



Condensed Consolidated Interim Financial Statements of

CONSTANTINE METAL RESOURCES LTD.

(Expressed in Canadian Dollars)

For the three and six months ended April 30, 2016 and 2015



Notice to Reader:

These condensed consolidated interim financial statements of Constantine Metal Resources Ltd. (the "Company") 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

As at April 30, 2016 and October 31, 2015

(Expressed in Canadian dollars)

	April 30 2016	October 31 2015
Assets		
Current assets:		
Cash	\$ 466,356	\$ 396,069
Amounts receivable	15,667	39,965
Exploration costs recoverable from joint venture partner (Note 5a)	-	238,334
Available-for-sale investments (Note 4)	54,379	31,074
Advances and prepaid expenses	17,527	21,030
	553,929	726,472
Deposits	13,167	19,887
Exploration and evaluation properties (Note 5)	13,083,302	13,176,501
Performance bonds	31,370	32,688
Equipment	1,484	2,968
	\$ 13,683,252	\$ 13,958,516
Liabilities		
Current liabilities:		
Trade payables and accrued liabilities	\$ 49,132	\$ 282,643
Deferred recovery of exploration costs (Note 5a)	172,340	-
Amounts due to related parties (Note 7)	-	3,199
	221,472	285,842
Equity		
Share capital (Note 6)	20,329,615	20,326,015
Stock options reserve (Note 6b)	1,563,690	1,535,432
Warrants reserve	432,941	432,941
Available-for-sale investments reserve (Note 4)	(72,648)	(95,953)
Deficit	(8,791,818)	(8,525,761)
	13,461,780	13,672,674
	\$ 13,683,252	\$ 13,958,516

Nature of Operations and Going Concern (Note 1)

Commitments (Note 11)

Event Subsequent to the end of the Reporting Period (Note 12)

On Behalf of the Board of Directors:

"J. Garfield MacVeigh"

Director

"G. Ross McDonald"

Director

See accompanying notes to condensed consolidated financial statements.



Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the three and six months ended April 30, 2016 and 2015

(Expressed in Canadian dollars)

	for the three months ended		for the six months ended	
	April 30		April 30	
	2016	2015	2016	2015
Expenses:				
Amortization	\$ 742	\$ 1,365	\$ 1,484	\$ 3,977
Consulting	25,038	4,713	56,338	9,588
General and administrative	41,463	60,951	74,215	101,813
Insurance	6,404	9,690	12,364	19,004
Legal	-	925	2,000	776
Professional fees – audit	4,500	6,500	9,000	11,000
Salaries, wages and benefits	32,199	38,497	54,178	82,953
Rent (net)	12,802	16,517	30,857	34,819
Share-based payments (Note 6b)	9,086	109,027	28,258	126,258
Shareholder communications	1,480	560	1,480	2,398
Travel	-	1,098	-	1,236
Loss from operations	(133,714)	(249,843)	(270,174)	(393,822)
Other Items:				
Gain on foreign exchange	(23,632)	(9,314)	4,117	86,932
Write-off of exploration and evaluation properties (Note 5c)	-	(858,218)	-	(858,218)
Net loss for the period	\$ (157,346)	\$ (1,117,375)	(266,057)	(1,165,108)
Other comprehensive income				
Change in available-for-sale investments (Note 4)	15,536	(62,147)	23,305	(38,842)
Comprehensive loss for the period	\$ (141,810)	\$ (1,179,522)	(242,752)	\$ (1,203,950)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	(0.00)	\$ (0.01)
Weighted average number of common shares outstanding	116,892,814	116,485,779	116,892,814	116,485,779

See accompanying notes to condensed consolidated financial statements.



Condensed Consolidated Interim Statements of Cash Flows

For the six months ended April 30, 2016 and 2015

(Expressed in Canadian dollars)

	2016	2015
Cash provided by (used in):		
Operations:		
Net loss for the period	\$ (266,057)	\$ (1,165,108)
Items not affecting cash:		
Amortization	1,484	3,975
Share-based payments (Note 6b)	28,258	126,258
Write-off of exploration and evaluation properties (Note 5c)	-	858,218
Changes in non-cash working capital accounts:		
Amounts receivable	24,298	(2,415)
Deposits	6,720	-
Amount due to joint venture partner	-	898
Trade payables and accrued liabilities	(7,885)	6,574
Deferred recovery of exploration costs	172,340	21,618
Exploration costs recoverable from partner (Note 5a)	238,334	-
Reclamation bonds	1,318	(1,982)
Amounts due to related parties (Note 7)	(3,199)	(3,966)
Advances and prepaid expenses	3,503	18,576
	199,114	(137,354)
Investing activities:		
Exploration and evaluation properties (Note 5)	(1,581,203)	(967,575)
Recovery of exploration and evaluation property expenditures (Note 5a)	1,452,376	1,048,661
	(128,827)	81,086
Increase (decrease) in cash	70,287	(56,269)
Cash, beginning of year	396,069	587,481
Cash, end of period	\$ 466,356	\$ 531,212
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Accounts payable related to exploration and evaluation properties	\$ 40,033	\$ (24,655)
Value of shares issued for mineral properties (Note 6a)	3,600	75,787

See accompanying notes to condensed consolidated financial statements.



