

(Amended) Consolidated Interim Financial Statements of

## **CONSTANTINE METAL RESOURCES LTD.**

Unaudited – Prepared by Management

For the three and nine months ended July 31, 2009

### NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

**CONSTANTINE METAL RESOURCES LTD.**  
Consolidated Balance Sheet  
Interim Unaudited – Prepared by Management  
As at July 31, 2009 and 2008

	<b>July 31 2009</b>	October 31 2008
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,443,794	\$ 588,487
Accounts receivable	71,984	87,753
Prepaid expenses	263,478	18,700
	<b>2,779,256</b>	694,940
Mineral properties (Schedule, Note 3)	7,364,955	6,302,814
Fixed assets	5,975	2,327
	<b>\$ 10,150,186</b>	<b>\$ 7,000,081</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 337,515	\$ 76,532
Due to related parties (Note 5)	-	4,060
	<b>337,515</b>	80,592
<b>Shareholders' equity</b>		
Share capital (Note 4a)	10,675,075	7,477,242
Contributed surplus	978,659	785,122
Deficit	(1,841,063)	(1,342,875)
	<b>9,812,671</b>	6,919,489
	<b>\$ 10,150,186</b>	<b>\$ 7,000,081</b>

See accompanying notes to financial statements.

**CONSTANTINE METAL RESOURCES LTD.**

Consolidated Statement of Operations and Deficit

Interim Unaudited – Prepared by Management

For the 3 months and 9 months ended July 31, 2009 and 2008

	three months ended		nine months ended	
	July 31	July 31	July 31	July 31
	2009	2008	2009	2008
Interest income	\$ -	\$ 5,646	\$ 298	\$ 29,680
Expenses:				
Amortization	45	140	326	421
Consulting	-	-	-	12,500
General and administrative	35,142	33,519	128,626	100,185
General exploration	(9,843)	-	509	1,375
Insurance	3,001	13,436	11,094	23,436
Interest	-	-	8,919	-
Investor relations	9,750	-	24,344	16,000
Legal	7,655	5,432	14,062	29,886
Management fees	3,000	3,000	9,000	28,250
Professional fees – audit	3,000	3,000	15,300	9,900
Payroll expenses	33,000	33,459	102,143	80,115
Rent	4,464	7,205	13,501	23,595
Shareholder communications	2,536	7,872	5,536	18,165
Stock based compensation (Note 4d)	1,907	-	123,345	-
Travel	16,905	12,526	40,479	40,595
	110,562	119,589	497,184	384,423
Loss before Other Items	\$ (110,562)	\$ (113,943)	\$ (496,886)	\$ (354,743)
Foreign exchange gain (loss)	4,109	7,326	(1,302)	37,424
Loss for the period	(106,453)	(106,617)	(498,188)	(317,319)
Deficit, beginning of period	(1,734,610)	(1,052,612)	(1,342,875)	(861,891)
Deficit, end of period	\$ (1,841,063)	(1,159,229)	\$ (1,841,063)	\$ (1,179,210)
Loss per share	\$ (0.01)	\$ 0.01	\$ (0.01)	\$ 0.01
Weighted average number of common shares outstanding	35,849,226	20,820,234	35,849,226	20,820,234

See accompanying notes to financial statements.

