (the "Agreement") with Dowa of Japan relating to the Palmer VMS project, Alaska (the "Project").

Under the terms of the Agreement, Dowa has an option to earn a 49% interest in the Project by making aggregate expenditures of US$22,000,000 over a four year period. Expenditures for each year, including option payments, shall not be less than US$3,000,000, with Dowa funding a minimum of US$3,000,000 in year one as a firm commitment. Included in the aggregate expenditure are cash payments to the Company totaling US$1,250,000 over four years, of which US$500,000 was paid upon signing and the remaining US$750,000 is composed of annual option payments of US$250,000 each (note: US$250,000 payment for 2014 was received by the Company in January 2014). Dowa has met the expenditure commitments of the Agreement to date. The Company is the operator during the earn-in period.

Following Dowa's completion of the required earn-in expenditures and their exercise of the option, a 51:49 joint venture (the "Joint Venture") between the Company (51%) and Dowa (49%) is planned for the Project, whereby the Company shall continue as operator. After formation of the Joint Venture, the Agreement anticipates that each party shall be responsible for its proportionate share of expenses determined on the basis of ownership or suffer dilution according to standard dilution provisions.

The Agreement also includes terms that allow Dowa to acquire certain zinc and copper off-take rights in stages, during and upon completion of the earn-in option period.

An initial finder's fee of $120,000 was paid in connection with the Agreement transaction, of which $10,000 was paid in cash and the balance in shares of the Company by the issuance of 1,466,666 common shares on March 19, 2013. Additional finder's fees will be payable over the term of the Agreement, based on a percentage of expenditures made by Dowa, up to an aggregate cap of $250,000 in finder's fees (inclusive of the $120,000 already paid).

### b) Ontario Properties

#### i) Munro-Croesus Property

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.

## 5. Exploration and Evaluation Properties (continued)

### b) Ontario Properties (continued)

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 having been 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.

#### ii) Golden Mile Property

In March 2012, the Company 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, 2011, the Company must make payments of $175,000 and issue 180,000 of the Company's shares over a four year period commencing on December 10, 2012. The first payment consisted of $15,000 cash and the issuance of 36,000 shares of the Company (Note 6a(v)), which was completed on December 10, 2012. The second payment consisted of $20,000 cash and the issuance of 36,000 shares of the Company, which was completed on December 10, 2013 (Note 6a(i).

The Golden Mile property is subject to the terms of an option and joint venture agreement signed by the Company in May 2012 (Note 5b(ii)).

#### iii) Joint Venture Agreement with Teck Resources Ltd. ("Teck")

Concurrent with a $525,000 private placement completed on May 25, 2012, Teck received the exclusive right to elect to option the Phoenix and Golden Mile properties. On July 31, 2012, Teck elected to exercise its right to option the Golden Mile property and material terms of the option to joint venture, defined within a separate memorandum of understanding are detailed below: The Teck election to option the Phoenix property expired without being exercised.

*Golden Mile Property Option/Joint Venture Agreement:* Teck elected to exercise its first option that allows them to earn a 51% interest in the Golden Mile property by incurring $1,500,000 in exploration expenditures by September 30, 2015 ($776,000 incurred as at January 31, 2014) and making annual cash payments of $25,000 to the Company. In February 2014, Teck funded a $430,000 drilling program on the Golden Mile property, bringing it closer to completing the earn-in requirements for the project. 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 annual cash payments of $50,000 to the Company (Note 5b(ii)).

#### iv) Four Corners Property

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

## 5. Exploration and Evaluation Properties (continued)

### b) Ontario Properties (continued)

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.

#### v) Phoenix Gold Property

As of January 31, 2014, the Company wrote off 100% of its interest in the Phoenix Gold property, based on an impairment review of the property, and recorded a loss of $457,256 for accounting purposes.

### c) 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 hold an aggregate of 3,263 mineral claims in Yukon as part of a 50/50 joint venture. Based on an impairment review of its exploration and evaluation properties, the Company recorded a charge of $863,000 for the year ended October 31, 2013. As at January 31, 2014, the Company's net joint venture costs for the Yukon properties are $862,838. As at January 31, 2014, the Company has a balance of $29,232 due to the joint venture (Note 7).