Condensed Consolidated Interim Statements of Changes in Equity

For the periods ended April 30, 2016 and October 31, 2015

(Expressed in Canadian dollars)

	Share Capital		Reserves				Total Equity
	Number of Shares	Capital Stock	Stock Options	Warrants	Available-for-Sale Investments	Deficit	
Balance, October 31, 2014	116,304,665	\$ 20,250,228	\$1,409,174	\$432,941	\$ (26,037)	\$ (7,111,120)	\$ 14,955,186
Net loss for the period	-	-	-	-	-	(1,165,108)	(1,165,108)
Unrealized gain (loss) on available-for-sale investments (Note 4)	-	-	-	-	(38,842)	-	(38,842)
Share-based payments	-	-	126,258	-	-	-	126,258
Shares issued for exploration and evaluation properties (Note 6a)	541,336	75,787	-	-	-	-	75,787
Balance, April 30, 2015	116,846,001	\$ 20,326,015	\$1,535,432	\$432,941	\$ (64,879)	\$ (8,276,228)	\$ 13,953,281
Net loss for the period	-	-	-	-	-	(249,533)	(249,533)
Unrealized gain (loss) on available-for-sale investments (Note 4)	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	(31,074)	-	(31,074)
Balance, October 31, 2015	116,846,001	\$ 20,326,015	\$1,535,432	\$432,941	\$ (95,953)	\$ (8,525,761)	\$ 13,672,674
Net loss for the period	-	-	-	-	-	(266,057)	(266,057)
Unrealized gain (loss) on available-for-sale investments (Note 4)	-	-	-	-	23,305	-	23,305
Share-based payments (Note 6b)	-	-	28,258	-	-	-	28,258
Shares issued for exploration and evaluation properties (Note 6a)	60,000	3,600	-	-	-	-	3,600
Balance, April 30, 2016	116,906,001	\$ 20,329,615	\$1,563,690	\$432,941	\$ (72,648)	\$ (8,791,818)	\$ 13,461,780

See accompanying notes to condensed consolidated financial statements.



Notes to Condensed Consolidated Interim Financial Statements
For the three and six months ended April 30, 2016 and 2015

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 exploration management fees, property option fees and sale of available-for-sale investments, is dependent upon equity financing to maintain current operations and to ultimately develop a mineral property interest or interests which can be profitably sold or further developed and placed into successful commercial production.

The Company has not generated any revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. As at April 30, 2016, the Company has incurred losses since inception and has an accumulated operating deficit of \$8,791,818. 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") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2015, which have been prepared in accordance with IFRS issued by the 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 condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the October 31, 2015 annual financial report.



Notes to Condensed Consolidated Interim Financial Statements
For the three and six months ended April 30, 2016 and 2015

b) Approval of Consolidated Financial Statements

These condensed consolidated financial statements of the Company for the three and six months ended April 30, 2016 and 2015 were approved and authorized for issue by the Board of Directors on June 23, 2016.

These condensed consolidated 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.

3. Significant Accounting Policies

a) Judgments and estimates

The preparation of these condensed 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.

4. Available-for-Sale Investments

The following table is a summary of the Company's available-for-sale investments as at April 30, 2016 and October 31, 2015:

	April 30, 2016			October 31, 2015		
	Number of Shares	Cost	Fair Value	Number of Shares	Cost	Fair Value
Dunnedin Ventures Inc.	776,844	\$ 91,527	\$ 54,379	776,844	\$ 91,527	\$ 31,074

For the six months ended April 30, 2016, the Company recorded an unrealized gain of \$23,305 (2015-\$23,305 gain) on its available-for-sale investments. As at April 30, 2016, the balance of the Company's available-for-sale investment reserve is \$(72,648) (October 31, 2015-(\$95,953)).



Notes to Condensed Consolidated Interim Financial Statements
For the three and six months ended April 30, 2016 and 2015

5. Exploration and Evaluation Properties

The following tables are a summary of the Company's exploration and evaluation property interests:

	Balance October 31 2014	Fiscal 2015 Expenditures	Balance October 31 2015	Fiscal 2016 Expenditures	Balance April 30 2016
Palmer Property, Alaska, USA					
Acquisition costs	\$ 878,712	\$ -	\$ 878,712	\$ -	\$ 878,712
Less: Recovery of acquisition costs	(656,841)	(213,589)	(870,430)	(306,857)	(1,177,287)
Advance royalty payments	383,474	52,952	436,426	28,677	465,103
Assaying and testing	325,080	59,286	384,366	8,311	392,677
Field transportation	4,150,860	812,870	4,963,730	-	4,963,730
Geophysics	512,764	237,573	750,337	17,308	767,645
Drilling	8,959,855	3,338,002	12,297,857	2,959	12,300,816
Property maintenance	522,565	88,569	611,134	25,998	637,132
Geology and field support	3,596,518	1,555,167	5,151,685	730,015	5,881,700
Environmental	331,198	415,013	746,211	333,169	1,079,380
Technical consulting	1,160,974	-	1,160,974	-	1,160,974
Travel	265,202	126,006	391,208	37,129	428,337
Cost recoveries	(10,033,923)	(6,992,040)	(17,025,963)	(1,027,807)	(18,053,770)
	10,396,438	(520,191)	9,876,247	(151,098)	9,725,149
Haines Block					
Acquisition costs	\$ 32,893	\$ 63,114	\$ 96,007	\$ (6,303)	\$ 89,704
Field transportation	-	161,139	161,139	-	161,139
Geophysics	-	34,356	34,356	-	34,356
Drilling	-	240,136	240,136	-	240,136
Geology and field support	-	92,738	92,738	16,272	109,010
Environmental	-	22,986	22,986	-	22,986
Travel	-	5,781	5,781	-	5,781
Cost recoveries	-	(565,148)	(565,148)	(937)	(566,085)
	\$ 32,893	\$ 55,102	\$ 87,995	\$ 9,032	\$ 97,027
Total Alaska Properties	\$ 10,429,331	\$ (465,089)	\$ 9,964,242	\$ (142,066)	\$ 9,822,176

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Notes to Condensed Consolidated Interim Financial Statements
For the three and six months ended April 30, 2016 and 2015