**CONSTANTINE METAL RESOURCES LTD.**

Consolidated Statement of Cash Flows

Interim Unaudited – Prepared by Management

For the 3 months and 9 months ended July 31, 2009 and 2008

	three months ended		nine months ended	
	July 31	July 31	July 31	July 31
	2009	2008	2009	2008
Cash provided by (used in):				
Operations:				
Loss for the period	\$ (106,453)	\$ (105,622)	\$ (498,188)	\$ (317,319)
Amortization	45	141	326	421
Stock-based compensation	1,907	-	123,345	-
Changes in non-cash working capital accounts:				
Accounts receivable	(58,385)	(47,253)	15,769	(76,102)
Accounts payable	279,121	295,971	256,921	240,453
Prepaid expenses	(250,778)	53,000	(244,778)	4,042
	<b>(134,543)</b>	196,237	<b>(346,605)</b>	(148,505)
Investing activities:				
Mineral property expenditures (Note 3)	(569,952)	(1,091,830)	(1,051,941)	(1,605,035)
Fixed asset purchases	(3,973)	-	(3,973)	-
	<b>(708,468)</b>	(895,593)	<b>(1,402,519)</b>	(1,753,540)
Financing activities:				
Private placement proceeds (Note 4a)	3,000,000	1,000,100	3,300,000	1,550,100
Less: share issuance costs	(34,132)	(20,497)	(42,174)	(31,966)
Warrants exercised	-	453,500	-	467,000
	2,965,868	1,433,103	3,257,826	467,000
Increase (decrease) in cash	\$ 2,257,400	\$ 537,510	\$ 1,855,307	\$ (1,286,540)
Cash, beginning of period	186,394	968,727	588,487	1,274,643
Cash, end of period	\$ 2,443,794	\$ 1,506,237	\$ 2,443,794	\$ (11,897)

## Supplemental Disclosure of Non-Cash Financing Activity:

Value of shares issued for mineral properties	\$ -	\$ 6,000	\$ 10,200	\$ 6,000
Interest paid	\$ -	\$ -	\$ 8,919	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

**CONSTANTINE METAL RESOURCES LTD.**  
Schedule of Deferred Mineral Property Costs  
Interim Unaudited – Prepared by Management  
For the 9 months ended July 31, 2009

	Balance, October 31 2008	Quarterly Expenditures			Balance, July 31 2009
		to January 31	to April 30	to July 31	
<b>Palmer Property, Alaska, USA</b>					
<b>(Note 3a)</b>					
Acquisition costs	\$ 878,712	\$ -	-	-	\$ 878,712
Advance royalty payments	114,166	12,219	13,228	12,228	151,841
Alaska labour	-	-	-	26,285	26,285
Assaying and testing	91,562	10,932	519	1,131	104,144
Field transportation	1,249,857	(1,454)	-	210,568	1,458,971
Geophysics	39,012	4,523	-	12,202	55,737
Drilling	1,583,615	-	-	119,567	1,703,182
Property filing and maintenance fee:	140,296	3,006	332	-	143,634
Geology and field support	972,839	28,301	1,913	20,652	1,023,705
Technical consulting	257,373	27,060	11,188	113,941	409,562
Travel	51,983	883	-	10,509	63,375
	<u>\$ 5,379,415</u>	<u>\$ 85,470</u>	<u>\$ 27,180</u>	<u>\$ 527,082</u>	<u>\$ 6,019,148</u>
<b>Munro-Croesus Property,</b>					
<b>Ontario, Canada (Note 3b)</b>					
Acquisition costs	428,915	-	4,502	231	433,648
Assaying and testing	11,880	-	10,019	-	21,899
Drilling	309,382	25,000	89,821	-	424,203
Field transportation	4,926	-	2,766	47	7,739
Geophysics	1,800	91,046	2,283	-	95,129
Travel	9,413	3,200	5,524	2,843	20,980
Geology and field	36,232	37,841	26,604	290	100,967
Technical consulting	53,750	13,255	14,320	24,232	105,557
	<u>\$ 856,298</u>	<u>\$ 170,342</u>	<u>\$ 155,839</u>	<u>\$ 27,643</u>	<u>\$ 1,210,122</u>
<b>Four Corners Property,</b>					
<b>Ontario, Canada (Note 3c)</b>					
Acquisition costs	24,581	-	7,200	15,000	46,781
Drilling	34,235	-	-	-	34,235
Geophysics	-	46,030	-	-	46,030
Field Transportation	-	-	130	-	130
Travel	252	-	-	-	252
Technical consulting	7,682	-	-	225	7,907
Geology and field support	350	-	-	-	350
	<u>\$ 67,100</u>	<u>\$ 46,030</u>	<u>\$ 7,330</u>	<u>\$ 15,225</u>	<u>\$ 135,685</u>
<b>Total Mineral Property Costs</b>	<u>\$ 6,302,813</u>	<u>\$ 301,842</u>	<u>\$ 190,349</u>	<u>\$ 569,950</u>	<u>\$ 7,364,955</u>

See accompanying notes to financial statements.

**1. Nature of Operations and Going Concern**

The Company was incorporated under the Business Corporations Act (British Columbia) on March 3, 2006 and its common shares were first listed for trading on the TSX Venture Exchange in August, 2006.