## 6. Share Capital

### a) Common Shares

**Authorized:** unlimited common shares without par value

**Issued and outstanding:** 116,008,665 common shares

*(i)* On December 10, 2013, the Company issued 36,000 shares valued at $3,240 related to the Golden Mile property (Note 5b(ii)).

*(ii)* On April 30, 2013, the Company issued 30,000 shares valued at $1,200 related to the Phoenix Gold property.

*(iii)* On April 10, 2013, the Company issued 40,000 shares valued at $2,000 related to the Trapper Gold property.

*(iv)* On March 19, 2013, the Company issued 1,466,666 shares valued at $110,000 as part of a success fee payment in regard to the signing of the option and joint venture agreement on the Palmer property (Note 5a).

*(v)* On December 10, 2012, the Company issued 36,000 shares valued at $2,520 related to the Golden Mile property (Note 5b(ii)).

## 6. Share Capital (continued)

### b) Warrants

As at January 31, 2014, the following share purchase warrants were outstanding:

| | **Three months ended January 31, 2014** | | | Year ended October 31, 2013 | | |
|---|---|---|---|---|---|---|
| | **Number of warrants** | | **Weighted average exercise price** | Number of warrants | | Weighted average exercise price |
| Balance, beginning of period | **2,100,000** | **$** | **0.16** | 15,139,316 | $ | 0.20 |
| Expired | **-** | | **-** | (13,039,316) | | 0.20 |
| Balance, end of period | **2,100,000** | **$** | **0.16** | 2,100,000 | $ | 0.16 |

| | |
|---|---|
| Weighted average remaining life of warrants outstanding, October 31, 2013 | 0.6 years |
| Weighted average remaining life of warrants outstanding, January 31, 2014 | 0.3 years |

A summary of the Company's warrants outstanding as at January 31, 2014 is as follows:

| Expiry Date | | Exercise Price | Number of warrants and agent warrants |
|---|---|---|---|
| May 25, 2014 | $ | 0.16 | 2,100,000 |

### c) 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 January 17, 2014, the Company issued 5,400,000 incentive share options to management and employees, exercisable at a price of $0.07, expiring January 17, 2019. The stock options were issued to directors, officers and employees of the Company.

## 6. Share Capital (continued)

### c) Stock Options (continued)

A summary of the status of the Company's stock options at January 31, 2014 and October 31, 2013 and changes during the periods therein is as follows:

| | **Three months ended January 31, 2014** | | | Year ended October 31, 2013 | | |
|---|---|---|---|---|---|---|
| | **Number of options** | | **Weighted average exercise price** | Number of options | | Weighted average exercise price |
| Balance, beginning of period | **4,800,000** | **$** | **0.16** | 5,190,000 | $ | 0.19 |
| Granted | **5,400,000** | | **0.07** | - | | - |
| Expired | **(1,175,000)** | | **0.13** | (390,000) | | 0.57 |
| Cancelled | **-** | | **-** | - | | - |
| Balance, end of period | **9,025,000** | **$** | **0.11** | 4,800,000 | $ | 0.16 |

The fair value cost of the 5,400,00 share purchase options was calculated using the Black-Scholes Pricing Model using the following range of assumptions:

| | **January 31, 2014** | October 31, 2013 |
|---|---|---|
| Risk-free interest rate | **1.33%** | n/a |
| Expected life (in days) | **1,825** | n/a |
| Annualized volatility | **85.05%** | n/a |
| Dividend rate | **n/a** | **n/a** |

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. An amount of $187,487 was charged to share-based payments expense for the period ended January 31, 2014.

A summary of the Company's stock options outstanding as at January 31, 2014 is as follows:

| Expiry Date | | Weighted Average Exercise Price | Number of Options Outstanding | Weighted Average Remaining Contractual Life (in years) | Number of Options Exercisable |
|---|---|---|---|---|---|
| October 27, 2014 | | 0.235 | 1,700,000 | 0.99 | 1,700,000 |
| March 5, 2017 | | 0.11 | 1,925,000 | 3.35 | 1,925,000 |
| January 17, 2019 | | 0.07 | 5,400,000 | 4.96 | 4,000,000 |
| | $ | 0.11 | 9,025,000 | 3.87 | 7,625,000 |

## 6. Share Capital (continued)

### c) Stock Options (continued)

Of the 5,400,000 options issued on January 17, 2014, an amount of 4,000,000 were vested immediately and 1,400,000 options are subject to a vesting agreement, whereby 600,000 options will be vested on the first anniversary date of the issuance of the options, 500,000 options will be vested on each of the second and third anniversaries of the option.