5. Exploration and Evaluation Properties (continued)

	Balance October 31 2014	Fiscal 2015 Expenditures	Balance October 31 2015	Fiscal 2016 Expenditures	Balance April 30 2016
Ontario Properties:					
Munro-Croesus Property, ON, Canada					
Acquisition costs	483,545	1,627	485,172	1,047	486,219
Assaying and testing	107,655	-	107,655	-	107,655
Drilling	1,127,740	-	1,127,740	-	1,127,740
Field transportation	23,394	284	23,678	-	23,678
Geophysics	149,446	-	149,446	-	149,446
Travel	66,838	288	67,126	1,946	69,072
Geology and field support	182,270	1,660	183,930	6,273	190,203
Technical consulting	340,262	-	340,262	-	340,262
	2,481,150	3,859	2,485,009	9,266	2,494,275
Four Corners Property, ON, Canada					
Acquisition costs	119,681	5,000	124,681	5,000	129,681
Assaying and testing	23,367	1,353	24,720	70	24,790
Drilling	243,471	-	243,471	-	243,471
Geophysics	56,893	-	56,893	-	56,893
Field Transportation	946	-	946	-	946
Travel	7,485	573	8,058	-	8,058
Technical consulting	81,673	-	81,673	-	81,673
Geology and field support	33,107	6,215	39,322	-	39,322
	566,623	13,141	579,764	5,070	584,834
Golden Mile Property, ON, Canada					
Acquisition costs	68,054	48,720	116,774	31,600	148,374
Assaying and testing	40,829	-	40,829	-	40,829
Drilling	396,613	-	396,613	-	396,613
Field transportation	22,514	-	22,514	-	22,514
Geophysics	160,669	-	160,669	-	160,669
Geology and field support	508,784	10,232	519,016	2,366	521,382
Technical consulting	90,970	-	90,970	-	90,970
Travel	30,568	-	30,568	565	31,133
Cost recoveries	(1,233,522)	3,054	(1,230,468)	-	(1,230,468)
	85,479	62,006	147,485	34,531	182,016
Sub-total of Ontario Properties	\$ 3,133,252	\$ 79,006	\$ 3,212,258	\$ 48,867	\$ 3,261,125

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Notes to Condensed Consolidated Interim Financial Statements
For the three and six months ended April 30, 2016 and 2015

5. Exploration and Evaluation Properties (continued)

	Balance October 31 2014	Fiscal 2015 Expenditures	Balance October 31 2015	Fiscal 2016 Expenditures	Balance April 30 2016
Ontario Properties (Balance forward)	\$ 3,133,252	\$ 79,006	\$ 3,212,258	\$ 48,867	\$ 3,261,125
Yukon, Canada					
Acquisition costs	52,401	-	52,401	-	52,401
Assaying and testing	197,379	-	197,379	-	197,379
Field transportation	476,911	-	476,911	-	476,911
Geology	184,753	-	184,753	-	184,753
Geochemistry	290,093	-	290,093	-	290,093
Technical consulting	61,608	-	61,608	-	61,608
Other	572,595	899	573,494	-	573,494
Cost recoveries	(25,000)	-	(25,000)	-	(25,000)
Writedown of exploration and evaluation properties	(953,420)	(858,218)	(1,811,638)	-	(1,811,638)
	857,320	(857,319)	1	-	1
Total Other Properties	\$ 857,320	\$ (857,319)	\$ 3,212,259	\$ 48,867	\$ 3,261,126
Total Alaska and Other Properties	\$ 11,286,651	\$ (1,322,408)	\$ 13,176,501	\$ (93,199)	\$ 13,083,302

a) Palmer Project, 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 annual maintenance fees, which were US\$52,700 in 2015.

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.

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

On February 1, 2013, the Company signed an option and joint venture agreement (the "Property Agreement") with Dowa relating to the Palmer Property, Alaska (the "Project").

Under the terms of the Property 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. Included in the aggregate expenditures are cash payments to the Company totaling US\$1,250,000 (received). The Company is the operator during the earn-in period.



Notes to Condensed Consolidated Interim Financial Statements
For the three and six months ended April 30, 2016 and 2015

5. Exploration and Evaluation Properties (continued)

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 Property 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 Property 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.

From inception of the Property Agreement to April 30, 2016, the Company received an aggregate of US\$16,946,769 from Dowa in respect of aggregate exploration expenditures. At the end of the comparative year (October 31, 2015), the Company had \$238,334 in recoverable exploration expenditures from Dowa, which were received in November 2015.

Haines Block Lease

In September 2014, the Company signed a formal lease agreement with the Alaska Mental Health Trust Authority (the "Trust") for the mineral exploration and development of an approximately 92,000 acre package of land (the "Haines Block"). The principal terms of the lease agreement are as follows:

1. Annual payments of US\$25,000 per year for the initial 3 year lease term, US\$40,000 for years 4 to 6, US\$55,000 for years 7 through 9;
2. Work commitments of US\$75,000 per year, escalating by US\$50,000 annually;
3. Annual payments are replaced by royalty payments upon achieving commercial production;
4. Production royalties payable to the Trust include a sliding scale 1% to 4.5% royalty for gold, based on gold price, and a 3.5% royalty on minerals other than gold.

The Haines Block is contiguous with and surrounds the Federal and State mining claims that make up the Palmer Property.

Haines Block Selection Agreement

In July 2015, the Company signed a Selection Agreement (the "Selection Agreement") with Dowa on the Haines Block mining lease. Under the terms of the Selection Agreement, Dowa selected a small subset of the Haines Block (the "Selection Area") including both surface and mineral rights, to become part of the Agreement. The remaining mineral rights of the Haines Block, representing approximately 96 percent of the total Haines Block land package, are 100 percent Constantine-owned, subject to a Right of First Offer ("ROFO") by Dowa that expires on September 1, 2017.



Notes to Condensed Consolidated Interim Financial Statements
For the three and six months ended April 30, 2016 and 2015

5. Exploration and Evaluation Properties (continued)

The main elements of the Selection Agreement are as follows:

1. Dowa has selected a Haines Block land parcel with surface and mineral rights comprising approximately 3483 acres, exclusive of all pre-existing federal claims, to be included as part of the Palmer Property and therefore subject to Dowa's option to earn a 49% joint venture interest.
2. Constantine will maintain its 100% interest in the balance of the property of the Haines Block exclusive of the Selection Area and any exploration done in such area outside of the Selection Area will be at Constantine's expense.
3. Dowa and Constantine will share the annual rental requirements of the Lease of US\$25,000 for the first 3 year lease term, in a proportion of 49:51, which are amounts of US\$12,250 and US\$12,750, respectively, until a Joint Venture ("JV") is formed.
4. Dowa will meet the minimum exploration requirements of the Lease during the Option period and until such time as a JV is formed. These minimum requirements are payments of US\$75,000 by September 1, 2015 (paid), escalating by US\$50,000 annually thereafter and these expenditures will be deemed to be earn-in expenditures paid by Dowa.
5. Constantine has granted Dowa a ROFO on Haines Block lands located outside of the Selection Area for a 3 year period beginning as of September 1, 2014, and terminating on September 1, 2017.

b) Ontario Properties

i) Munro-Croesus Property

The Company owns 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.