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

The Company has not generated any revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. As at April 30, 2009, the Company has incurred losses since inception and has an accumulated operating deficiency of \$1,841,063. The continuation of the Company as a going concern is dependent upon its ability to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its resource properties, confirmation of the Company's interests in the underlying properties, and the attainment of profitable operations.

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

**2. Significant Accounting Policies**

a) Basis of presentation

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for interim financial statements and follow the same accounting policies and methods of application as the most recent annual financial statements for the year ended October 31, 2008. These interim financial statements do not contain all disclosures required by Canadian GAAP and accordingly should be read in conjunction with the audited 2008 annual financial statements and the notes thereto.

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

b) Recent Accounting Pronouncements

*Mining Exploration Costs* - On March 27, 2009, the Canadian Institute for Chartered Accountants approved EIC-174, "Mining Exploration Costs". The EIC provides guidance on capitalization of exploration costs related to mining properties in particular and on impairment of long-lived assets in general. The Company has applied this new abstract for the nine months ended July 31, 2009, resulting in no impact on its financial statements.

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**3. Mineral Properties (see Schedule of Deferred Mineral Property Costs)**

a) Palmer Property, Alaska, USA

The Company made two advance royalty payments of US\$10,625 each in November 2008 and February 2009 in accordance with its option agreement on the Palmer property.

In December 2008 the Company acquired an additional 36 contiguous state claims to the project at nominal cost.

b) Munro-Croesus Property, Ontario

In February 2009 the Company issued 15,000 shares in accordance with the terms of an Exploration Agreement signed with the Wahgoshig First Nation.

c) Four Corners Property, Ontario

In February 2009 the Company issued 15,000 shares as part of its obligations with respect to its option agreement on the Four Corners property.

**4. Share Capital**

a) Details of share capital:

	Shares	Amount	Contributed Surplus
Authorized:			
Unlimited common shares without par value			
Issued:			
Balance – October 31, 2008	33,261,772	\$ 7,477,242	\$ 785,122
Shares issued for flow-through private placement, at \$0.20 per share	1,500,000	300,000	-
Less: Private placement share issuance costs	-	(8,043)	-
Shares issued for mineral property	15,000	7,200	-
Shares issued for mineral property	15,000	3,000	-
Private placement, at \$0.12 per share	25,000,000	3,000,000	-
Less: Private placement issuance costs	-	(224,324)	70,192
Finder's shares on private placement	1,000,000	120,000	-
Stock option compensation	-	-	123,345
Balance – July 31, 2009	60,791,772	\$ 10,675,075	\$ 978,659

On December 18, 2008 the Company completed a flow-through private placement consisting of 1,500,000 shares at \$0.20 per share for gross proceeds of \$300,000. The shares are subject to a four-month plus one-day hold period. The Company recorded costs of \$7,965 with regard to the private placement.

On February 12, 2009 the Company issued 15,000 shares at a deemed price of \$0.48 per share as part of a property option payment on the Four Corners mineral property.

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On February 25, 2009 the Company issued 15,000 shares at a deemed price of \$0.20 per share as part an Exploration Agreement signed with the Wahgoshig First Nation in Ontario.

On July 17, 2009 the Company completed a \$3 million non-brokered private placement of 25,000,000 units (the "Units") at a price of \$0.12 per Unit, each Unit consisting of one common share (a "Share") and one-half of one transferable share purchase warrant (Note 4b). The Company also issued 1,000,000 million units to a finder. The 500,000 finders' warrants issued in the transaction had a fair value of \$70,192.

b) Warrants

On July 17, 2009 the Company issued 12,500,000 warrants to investors, pursuant to the terms of the above non-brokered private placement. An additional 500,000 warrants were issued to a finder on the same terms as the warrants issued pursuant to the financing. Each Warrant entitles the holder thereof to purchase one Share (a "Warrant Share") at an exercise price of \$0.20 per Warrant Share for a period of one year, provided that, commencing on the closing date of the private placement, if the closing price of the Company's common shares on the TSX Venture Exchange (the "Exchange"), or any other stock exchange on which the Company's common shares are then listed, is at a price equal to or greater than \$0.30 for a period of twenty (20) consecutive trading days, the Company will have the right to accelerate the expiry date of the Warrants by giving written notice to the holders of the Warrants that the Warrants will expire on the date that is not less than thirty (30) days from the date notice is provided by the Company to the Warrant holders.