A summary of the Company's stock options outstanding as at October 31, 2012 is as follows:

| Expiry Date | | Weighted Average Exercise Price | Number of Options Outstanding | Weighted Average Remaining Contractual Life (in years) | Number of Options Exercisable |
|---|---|---|---|---|---|
| January 12, 2014 | $ | 0.13 | 1,175,000 | 0.20 | 1,175,000 |
| October 27, 2014 | | 0.235 | 1,700,000 | 0.99 | 1,700,000 |
| March 5, 2017 | | 0.11 | 1,925,000 | 3.35 | 1,925,000 |
| | | | 4,800,000 | 3.87 | 4,800,000 |

## 7. Related Party Transactions

The following represents the details of related party transactions paid or accrued for the three months ended January 31, 2014 and 2013:

| For the three months ended January 31, | | **2014** | | 2013 |
|---|---|---|---|---|
| Adminisitrative and technical fees paid or accrued to companies owned by directors | **$** | **3,000** | $ | 3,000 |
| Consulting fees paid to officers | | **38,786** | | 28,348 |
| Accounting and administration fees paid or accrued to a company 50% owned by an officer | | **18,000** | | 18,000 |
| Share-based payments to key management | | **96,087** | | - |
| | **$** | **155,873** | $ | 49,348 |

As at January 31, 2014, the unpaid portion of amounts due to key management is $29,719 (2013-$37,110).

The Company has certain amounts due to Carlin Gold Corporation ("Carlin"), a company related by common directors and officers. As at January 31, 2014, the Company has an amount of $29,232 (2013–$18,707) due to Carlin for the Company's portion of exploration property expenditures relating to the Yukon joint venture (Note 5d), and another account payable of $4,106 (2013-$4,106) due to Carlin.

## 8. Management of Capital

The Company manages its cash, common shares, stock options and warrants 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

## 8. Management of Capital (continued)

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 equivalents, amounts receivable, deposits, 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, however management does not consider this risk to be significant.

## 9. Financial Instruments (continued)

### b) Financial Instrument Risk Exposure (continued)

*Exchange Risk*

As at January 31, 2014, the majority of the Company's cash was held in the USA in U.S. 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 US dollars and are therefore subject to fluctuations in exchange rates. Management does not believe that the exchange risk is significant.

### c) Fair Value Measurements

The carrying value of financial assets and financial liabilities at January 31, 2014, and October 31, 2013 is as follows:

| As at | | **January 31, 2014** | | October 31, 2013 |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| *FVTPL, measured at fair value* | | | | |
| Cash and cash equivalents | **$** | **442,135** | $ | 181,557 |
| *Loans and receivables, measured at amortized cost* | | | | |
| Amounts receivable | | **12,924** | | 12,167 |
| *Available-for-sale, measured at fair value* | | | | |
| Available-for-sale investments | | **89,379** | | 89,379 |
| **Financial Liabilities** | | | | |
| *Other liabilities, measured at amortized cost* | | | | |
| Trade payables and accrued liabilities | **$** | **28,842** | $ | 55,822 |
| Amount due to joint venture partner | | **29,232** | | 29,485 |
| Amounts due to related parties | | **29,719** | | 18,707 |

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

| As at | | **January 31, 2014** | | October 31, 2013 |
|---|---|---|---|---|
| | | **Level 1** | | Level 1 |
| Cash and cash equivalents | **$** | **442,135** | $ | 181,557 |
| Available-for-sale investments | | **89,379** | | 89,379 |