Under the terms of the original acquisition agreement, there is a 2% NSR production royalty payable on the property, 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% NSR 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, in order to maintain the option 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. As at April 30, 2016, a total of \$105,000 has been paid and 180,000 shares have been issued.

iii) Four Corners Property

The Company owns a 100% interest in the 63 claim Four Corners property located east of Timmins, Ontario. Under the terms of the original acquisition agreement, the vendors retained 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.



Notes to Condensed Consolidated Interim Financial Statements
For the three and six months ended April 30, 2016 and 2015

5. Exploration and Evaluation Properties (continued)

c) Yukon Land Position and Joint Venture

The Company and Carlin Gold Corporation (“Carlin Gold”) control over 3,000 claims in the Mayo and Watson Lake Mining Districts, Yukon. The claims are distributed in twelve blocks that total approximately 65,000 hectares (250 square miles).

In April 2015, subsequent to an impairment review completed in accordance with IFRS, the Company recorded a \$858,218 writedown of the property to a carrying value of \$1.

6. Share Capital

a) Common Shares

Authorized: unlimited common shares without par value

Issued and outstanding: 116,906,001 common shares

- i) On December 10, 2015, the Company issued 60,000 shares valued at \$3,600 related to the Golden Mile property (Note 5b(ii)).
- ii) On March 6, 2015, the Company issued 493,336 shares valued at \$69,067, as part of a success fee payment in regard to the option and joint venture agreement on the Palmer property (Note 5a).
- iii) On December 10, 2014, the Company issued 48,000 shares valued at \$6,720 related to the Golden Mile property (Note 5b(ii)).

b) Stock Options

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

On March 6, 2015, the Company issued 1,400,000 incentive share options to management and employees, exercisable at a price of \$0.14, expiring March 6, 2020. The stock options were issued to directors, officers and employees of the Company.



Notes to Condensed Consolidated Interim Financial Statements
For the three and six months ended April 30, 2016 and 2015

6. Share Capital (continued)

b) Stock Options (continued)

A summary of the status of the Company's stock options at April 30, 2016 and October 31, 2015 and changes during the periods therein is as follows:

	Period ended April 30, 2016		Year ended October 31, 2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	8,675,000	\$ 0.09	7,325,000	\$ 0.08
Granted	-	-	1,400,000	0.14
Expired or cancelled	-	-	(50,000)	0.11
Balance, end of period	8,675,000	\$ 0.09	8,675,000	\$ 0.09

The fair value cost of the stock options granted during the year ended October 31, 2015 was calculated using the Black-Scholes Pricing Model using the following range of assumptions:

	October 31, 2015
Risk-free interest rate	0.59%
Expected life (in days)	1,825
Annualized volatility	82.51%
Dividend rate	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 \$28,258 was charged to share-based payments expense for the six months ended April 30, 2016 (2015-\$17,231).

A summary of the Company's stock options outstanding as at April 30, 2016 is as follows:

Expiry Date	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Exercisable
March 5, 2017	0.11	1,875,000	0.18	1,875,000
January 17, 2019	0.07	5,400,000	1.69	4,900,000
March 6, 2020	0.14	1,400,000	0.62	1,300,000
	\$ 0.09	8,675,000	2.50	8,075,000



Notes to Condensed Consolidated Interim Financial Statements
For the three and six months ended April 30, 2016 and 2015

6. Share Capital (continued)

b) Stock Options (continued)

Of the 1,400,000 options issued on March 9, 2015, an amount of 1,200,000 were vested immediately and 200,000 options are subject to a vesting agreement, whereby 100,000 options will be vested on each of the first and second anniversaries of the option.

A summary of the Company's stock options outstanding as at October 31, 2015 is as follows:

Expiry Date	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Exercisable
March 5, 2017	0.11	1,875,000	0.29	1,875,000
January 17, 2019	0.07	5,400,000	2.00	4,400,000
March 6, 2020	0.14	1,400,000	0.70	1,200,000
	\$ 0.09	8,675,000	3.00	7,475,000

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 400,000 options were vested on the first anniversary date of the issuance of the options, and 500,000 options were vested on the second anniversary and 500,000 options will be vested on the third anniversary of the option.

7. Related Party Transactions

The following represents the details of related party transactions paid or accrued for the three months ended April 30, 2016 and 2015:

For the six months ended April 30,	2016	2015
Consulting, administrative and technical fees paid or accrued to companies owned by directors	\$ 15,614	\$ 6,000
Consulting fees paid to officers	87,913	84,988
Accounting and administration fees paid or accrued to a company 50% owned by an officer	36,000	36,000
Share-based payments to key management	19,172	71,745
	\$ 158,698	\$ 198,733

The Company paid NS Star Enterprises Ltd., a company controlled by a director, \$15,614 for management and administration services during the period ended April 30, 2016 (2015-\$6,000). The Company paid Morfopoulos Consulting Associates Ltd., a company controlled by the CFO, \$36,000 for accounting, and management and administration services during the period ended April 30, 2016 (2015-\$36,000). The Company paid D. Green Geoscience Inc., a company controlled by the vice-president of exploration, \$87,913 for technical consulting and management and administration services during the period ended April 30, 2016 (2015-\$84,988).



Notes to Condensed Consolidated Interim Financial Statements
For the three and six months ended April 30, 2016 and 2015

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 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.



Notes to Condensed Consolidated Interim Financial Statements
For the three and six months ended April 30, 2016 and 2015

9. Financial Instruments (continued)

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.