As at July 31, 2009, the following share purchase warrants were outstanding:

Number	Price per Share	Expiry Date
13,000,000	\$0.20	July 17, 2010

c) Escrow Shares

As at July 31, 2009, 1,149,873 shares were held in escrow, which have been released over a three year term based on a predetermined schedule. The remaining escrow shares will be released in August 2009.

d) Share Purchase Options

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

In January 2009, 1,250,000 share options at an exercise price of \$0.13 per share for 5 years were granted to directors, officers, employees and consultants of the Company.



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A summary of the Company's options outstanding as at July 31, 2009 is as follows:

Number	Price per Share	Expiry Date
1,425,000	\$0.40	May 11, 2011
390,000	\$0.57	Feb. 18, 2012
1,250,000	\$0.13	Jan. 12, 2014
3,065,000		

The following assumptions were used for the Black-Scholes option valuation of the 390,000 options granted in January 2009.

Risk-free interest rate	1.72%
Expected life of options in days	1,825
Annualized volatility	108%
Dividend rate	0.00

The Company recorded \$123,245 of stock compensation expense in connection with the stock options issued and vested during the period.

**5. Related Party Transactions**

The following represents the details of related party transactions paid or accrued during the period ended July 31, 2009:

Management and technical fees paid or accrued to companies owned by directors	\$ 36,572
Consulting fees and wages paid to officers	139,500
Accounting and administration fees paid or accrued to a company 50% owned by an officer of the Company	45,000
	\$ 221,072

As at July 31, 2009 there were no amounts payable to related parties.

**6. Segmented Information**

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

	July 31
	2009
Canada	\$ 4,131,035
United States	6,019,151
Total	\$ 10,150,186

# CONSTANTINE METAL RESOURCES LTD.

## MANAGEMENT DISCUSSION & ANALYSIS

For the nine months ended July 31, 2009

### General

This Management Discussion and Analysis (“MD&A”) has been prepared by management as of September 18, 2009. This MD&A should be read in conjunction with the interim consolidated financial statements and notes for the nine months ended July 31, 2009, which were prepared in accordance with Canadian generally accepted accounting principles. It is further assumed that the reader has access to the Company’s audited consolidated financial statements for the year ended October 31, 2008.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

### Forward-Looking Statements

When used in this document, words like “anticipate”, “believe”, “estimate”, “expect” and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management’s future plans, objects and goals for the Company and therefore, involve inherent risks and uncertainties. The reader is cautioned that actual results, performance, or achievements may be materially different from those implied or expressed in such statements.

Constantine Metal Resources Ltd. (“Constantine”) is a junior exploration company engaged in the exploration and development of a polymetallic massive sulphide exploration property in Alaska known as the Palmer Property, its principal project, and a gold property in Ontario known as the Munro-Croesus property, which includes the past-producing Croesus gold mine. The Company is a reporting issuer in British Columbia and Ontario and trades on the TSX Venture Exchange under the symbol CEM.

### HIGHLIGHTS

Constantine started a two drill program at its Palmer base metal project in the early part of July 2009. The Company drilled a total of 1,068 meters by the end of the quarter on July 31, 2009 and subsequent to that date (to Sept 18, 2009) completed the drilling phase of the program for a total of 4,561 meters in 10 drill holes. The original program was not completed as planned due to drill startup delays and technical drilling problems.

Positive assay results have been announced from the first 3 completed drill holes subsequent to the end of the 3<sup>rd</sup> quarter (July 31, 2009) and are reported in news releases dated August 17, 2009 and September 10, 2009. These results confirm further expansion of the Southwall massive sulphide discovery to the west and to depth. Results are pending for an additional seven drill holes.

On July 22, 2009, the Company closed a 25 million unit, \$3 million private placement financing with the majority of funds dedicated to the 2009 Palmer drill program.

### Palmer Project Exploration (southeast Alaska)

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

# CONSTANTINE METAL RESOURCES LTD.

## MANAGEMENT DISCUSSION & ANALYSIS For the nine months ended July 31, 2009

link many of the occurrences are interpreted to be indicative of a very large ore-forming hydrothermal system.