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 January 31, 2014, the Company operates in two geological areas, being Canada and the United States. The following is an analysis of net loss for the period, current assets and non-current assets by geographical area:

| | | Canada | | United States | | Total |
|---|---|---|---|---|---|---|
| **Net Loss** | | | | | | |
| **For the three months ended January 31, 2014** | **$** | **(615,229)** | **$** | **(59,356)** | **$** | **(674,585)** |
| For the three months ended January 31, 2013 | | (160,635) | | (101) | | (101,090) |
| **Current Assets** | | | | | | |
| **As at January 31, 2013** | **$** | **431,067** | **$** | **141,932** | **$** | **572,999** |
| As at October 31, 2013 | | 175,162 | | 141,932 | | 317,094 |
| **Deposits** | | | | | | |
| **As at January 31, 2013** | | **34,555** | | **-** | | **34,555** |
| As at October 31, 2013 | | 34,555 | | - | | 34,555 |
| **Exploration and Evaluation Properties** | | | | | | |
| **As at January 31, 2013** | | **3,748,641** | | **11,011,476** | | **14,760,117** |
| As at October 31, 2013 | | 4,481,681 | | 11,011,475 | | 15,493,156 |
| **Equipment** | | | | | | |
| **As at January 31, 2013** | | **16,263** | | **-** | | **16,263** |
| As at October 31, 2013 | | 18,876 | | - | | 18,876 |

## 11. Commitments

The Company has a lease agreement for the rental of office space, which expires on May 31, 2016.

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

| | | Amount |
|---|---|---|
| 2014 fiscal year | $ | 33,546 |
| 2015 fiscal year | | 46,435 |
| 2016 fiscal year | | 27,762 |
| | $ | 107,743 |

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

## 12. Events Subsequent to the end of the Period

On January 20, 2014, the Company entered into an Exploration Agreement with certain First Nations groups in Ontario, under which it agreed to issue an aggregate of 185,000 shares of the Company, which shares were issued on March 10, 2014 at a deemed price of $0.07 per share, for total consideration of $12,950.

Management Discussion and Analysis
For the three months ended January 31, 2014
(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 three months ended January 31, 2014 and 2013, the audited consolidated financial statements of the Company, including the notes thereto, for the years ended October 31, 2013 and 2012, 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 audited consolidated financial statements for the years ended January 31, 2014 and 2013 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has taken into account information available up to and including March 26, 2014.

Constantine is a junior exploration company engaged in the exploration and development of several exploration properties. Its principal project is a polymetallic (copper-zinc-gold-silver) massive sulphide advanced exploration project in southeast Alaska known as the Palmer Project. Constantine also has gold properties in Ontario and the Yukon. The company's principal Ontario gold projects are the Golden Mile project (under option to Teck Resources Limited ("Teck")) and 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, Alberta 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, however the Company has generated cash flow from monetization of exploration assets and from fees for management of option-joint venture exploration projects. 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. **Palmer 2014 budget** – The Palmer project is in the early resource expansion stage and in January 2014, Dowa Metals & Mining Co., Ltd. ("Dowa") approved a US$6.2 million (not including 10% contingency and a US$250,000 January 2014 option payment). The Palmer exploration budget for 2014 is managed by Constantine. It will be diamond drilling focused to expand the existing inferred resource and to test some priority targets outside the resource area. The diamond drill program startup is planned for early June 2014.
2. **2014 Golden Mile Drill Program**– In January 2014, Teck approved a minimum 1000 meter drill program for the month of February 2014 to be managed by Constantine on its Golden Mile property in Timmins, Ontario. The program started in early February and was completed in early March. Analytical results are pending.

3. **First Nations Exploration Agreement Signed** – In January 2014, the Company entered into an Exploration Agreement ("EA") with the Matachewan First Nation ("Matachewan") and the Wahgoshig First Nation ("Wahgoshig") on the Company's properties within the shared Traditional Territories of Wahgoshig and Matachewan. This currently includes the Company's Golden Mile property located within the city of Timmins, 9 kilometers northeast of the Hoyle Pond Gold Mine operated by Goldcorp Inc.
4. **Operating Cash Generated from Exploration Assets** – In the three months ended January 31, 2014, the Company generated approximately $289,000 cash from monetization of exploration properties and management fees from option/JV exploration programs. This amount is in addition to the $726,000 that the Company generated last year from exploration property monetization and management fees and the over $3,200,000 in cost recoveries received pursuant to option/JV earn-in agreements.

## Base Metal Projects

*Palmer project (southeast Alaska, USA)*

Palmer is a high-grade VMS project located in a very accessible part of coastal southeast Alaska, with road access to the edge of the property and within 60 kilometers of the year-round deep sea port of Haines.