Exchange Risk

As at April 30, 2016, 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 April 30, 2016 and October 31, 2015 is as follows:

As at	April 30, 2016	October 31, 2015
Financial Assets		
<i>FVTPL, measured at fair value</i>		
Cash	\$ 466,356	\$ 396,069
<i>Loans and receivables, measured at amortized cost</i>		
Amounts receivable	15,667	39,965
Exploration costs recoverable from joint venture partner	-	283,334
<i>Available-for-sale, measured at fair value</i>		
Available-for-sale investments	54,379	31,074
Financial Liabilities		
<i>Other liabilities, measured at amortized cost</i>		
Trade payables and accrued liabilities	\$ 49,132	\$ 282,643
Amounts due to related parties	-	3,199

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

As at	April 30, 2016	October 31, 2015
	Level 1	Level 1
Cash	\$ 466,356	\$ 396,069
Available-for-sale investments	54,379	31,074

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



Notes to Condensed Consolidated Interim Financial Statements
For the three and six months ended April 30, 2016 and 2015

10. Segmented Information

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

At April 30, 2016, the Company operates in two geographic areas, being Canada and the United States. The following is a breakdown of the non-current assets by geographical area:

	Canada	United States	Total
Non-Current Assets			
Deposits			
As at April 30, 2016	\$ 13,167	\$ -	\$ 13,167
As at October 31, 2015	19,887	-	19,887
Exploration and Evaluation Properties			
As at April 30, 2016	3,261,126	9,822,176	13,083,302
As at October 31, 2015	3,212,259	9,964,242	13,176,501
Performance Bonds			
As at April 30, 2016	-	31,370	31,370
As at October 31, 2015	-	26,178	26,178
Equipment			
As at April 30, 2016	1,484	-	1,484
As at October 31, 2015	2,968	-	2,968

11. Commitments

The Company has a lease agreement for the rental of office space, which expires on May 31, 2021.

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

	Amount
2016 fiscal year	\$ 20,491
2017 fiscal year	39,660
2018 fiscal year	40,486
2019 fiscal year	42,469
2020 fiscal year	43,626
2021 fiscal year	25,449
	\$ 212,181

The Company currently rents out a portion of its office space on a month-to-month basis for \$1,000 per month.

12. Event Subsequent to the end of the Reporting Period

On May 9, 2016, the Company issued 437,083 shares valued at \$30,624, as part of the final success fee payment paid in regard to the option and joint venture agreement on the Palmer property.



Management's Discussion and Analysis
For the three and six months ended April 30, 2016
(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 six months ended April 30, 2016 and 2015, the audited consolidated financial statements of the Company, including the notes thereto, for the years ended October 31, 2015 and 2014, 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 October 31, 2015 and 2014 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has taken into account information available up to and including June 23, 2016.

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 in the Timmins gold camp 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 option earn-in agreements, from fees for management of option-joint venture exploration projects and from sale of available-for-sale investments. 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

- **2016 Palmer Project Exploration Program and Budget Announced** – The Company plans a US\$3.7 million exploration program for the Palmer Project (the "Project"), which includes a summer exploration program of drill testing certain exploration targets and road building (pending receipt of permits).
- **Joint Venture Partner Intends to Exercise Right to Acquire 49% of Palmer Project** – Dowa Metals & Mining Co., Ltd. ("Dowa") is in the fourth year of an Option and Joint Venture agreement with the Company, in which it can earn a 49% interest in the Project by making aggregate expenditures of US\$22 million over four years. As of April 30, 2016, Dowa has spent approximately US\$16.9 million in the Project. Dowa has indicated that it intends to exercise its right to earn a 49% interest by December 31, 2016.



Management's Discussion and Analysis
For the three and six months ended April 30, 2016
(Expressed in Canadian dollars)

- **Environmental Studies and Engineering** – Over \$1,000,000 has been spent to date on environmental and engineering studies to support permitting. These studies are on-going and include surface and groundwater hydrology, geotechnical, water quality, wildlife and plant surveys, rock quality characterization, meteorology, natural hazard assessment, and terrain and surficial geology analysis.

Base Metal Projects

Palmer Project (southeast Alaska, USA)

Palmer is a resource expansion stage, high-grade volcanogenic massive sulphide (VMS) project, with an Inferred Mineral Resource of 8.1 million tonnes grading 1.41% copper, 5.25% zinc, 0.32 g/t gold and 31.7 g/t silver*. The Project is being advanced in partnership with Dowa Metals & Mining Co., Ltd. who can earn 49% in the project by making aggregate expenditures of US\$22 million over four years. The Palmer project is 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. Mineralization at Palmer occurs within the same belt of rocks that is host to the Greens Creek mine, one of the world's richest VMS deposits. There are at least 25 separate base metal and/or barite occurrences and prospects on the Palmer property, indicating the potential for discovery of multiple deposits beyond the RW-South Wall deposit area.

** See the Company's news release date May 11, 2015 and the company's technical report entitled "NI 43-101 Technical Report and Updated Resource Estimate Palmer Exploration Project" dated June 24, 2015 available on www.sedar.com. Resource estimate utilizes an NSR cut-off of US\$75/t with assumed metal prices of US\$1200/oz for gold, US\$18/oz for silver, US\$2.75/lb for copper, and US\$1.00/lb for zinc. Estimated metal recoveries are 89.6% for copper, 84.9% for zinc, 75% for gold (61.5% to the Cu concentrate and 13.5% to the Zn concentrate) and 89.7% for silver (73.7% to the Cu concentrate and 16% to the Zn concentrate) as determined from metallurgical locked cycle flotation tests. An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.*

The Company holds a 99 year mining lease dated December 19, 1997 on 340 mining claims that comprise the original Palmer property. 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 \$52,700 in 2015. 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.

In September 2014, a formal agreement was signed between the Alaska Mental Health Trust Authority, a state corporation within Alaska (the "Trust") and the Company for an upland mining lease on the approximately 92,000 acre Haines Block land package surrounding the Palmer property. Constantine acquired the Haines Block for mineral exploration and development in a competitive lease process offered by the Trust. The Haines Block is contiguous with and surrounds the Federal and State mining claims that make up the approximately 16,000 acre Palmer property. The Trust owns the subsurface mineral estate of the Haines Block and a small subset of the block is held fee simple, for which the Trust owns both the surface and subsurface estate. General lease terms include annual rental of US \$25,000 per year for the initial 3 year lease term, US \$40,000 for years 4 to 6, US \$55,000 for years 7 through 9, with work commitments of US\$75,000 per year, escalating by US\$50,000 annually. There is a mandatory acreage reduction of 25,000 acres at the end of the first and second 3 year lease terms. The lease can be



Management's Discussion and Analysis
For the three and six months ended April 30, 2016
(Expressed in Canadian dollars)

extended beyond year 9 by making annual rental payments and continuing to diligently pursue exploration and development on the lease. Annual payments are replaced by royalty payments upon achieving commercial production. Production royalties payable to the Trust include a sliding scale 1% to 4.5% royalty for gold based on gold price, and a 3.5% royalty on minerals other than gold. The Alaska State production royalty levied on State lands does not apply to production on Trust lands.