### 2009 Palmer Exploration Highlights

The majority of the 2009 drilling was focused on the “South Wall Zones”, with limited testing of the RW Zone that were discovered in late 2007 and 2008. The RW Zone and the Southwall Zones are correlative and within the same stratigraphic section, but on opposite limbs of a flat plunging, asymmetric fold structure. Mineralization within the Southwall Zones occurs in 3 steep dipping sub-parallel zones over an approximate stratigraphic thickness of 75-100 meters and the RW Zone lies on the modest north-dipping limb of the fold structure.

Positive results have been announced from the first 3 completed drill holes of the 2009 drill program, and are reported in news releases dated August 17, 2009 and September 10, 2009. These results are tabulated under drilling results below and confirm further expansion of the Southwall massive sulphide discovery to the west and to depth for an overall strike-length of 380 meters and a dip length of 315 meters. One of the 2009 drill holes (CMR09-24) intersected oxidized RW Zone mineralization and is significant in that it extends the total strike length of thicker RW zone mineralization to 195 meters and includes a higher grade precious metal sub-interval (see drilling results below). Unfortunately, technical problems with the 2009 ice drilling did not allow follow-up on the thick high-grade 2007 RW drill intersection in CMR07-07(3.79% copper and 7.24% zinc over 46 feet (14 meters)) that remains open for testing and expansion. Geophysical crews are currently completing downhole geophysical surveys to identify off-hole extensions and new zones of conductive massive sulphide mineralization. The reader is referred to the Company's news releases and its website ([www.constantinemetals.com](http://www.constantinemetals.com)) for more information.

### Drilling Results

Significant results received subsequent to the end of this quarter and prior to the date of this report are summarized below. Drilling has now been completed and complete assays remain pending for seven of the 10 completed drill holes.

### RW and Southwall Zones Significant Results for 2009 to Sept. 10, 2009

	From (feet)	To (feet)	Intercept (feet)	Intercept (meters)	Cu %	Pb %	Zn %	Au (g/t)	Ag (g/t)
<b>SW ZONE I</b>									
<b>CMR-09-23</b>	1157.0	1254.7	97.7	29.78	2.10	<0.01	0.85	0.09	8.0
<i>Includes</i>	1157.0	1227.0	70.0	21.34	2.76	<0.01	0.50	0.10	9.7
<i>Includes</i>	1163.5	1200.0	36.5	11.13	3.86	<0.01	0.50	0.12	10.8
<b>CMR-09-24</b>	1043.7	1105.0	61.3	18.68	1.16	0.10	4.20	0.30	29.2
<i>Includes</i>	1043.7	1073.4	29.7	9.05	1.90	0.02	5.20	0.30	26.6
<i>Includes</i>	1043.7	1066.2	22.5	6.86	2.20	0.02	6.10	0.27	23.2
<b>SW ZONE II</b>									
<b>CMR-09-26</b>	1052.0	1072.0	20.0	6.10	1.53	0.02	9.17	0.18	18.0
<i>Includes</i>	1055.1	1068.2	13.1	3.99	2.09	0.02	9.19	0.22	22.0
<i>Includes</i>	1059.4	1068.2	8.8	2.68	3.17	0.02	8.06	0.30	29.4
<b>RW ZONE</b>									
<b>CMR-09-24</b>	467	497	30.0	9.14	0.23	0.53	3.08	0.49	46.8
<i>Includes</i>	470.5	487	16.5	5.03	0.22	0.88	1.52	0.89	82.9

*Drill intercepts reported as core lengths are estimated to be 75-80% true width*

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## MANAGEMENT DISCUSSION & ANALYSIS

For the nine months ended July 31, 2009

Locations of all intersections are shown on the vertical long sections for Zones I, II and III and cross-sections, along with a summary table of all South Wall discovery intersections are available at the Company's website at [www.constantinemetals.com](http://www.constantinemetals.com).

### Ontario Projects

Constantine controls 100% interest in two gold projects including the famous highgrade past-producing Croesus Gold Mine located along the north side of the Porcupine Destor Fault zone approximately 75 kilometers east of the center of the Timmins gold camp. Although the current focus of exploration is on the Palmer base metal discoveries, the Ontario properties are important assets of the Company that provide exposure to high grade gold exploration potential and year round exploration where management has strong familiarity and expertise.