In January 2014, Dowa approved a US $6.2 million 2014 exploration budget (not including 10% contingency and an option payment of US $250,000 (received)). The 2014 program will be drill intensive and focused on expanding the South Wall and RW massive sulphide zones, which are open laterally and to depth. Drilling will also target other property-wide massive sulphide prospects. The program is expected to include 3 drill rigs, with drills mobilizing late May. Constantine is the Operator and earns a management fee for work programs carried out during the earn-in period. Engineering, technical consulting, and ongoing environmental work will also be included in the 2014 budget. Detailed planning for the 2014 program is currently in progress.

Constantine completed a 10 hole, 3,747 meter drill program in mid-August, 2013 that was started in mid-June 2013. The drill program was part of a US$3,000,000 budget for 2013 funded by Dowa. Drilling was focused on expanding the South Wall and RW Zones, which host a 4.75 million tonne inferred resource grading 1.84% copper, 4.57% zinc, 0.28 g/t gold and 29 g/t silver*. Concurrent with the 2013 drill program, down-hole electro-magnetic surveys, environmental and other field surveys were carried out on site, and a metallurgical test program at SGS Canada's Vancouver facilities was completed on 212 stored reject samples from previous drill programs.

* *See the Company's technical report entitled, "Palmer VMS Project, Southeast Alaska, Mineral Resource Estimation and Exploration Update" dated March 4, 2010 and available on www.sedar.com. Resource estimate utilizes an NSR cut-off of US$50/t with assumed metal prices of US$700/oz for gold, US$12/oz for silver, US$2.25/lb for copper, and US$0.85/lb for zinc, with estimated metal recoveries of 55%, 55%, 90%, and 90%, respectively. An "Inferred Mineral Resource" is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as*

*a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure.*

The 2013 South Wall drilling successfully expanded the known extent of Zone I down-dip, up-dip and along strike to the east with drill holes CMR13-43, 45, and 49. In addition to defining significant widths of high-grade mineralization, such as CMR13-45 that intersected 21.7 meters grading 2.36% copper and 9.06% zinc.

2013 drilling on the RW zone expanded the footprint of the mineralization and holes CMR13-44 and 47 confirmed RW Zone mineralization between the RW West and RW East resource areas with CMR13-44 having an intercept of 3.4 m grading 0.51% copper, 9.18% zinc, 46.2 g/t silver and 0.21 g/t gold.

The 2013 metallurgical test work supervised by Dowa metallurgists indicates that the deposit exhibits a very good response to conventional metallurgy with 89.6% copper recoveries reporting to a 25.5% copper concentrate and 84.6% zinc recoveries reporting to a 59.1% zinc concentrate. The combined total silver and gold recovery to copper and zinc concentrates are 89.7% and 75.0% respectively, with the majority of precious metals reporting to the copper concentrate; 73.7% for silver and 61.5% for gold. Of particular importance to the Project and to project partner Dowa, who operates the largest zinc smelter in Japan, zinc concentrates produced from the locked cycle tests are of very good quality, with low impurities and no potential penalty or problematic elements.

The detailed results of the 2013 program are provided in the Company's October 31, 2013 year-end MD&A.

Since completion of the resource estimate in January 2010, a total of 20 additional holes for 7,667 meters have been drilled, which have significantly expanded the total footprint of mineralization and provided a much higher degree of confidence in the geological model.

Under the terms of an Option and Joint Venture Agreement that was formally signed on February 1, 2013, Dowa has the option to earn a 49% interest in the Palmer project by making aggregate expenditures of US$22,000,000 over a four year period. Expenditures for each year shall not be less than US$3,000,000, with Dowa funding a minimum of US$3,000,000 in year one as a firm commitment. Included in the aggregate expenditure are cash payments to Constantine totaling US$1,250,000 over four years, of which US$750,000 has been received to date. Constantine is the operator of the project and receives a management fee for work programs during the earn-in period.

An initial finder's fee of $120,000 was paid in connection with the Agreement transaction, of which $10,000 was paid in cash and the balance in shares of the Company by the issuance of 1,466,666 common shares on March 19, 2013. Additional finder's fees will be payable over the term of the Agreement, based on a percentage of expenditures made by Dowa, up to an aggregate cap of $250,000 in finder's fees (inclusive of the $120,000 already paid).