Dowa exercised the right under the Constantine-Dowa Option-JV Agreement (see Selection Agreement below) to include a portion of Mental Health Trust Lease land (3,483 acres) that is immediately adjacent to the Company's current drilling activities as part of the Palmer Property to the benefit of both parties and at the same time leaves Constantine with a 100% interest in the balance of approximately 89,000 acres of highly prospective Haines Block land.

2016 Budget and Exploration Plan for Palmer Project

A budget of US\$3.7 million has been approved by Dowa for 2016. This year's summer exploration program will focus on the following:

- Drill program to test resource potential within a 3 km radius of existing mineral resources.
- Road building to the mineral resource area, subject to receipt of permits, for enhanced safety and to support ongoing exploration and technical studies.
- Environmental, geotechnical and engineering studies and evaluation of a potential exploration drift for the purpose of continued drill expansion and drill definition on the deeper portion of the existing resource.
- Ongoing community engagement and environmental management of our activities.
- Constantine is planning a separate budget on its 100% controlled Haines Block lands to upgrade the Tsirku and Waterfall prospects to drill targets.

An exploration drill program is planned to test several targets located within a 3 km radius of the RW and South Wall Resource. The Palmer Project hosts numerous untested mineral prospects and geophysical targets and the objective of the 2016 exploration drilling is to discover new deposits in proximity to the existing resource and infrastructure. Drilling is scheduled to commence early July and will include several holes for an initial phase of 1700 meters, with opportunity for additional follow-up.

Haines Block Selection Agreement

The Haines Block is an approximately 92,000 acre land package leased by Constantine from the Alaska Mental Health Trust Authority (see news release dated September 9, 2014), which is subject to an area of interest clause in the Palmer property agreement with Dowa.

The main elements of the Selection Agreement are as follows:

- Dowa selected a Haines Block land parcel with surface and mineral rights comprising approximately 3483 acres the "Selection Area" to be included as part of the Palmer Property for which expenditures will apply to Dowa's 49% Earn-in Expenditures during the Option phase of the property agreement.



Management's Discussion and Analysis
For the three and six months ended April 30, 2016
(Expressed in Canadian dollars)

- Constantine will maintain its 100% interest in the balance of the property of the Haines Block exclusive of the Selection Area and any exploration done in such area outside of the Selection Area will be at Constantine's expense.
- Dowa and Constantine will share the annual rental requirements of the Lease of US\$25,000 for the first 3 year lease term, in proportion of 49:51, which are amounts of US\$12,250 and US\$12,750, respectively, until a Joint Venture ("JV") is formed.
- Dowa will meet the minimum exploration requirements of the Lease during the Option period and until such time as a JV is formed. These minimum requirements are US\$75,000 by September 1, 2015, escalating by US\$50,000 annually thereafter and these expenditures will be deemed to be earn-in expenditures paid by Dowa.
- Constantine granted Dowa a Right of First Offer on Haines Block lands located outside of the Selection Area for a 3 year period beginning as of September 1, 2014, and terminating on September 1, 2017.

The Haines Block shares similar geology to the Palmer Property and is considered prospective for hosting high-grade massive sulphide mineralization. The property also covers areas upland of the active Porcupine placer gold district that has estimated past production of 82,489 ounces of gold. This represents the first time the Haines Block has been offered to the public for lease, with very limited exploration work having taken place in recent decades. Please refer to the Company's September 9, 2014 news release for additional details about the Haines Block lease agreement.

About the Constantine-Dowa Option and Joint Venture Agreement

Under the terms of an Option and Joint Venture Agreement (the "Agreement") dated 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. Included in the aggregate expenditure are cash payments to Constantine totaling US\$1,250,000 over four years (received). Constantine is the operator of the project and receives a management fee for work programs during the earn-in period. Constantine has received over US \$16 million from Dowa in combined project expenditures, property payments and management fees in connection with the project to date.

Dowa has indicated their intent to complete their earn-in of US\$ 22 million at the end of 2016 and form a joint venture that will be 51% Constantine, 49% Dowa. The 2016 budget of US \$3.7 million will result in expenditures at 2016 year end of approximately US\$20 million. The unspent commitment at the end of 2016 (approximately US \$2 million) will be deposited to the project funding account on or before December 31, 2016 and will be spent by the Joint Venture before Constantine is required to make any contribution. Constantine anticipates that its initial required contributions to the Joint Venture (year 1 and 2) will be modest with a significant portion directed towards testing exploration targets adjacent to the resource area.

In April 2016, the Company paid US\$20,000 in finder's fees related to the Dowa agreement, and in May 2016 the Company issued 438,083 shares of the Company in relation to finder's fees on the Dowa agreement. As of the date of this report, an aggregate of US\$250,000 in cash and shares has been paid in finder's fees in connection with the Dowa agreement, which is the total amount payable under the Company's agreement with the finder.



Management's Discussion and Analysis
For the three and six months ended April 30, 2016
(Expressed in Canadian dollars)

Gold Projects

Constantine controls a 100% interest in the Munro Croesus and Golden Mile projects in Ontario. The Munro Croesus project includes the famous high-grade past-producing Croesus Gold Mine located along the north side of the Pipestone Fault within the Porcupine Destor Fault zone corridor approximately 75 kilometers east of the center of the Timmins gold camp. The Golden Mile Project is also along the Pipestone Fault, a splay of the Porcupine Destor Deformation Zone and located in Timmins and 9 kilometers northeast of Goldcorp's multi-million ounce Hoyle Pond Gold Mine. The Company did not conduct exploration programs on its Ontario properties in 2015.