#### Munro-Croesus Project (Ontario)

The Munro-Croesus property includes the formerly producing Croesus mine, known to have produced some of the highest grade gold ever mined in Ontario. The Company has completed two drilling campaigns on the property in early 2008 and early 2009 for a total of 2,864 meters. The drilling has been directed to locate the faulted extension of the high-grade Croesus gold vein in the south offset fault block and to follow up a new footwall zone of high-grade gold mineralization (12.2 g/t gold over 0.46m) discovered under the historic mine workings in the 2008 drill program. The dip of the new footwall zone is consistent with the dip of the very high-grade mined out Croesus vein, suggesting that it is a parallel and related zone that requires detailed drilling where it is projected to cross the more favourable carbon-rich sulphidic phase of the Croesus flow rocks.

#### Four Corners Property (Ontario)

In February 2008 Constantine finalized an option agreement to acquire a 100% interest in the 65 claim Four Corners property located 1.2 kilometres east of the Munro Croesus property. The acquisition straddles the area between the prolific Porcupine Destor Fault Zone (PDDZ) and the Pipestone Fault Zone, within the same sequence of rocks that hosts the high-grade Croesus Mine to the west and the > 2.0 million ounce combined production from the past producing Holt-McDermott and Holloway Mines located 25 kilometres to the east.

During the second quarter and early third quarter of 2009 considerable progress was made towards completing a GIS compilation and summary report of all historical exploration activity on the property that will be used to plan and guide future exploration in conjunction with the VTEM airborne geophysical survey (see First Quarter MD&A). The magnetic component of the VTEM survey outlines areas of prominent magnetite destruction in areas of ultramafic rocks with known gold showings that will assist in drill hole targeting.

#### Future Exploration Plans

The Palmer deposit has not yet been characterized as a National Instrument 43-101 compliant resource. Preliminary mineralogical and metallurgical work is in progress and in conjunction with the complete 2009 drill program results will be used with the intention of completing a National Instrument 43-101 compliant resource. The results of this work along with the 2009 drilling and geophysical results will be used to plan future drilling.

Exploration on the Ontario gold projects is being considered, but additional financing will be required to carry out this work.

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## MANAGEMENT DISCUSSION & ANALYSIS

For the nine months ended July 31, 2009

### Results of Operations

In June 2009 the Company began mobilizing for a summer drilling program on the Palmer Project in Alaska, and drilling commenced in July 2009. Expenditures of \$527,082 were incurred on the current program, up to July 31, 2009, and the drill program continued through to the middle of September 2009.

Constantine conducted its second drill program on the Munro-Croesus project in February 2009, completing a 3 hole, 843 meter drill program. Prior to the drilling program Constantine completed a \$137,000 geophysics program on the Munro-Croesus and Four Corners properties. The Company incurred expenditures of \$353,824 on the Munro-Croesus project in the first 9 months of 2009. Overall, exploration costs remained consistent with the corresponding period of the preceding year.

Expenses increased in 2009 (\$497,194) compared to 2008 (\$384,423), however the largest amount of increase was due to non-cash expense of stock option compensation of \$123,345 (2008-\$nil). This was primarily due to the issuance of 1,250,000 incentive stock options granted in January 2009. General and administrative costs of \$128,626 were up over last year 2008 (\$100,185) due to the larger scope of the Company's activities. Payroll costs of \$102,143 showed an increase over the prior year (2008-\$80,115) as a result of reclassifying one personnel from consultant to salaried employee status.

In January 2009 the Company entered into an investor relations agreement and granted 75,000 stock options (subject to vesting) in connection with the agreement.

In February 2009 the Company issued 15,000 shares as part of its obligation in option agreement on the Four Corners property and another 15,000 shares to the Wahgoshig First Nation as part of an Exploration Agreement.

### Summary of Quarterly Results

In the quarter ended July 31, 2009, the Company incurred expenditures of \$569,950 (2008-\$1,091,830) on its three mineral properties: the Palmer project in Alaska; and the Munro-Croesus property and Four Corner properties in Ontario. All but \$42,868 of this amount was spent on the Palmer Project, for the summer drilling program in Alaska.