## Gold Projects

Constantine controls a 100% interest in the Munro Croesus and Golden Mile 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 (under option to Teck) 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 multi-million ounce Hoyle Pond Gold Mine. In August 2013, Constantine sold its interest in the Trapper gold project in northern British Columbia for certain NSR interests and shares of Dunnedin, following a 10:1 share consolidation of Ocean Park. The Company also has a 50% interest in 4,017 mineral claims in Yukon, in a 50/50 joint venture with Carlin Gold Corporation, a company focused on exploration of Carlin-style gold deposits.

*Golden Mile Property (Ontario)*

A Teck-funded 1000 meter drill program was completed in early March 2014 on the Golden Mile project. The Company's principal, 100% owned Munro Croesus gold project was in-active during the quarter. The project has several well defined drilling targets. Readers are referred to the Company's October 31, 2012 MD&A for more details on the Munro Croesus project.

In January 2014, the Company signed an Exploration Agreement ("EA") with the Matachewan and Wahgoshig First Nations. The Golden Mile property is within the shared traditional territory of the Wahgoshig and Matachewan First Nations. The primary purpose of the EA is to establish the foundation for ongoing communication between the Company and the Matachewan and Wahgoshig communities during the exploration process while respecting their culture, heritage and traditional territories. The EA also promotes training and employment for First Nation people and business opportunities for First Nation companies and partnerships.

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 Inc.'s multimillion ounce Hoyle Pond deposit and is comparable in area to the West Timmins and Main Camp holdings of the major gold production companies operating in the Timmins Gold Camp.

Pursuant to an existing farm-in agreement with the Company, in July, 2012 Teck elected to take up an 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 can 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. During the earn-in period, Teck also assumes all property cash payment obligations related to the underlying option agreement.

To acquire a 100% interest in the property, the underlying agreement on the Golden mile property requires Constantine to make payments totaling $175,000 ($55,000 paid) and 180,000 shares (108,000 issued) over a 4 year period commencing on December 10, 2012. During the currency of its farm-In agreement with the Company, Teck will reimburse Constantine for the cash portion of any such property payments. The Golden mile property 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.

Management Discussion and Analysis
For the three months ended January 31, 2014
(Expressed in Canadian dollars)

## Results of Operations

*Exploration and Evaluation Property Expenditures*

In the three months ended January 31, 2014 the Company incurred aggregate expenditures of $241,073 on exploration and evaluation properties, before $516,856 in cost recoveries, management fees and options payments.

The Company incurred expenditures of $173,525 on the Palmer project in the three months ended January 31, 2014 and received a total of $454,740 in recoveries and payments from Dowa.

In the three months ended January 31, 2014, expenditures of $65,737 were incurred on the Golden Mile property, of which $61,116 was recovered from Teck under the terms of Teck's option agreement on the project. These expenditures included a $20,000 option payment with respect to the underlying agreement on the property, and the issuance of 36,000 shares of the Company.

During the three months ended January 31, 2014, the Company wrote off its interest in the Phoenix Lake property in Ontario and recorded a charge of $457,256 on its statement of loss at the end of the quarter.

*Operating Costs*

The Company recorded cash operating expenses of $112,182 for the three months ended January 31, 2014 compared to cash operating costs of $157,534 for the same period last year. General and administrative costs for the three months ended January 31, 2014 (2013-$50,413) consisted of:

| General and Administrative expenses | | Amount |
|---|---|---|
| Conferences, trade shows and advertising | $ | 921 |
| Accounting and administration | | 18,000 |
| Office expenses | | 13,122 |
| Transfer agent, listing and filing fees | | 3,502 |
| Other | | 2,466 |
| Total | $ | 38,011 |

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

| For Quarter Ended | Total Assets | Income (Loss) | Income (Loss) per share |
|---|---|---|---|
| January 31, 2014 | $ 15,383,934 | $ (674,585) | $ (0.01) |
| October 31, 2013 | 15,863,681 | (946,943) | (0.01) |
| July 31, 2013 | 17,517,671 | (91,302) | (0.00) |
| April 30, 2013 | 16,953,916 | (166,742) | (0.00) |
| January 31, 2013 | 17,470,060 | (160,885) | (0.00) |
| October 31, 2012 | 17,131,587 | (135,191) | (0.00) |
| July 31, 2012 | 17,259,040 | (179,429) | (0.00) |
| April 30, 2012 | 16,921,880 | (308,657) | (0.00) |

## Financial Condition, 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, option and joint venture agreements that provide cash payments and management fees, and monetization of assets. In the three months ended January 31, 2014, the Company received an aggregate of $288,622 in option payments and management and project fees from operating two exploration projects.