Munro-Croesus Project (Ontario)

The Munro-Croesus Project comprises the following properties: Munro-Croesus property, the Four Corners Property and the JM Property. These properties straddle an area between the prolific Porcupine Destor Fault Zone (PDDZ), the Pipestone Fault Zone and the Munro Break, and within the same structural corridor that hosts the neighbouring Fenn-Gibb deposit and the Holt-McDermott and Holloway Mines located 25 kilometers to the east, which have produced an aggregate of more than 2 million oz. of gold. Constantine's Munro-Croesus project area covers an approximately seven kilometer length of this key structural corridor and has several well defined drilling targets.

The Munro Croesus property includes the formerly producing Croesus mine, known to have produced some of the highest grade gold ever mined in Ontario. Three drilling programs (8,414 meters) have been carried out by Constantine on the claims since it was acquired in 2007. The drilling located high-grade Croesus type gold veins in the south offset fault block of the Croesus Mine vein and identified a new footwall zone (200 Zone) of high-grade gold mineralization (12.2 g/t gold over 0.46m) at depth under the historic mine workings. A 750 meter short hole drill program is recommended to test high grade vein structures in the immediate hanging wall of the Croesus shaft that were intersected for the first time in the 2011 drill program. Nine rock samples of the northeast trending historic #2 Vein with observed widths to 12 meters, located to the southwest and along the same structural trend as the former producing high-grade Croesus Mine yielded seven plus one gram gold assays over a strike length of approximately 400 meters, with a high value of 15.9 grams per tonne gold. The #2 Vein structure has not been drill tested and drilling is proposed to test this southwest extension from the interpreted Croesus vein structure.

Eight strategic Munro Croesus property claims lie adjacent to the Fenn-Gib property which was acquired by Tahoe Resources Inc. ("Tahoe") (former Lake Shore Gold Corp) from Barrick Gold Corporation for \$60 million. Since acquiring the Fenn-Gib property, Tahoe carried out additional drilling and completed a NI 43-101 resource estimation. This resource estimate, reported by Tahoe, includes a total of 40.8 million tonnes grading 0.99 grams per tonne ("gpt") for a total of 1.35 million contained gold ounces in the Indicated category and 24.5 million tonnes at 0.95 gpt for a total of 0.75 million ounces gold in the Inferred category. Tahoe subsequently completed a drilling program at Fenn-Gib and announced mineralized intercepts confirming expansion potential of Tahoe's resource to the west (Lake Shore Gold Corp. news release May 1, 2012) towards Constantine's eight "Horseshoe claims". Constantine's 100% owned "Horseshoe claims" are located within 300 meters west and along trend from the Fenn-Gib gold resource. The discovery of the Horseshoe Zone gold mineralization in outcrop in 2012 indicates the potential for expansion of the Fenn-Gib gold deposit along trend to the west across the southern part of Constantine's Horseshoe claims. A 1500 meter drill program would provide an initial test of this highly prospective area.

The JM property, part of the Munro Croesus project, 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



Management's Discussion and Analysis
For the three and six months ended April 30, 2016
(Expressed in Canadian dollars)

covers the projected extension of the favourable Croesus mine stratigraphy to the northwest of the Croesus Mine. Geological mapping and sampling was carried out for assessment work and six samples from a new gold showing yielded 5 five assays greater than 3 g/t gold with a high value of 15 g/t gold.

On the Four Corners property, Constantine has fulfilled the terms of the underlying option agreement (subject to an annual advanced royalty payment of \$5,000/year and a 2.5% Net Smelter Return Royalty) to acquire a 100% interest in the 63 claim property that forms part of the Munro-Croesus project. The Four Corners Property is located 1.2 kilometers east of the Munro Croesus property, contiguous with Lake Shore's Fenn-Gib property.

The geological setting at Four Corners shares many similarities to classic Archean gold systems. Since acquiring the Four Corners property in 2008, the Company has previously reported on the drilling of 3 holes (1,079 meters) on the Perry Pond prospect (2009 and 2011) and trenching and drilling of 3 holes (949 meters) in the Canamax zone area (2010 and 2011). The wide spaced (100 meters) drilling at the Canamax Zone identified broad intervals of gold mineralization within a robust carbonate +/- silica +/- fuchsite alteration zone (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).

Golden Mile Property (Ontario)

The Company completed a 1,182 meter drill program on the Golden Mile project in Timmins, Ontario in 2014 and regained a 100% interest in the project from option partner, Teck Resources Limited ("Teck"), who funded expenditures of over \$1.2 million on the project. Sufficient assessment reporting has been completed to maintain the property in good standing for several years.

Drilling confirmed the presence of a major structure interpreted to be a western extension of the Pipestone Fault, which is associated with important gold mineralization along trend to both the east and west of the Golden Mile property. Strongly altered ultramafic rock units were intersected in contact with a graphitic shear zone and pyritic sediments in the two drill holes designed to test the interpreted structural contact. Notably, neither the structure nor the altered ultramafics intersected in these drill holes had been previously identified on government geology maps. The drilling program yielded some weakly anomalous gold. Management is encouraged by the identification of an important structure, alteration with associated pathfinder geochemistry, veining and permissive rock units known to be important hosts for mineralization within the Timmins gold camp. This work has provided an excellent stepping stone for future advancement and discovery on the large, well located land package.

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.

The Company is continuing to evaluate opportunities to advance its Ontario gold projects.



Management's Discussion and Analysis
For the three and six months ended April 30, 2016
(Expressed in Canadian dollars)

Results of Operations

Exploration and Evaluation Property Expenditures

In the six months ended April 30, 2016, the Company incurred expenditures of \$1,242,402 on exploration and evaluation properties. The Palmer project accounted for \$1,193,535 of those expenditures. In the six months ended April 30, 2016, the Company recorded cost recoveries, agreement payments and project management fees received from Dowa totaling \$1,341,904. For the six months ended April 30, 2016, the Company incurred costs totaling \$46,867 on the remainder of its exploration and evaluation properties.