The Company incurred a loss of \$106,453 (2008-\$106,617) for the quarter. A credit amount of \$9,843 for General Exploration was recorded in the quarter, as a result of reclassification of expenses to Mineral Properties. The Company incurred \$9,750 for investor relations expense (2008-\$nil) during the quarter in regard to an investor relations agreement signed in January 2009.

The Company's cash position at July 31, 2009 was \$2,443,794 (2008-\$1,506,237). The Company will require additional financing in order to complete all of its planned exploration work beyond its normal corporate obligations.

## CONSTANTINE METAL RESOURCES LTD.

### MANAGEMENT DISCUSSION & ANALYSIS For the nine months ended July 31, 2009

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

Quarter ended	Total Revenues	Income (Loss)	Income (Loss) per share
July 31, 2009	\$ -	\$ (106,453)	\$ (0.01)
April 30, 2009	72	(166,481)	(0.01)
January 31, 2009	226	(225,254)	(0.01)
October 31, 2008	3,084	(183,664)	(0.01)
July 31, 2008	5,646	(106,617)	(0.01)
April 30, 2008	9,373	(109,786)	(0.01)
January 31, 2008	14,659	(80,935)	(0.01)
October 31, 2007	16,514	(148,846)	(0.01)

#### Liquidity and Capital Resources

The Company's total cash position at July 31, 2009 was \$2,443,794 (2008-\$1,506,237). The Company's working capital position at July 31, 2009 was \$2,441,741 (2008-\$1,295,866).

On July 17, 2009 the Company completed a \$3 million non-brokered private placement consisting of 25,000,000 units at a price of \$0.12 per unit, with each unit consisting of one common share and one-half of one transferable share purchase warrant.

At this time, the Company has no material commitments for capital expenditures. For 2009, holding costs for the Palmer project are estimated at approximately \$100,000 and for the Ontario properties at approximately \$25,000.

In December 2008 the Company renounced the full amount of the \$550,000 December 2007 flow-through financing to its investors. As a result of the renunciation, the Company reduced its future income tax asset by \$170,500, with the corresponding decrease applied directly to share capital.

The Company is dependent on equity capital to fund exploration and development of its mineral properties. Constantine will require additional working capital in the near term to fund planned exploration work and ongoing operating expenditures. Actual funding requirements may vary from those planned due to a number of factors, including the timing and progress of exploration activities.

#### Off-Balance Sheet Arrangements

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

#### Outstanding Share Data

At July 31, 2009 and as at the date of this report, the Company had 60,791,772 shares outstanding.

# CONSTANTINE METAL RESOURCES LTD.

## MANAGEMENT DISCUSSION & ANALYSIS For the nine months ended July 31, 2009

The following warrants and stock options are outstanding as of the date of this report:

		Price per Share	Expiry Date
Warrants	13,000,000	\$0.20	July 17, 2010
Stock options	1,425,000	\$0.40	May 11, 2011
Stock options	390,000	\$0.57	Feb. 13, 2013
Stock options	1,250,000	\$0.13	Jan. 12, 2014
	16,065,000		

### Related Party Transactions

Two directors and two officers of the Company provided specific services to the Company during the period as follows:

Management and technical fees paid or accrued to companies owned by directors	\$ 36,572
Consulting fees and wages paid to officers	139,500
Accounting and administration fees paid or accrued to a company 50% owned by an officer of the Company	45,000
	\$ 221,072

### Risk Factors

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

#### *Industry*

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

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

#### *Metal Prices*

The principal activity of the Company is the exploration and development of precious metal rich 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.

# CONSTANTINE METAL RESOURCES LTD.

## MANAGEMENT DISCUSSION & ANALYSIS

For the nine months ended July 31, 2009

### *Political Risk*

The resource properties on which the Company is actively pursuing its exploration and development activities are located in Alaska, USA and Ontario, Canada. While the political climate in Alaska 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 Project). As such laws are subject to change, the Company carefully monitors proposed and potential changes and management believes the Company remains in compliance with current environmental regulations in the relevant jurisdictions.

### *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.

### **Other**

Mr. Darwin Green, vice-president of the Company and a Qualified Person, has reviewed and approved the technical information contained in this report.

Additional information about the Company may be found on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on its website at [www.constantinemetals.com](http://www.constantinemetals.com).