The Company's cash position at January 31, 2014 was $442,135 (October 31, 2013-$181,557) and its working capital at January 31, 2014 was $442,966 (October 31, 2013: $173,172). The Company's cash position as of the date of this report is approximately $500,000, including approximately $30,000 of unspent cash from option/joint venture partners.

As at January 31, 2014, the Company has a $60,239 liability for deferred recovery of exploration costs in regard to unspent cash calls from Dowa.

The Company is dependent on equity capital to fund exploration and development of exploration properties and its on-going operations. Constantine currently has option/joint venture agreements in place which are funding two of its major projects in 2014, however additional working capital will be required in order to finance further exploration work on its other properties.

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.

Management Discussion and Analysis
For the three months ended January 31, 2014
(Expressed in Canadian dollars)

## Related Party Transactions

Certain directors and officers of the Company provided specific services to the Company during the three months ended January 31, 2014 as follows:

| For the three months ended January 31, | | 2014 | | 2013 |
|---|---|---|---|---|
| Administrative and technical fees paid or accrued to companies owned by directors | **$** | **3,000** | $ | 3,000 |
| Consulting fees paid to officers | | **28,348** | | 28,348 |
| Accounting and administration fees paid or accrued to a company 50% owned by an officer | | **18,000** | | 18,000 |
| Share-based payments to key management | | **-** | | - |
| | **$** | **49,348** | $ | 49,348 |

As at January 31, 2014, the unpaid portion of amounts due to key management is $29,719 (2013-$37,110).

The Company has certain amounts due to Carlin Gold Corporation ("Carlin"), a company related by common directors and officers. As at January 31, 2014, the Company has an amount of $29,232 (2013–$18,707) due to Carlin for the Company's portion of exploration property expenditures relating to the Yukon joint venture, and another account payable of $4,106 (2013-$4,106) due to Carlin.

## 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.

## Summary of Outstanding Shares Data

On January 31, 2014 had Company had 116,044,665 shares outstanding. The Company issued 185,000 in March 2014, pursuant to an Exploration Agreement signed with certain First Nations groups in January 2014. As of the date of this report, the Company has 116,229,665 shares outstanding.

On January 17, 2014, an additional 5,400,000 stock options at a price of $0.07 and exercisable for five years were issued to directors, officers and employees.

The following warrants and stock options were outstanding at January 31, 2014:

| | | Price per Share | Expiry Date |
|---|---|---|---|
| Warrants | 2,100,000 | $0.16 | May 25, 2014 |
| Stock options | 1,700,000 | $0.235 | October 27, 2014 |
| Stock options | 1,925,000 | $0.11 | March 5, 2017 |
| Stock options | 5,400,000 | $0.07 | January 17, 2019 |
| | 11,125,000 | | |

## 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.

*Financial*

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 January 31, 2014, the Company has incurred losses since inception and has an accumulated operating deficit of $6,698,343. 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.

*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, Idaho and of the United States of America (Palmer Project Project) and the environmental laws and regulations of Canada and the province of Ontario (Munro-Croesus, Golden Mile and Phoenix Gold Projects), British Columbia (Trapper Gold property) and Yukon (Constantine-Carlin JV). 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.

The Munro Croesus project includes the very small past producing Munro Croesus Gold Mine that mined approximately 5000 tons of ore. We have assumed the environmental liability at the Croesus minesite on our Munro Croesus property. To date we have not incurred any material expenses, however it does remain an uncertain liability. The Ontario government requires a closure plan if the claims are abandoned or become inactive and the closure plan will require some water sampling and site 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 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.

*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 January 31, 2014, the Company had a cash balance of $442,135 to settle current liabilities of $148,032.

All other 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 January 31, 2014. 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.

This MD&A includes, but is not limited to, forward-looking statements regarding: the Company's plans for upcoming exploration work on the Company's exploration properties in Alaska and the province of Ontario, and the Company's ability to meet its working capital needs for the rest of this calendar year.

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, P. Geo., 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.