Operating Costs

The Company recorded cash operating expenses of \$240,432 for the six months ended April 30, 2016, compared to cash operating costs of \$263,587 for the same period last year. A breakdown of total general and administrative costs for the six months ended April 30, 2016 is shown in the table below. The Company is projecting such costs to remain in the same range on a quarterly basis during the current fiscal year.

General and Administrative expenses for the six months ended April 30, 2016	Amount
Conferences, trade shows and advertising	\$ 14,293
Accounting and administration	30,000
Office expenses	12,544
Transfer agent, listing and filing fees	12,221
Other	5,157
Total	\$ 74,215

Summary of Quarterly Results

In the three months ended April 30, 2016, the Company incurred aggregate expenditures of \$676,719 on exploration and evaluations properties, virtually all of which (\$669,737) was incurred on the Palmer project, the Company's main operational focus. The Company recorded cash operating expenses of \$123,886 for the three months ended April 30, 2015, compared to cash operating costs of \$139,451 for the same period last year.



Management's Discussion and Analysis
 For the three and six months ended April 30, 2016
 (Expressed in Canadian dollars)

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
April 30, 2016	\$ 13,683,252	\$ (157,346)	\$ (0.00)
January 31, 2016	13,674,186	(108,711)	(0.00)
October 31, 2015	13,711,285	(148,405)	(0.00)
July 31, 2015	14,885,665	(101,128)	(0.00)
April 30, 2015	14,087,749	(1,117,375)	(0.01)
January 31, 2015	15,083,372	(47,733)	(0.00)
October 31, 2014	15,216,499	(150,468)	(0.00)
July 31, 2014	17,581,033	(72,603)	(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 six months ended April 30, 2016, the Company recorded an aggregate of \$423,266 (2015-\$348,489) in option payments and management and project fees from operating the Palmer project.

The Company's cash position at April 30, 2016 was \$466,356 (October 31, 2015-\$396,069) and its working capital at April 30, 2016 was \$332,457 (October 31, 2015-\$44,630).

As of the date of this report, the Company's cash position is approximately \$600,000 and the Company's working capital is approximately \$350,000.

The Company is dependent on equity capital to fund exploration and development of exploration properties and its on-going operations. Constantine currently has an option/joint venture agreement in place which is projected to fund its major project in Alaska in 2016, 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's Discussion and Analysis
 For the three and six months ended April 30, 2016
 (Expressed in Canadian dollars)

Related Party Transactions

The following represents the details of related party transactions paid or accrued for the six months ended April 30, 2016 and 2015:

For the six months ended April 30,	2016	2015
Consulting, administrative and technical fees paid or accrued to companies owned by directors	\$ 15,614	\$ 6,000
Consulting fees paid to officers	87,913	84,988
Accounting and administration fees paid or accrued to a company 50% owned by an officer	36,000	36,000
Share-based payments to key management	19,172	71,745
	\$ 158,698	\$ 198,733

The Company paid NS Star Enterprises Ltd., a company controlled by a director, \$15,614 for management and administration services during the period ended April 30, 2016 (2015-\$6,000). The Company paid Morfopoulos Consulting Associates Ltd., a company controlled by the CFO, \$36,000 for accounting, and management and administration services during the period ended April 30, 2016 (2015-\$36,000). The Company paid D. Green Geoscience Inc., a company controlled by the vice-president of exploration, \$87,913 for technical consulting and management and administration services during the period ended April 30, 2016 (2015-\$84,988).

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

The Company had 116,906,001 shares outstanding on April 30, 2016, and 117,343,483 shares outstanding as of the date of this report.



Management's Discussion and Analysis
 For the three and six months ended April 30, 2016
 (Expressed in Canadian dollars)

The following stock options were outstanding at April 30, 2016 and as of the date of this report:

No. of Stock Options	Price per Share	Expiry Date
1,875,000	\$0.11	March 5, 2017
5,400,000	\$0.07	January 17, 2019
1,400,000	\$0.14	March 6, 2020
8,675,000		

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 April 30, 2016, the Company has incurred losses since inception and has an accumulated operating deficit of \$8,791,818. 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



Management's Discussion and Analysis
For the three and six months ended April 30, 2016
(Expressed in Canadian dollars)

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, Yukon and Ontario, Canada. While the political climate in Alaska, Yukon, 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 Golden Mile projects). 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.

On the Palmer project, reclamation of disturbances related to the Company's permitted exploration activities are bonded under the Alaska State-wide Bond Pool. The Company has also contracted an ASTM Phase 1 environmental site assessment (ESA) on the federal lode mining claims of the Palmer project. The ESA concluded that there are no environmental concerns associated with the Property at this time.

The Munro Croesus project includes the very small past producing Munro Croesus Gold Mine that mined approximately 5000 tons of ore. The Company has assumed the environmental liability at the Croesus minesite on the Munro Croesus property. To date it has not incurred any material expenses, however it



Management's Discussion and Analysis
For the three and six months ended April 30, 2016
(Expressed in Canadian dollars)

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 was cleared of surface rubble by an excavating program in October 2011. The small raise area was fenced and cautionary signage was installed. A preliminary evaluation of the near surface stope stability and a crown pillar stability assessment was 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 a qualified Ontario mining engineer is required with formal reporting of the conclusions to 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. No specific schedule has been established to carry out this work.

Operational

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

Credit risk

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

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

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At April 30, 2016, the Company had a cash balance of \$466,356 to settle current liabilities of \$221,472.

All other financial liabilities have maturities of 30 days or are due on demand and are subject to normal trade terms.



Management's Discussion and Analysis
For the three and six months ended April 30, 2016
(Expressed in Canadian dollars)

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.

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



Management's Discussion and Analysis
For the three and six months ended April 30, 2016
(Expressed in Canadian dollars)

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 Company's ability to meet its working capital needs for the next fiscal 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.

Ian Cunningham-Dunlop, P.Eng. and Technical Advisor to Constantine Metal Resources Ltd., is a Qualified Person as defined by NI 43-101 for the Palmer project. James N. Gray, P.Geo. of Advantage Geoservices Ltd. is the Qualified Person as defined by NI 43-101 for the resource estimate discussed above. They have reviewed and approved the resource estimate statements in this MD&A.

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.