Consolidated Interim Financial Statements of

CONSTANTINE METAL RESOURCES LTD.

For the three months ended July 31, 2006

(Unaudited – Prepared by Management)

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.

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CONSTANTINE METAL RESOURCES LTD.
Consolidated Balance Sheets

July 31, 2006 and April 30, 2006
(July 31, 2006 Interim - Prepared by Management)

		July 31 2006 (unaudited)		April 30 2006 (audited)
Assets				
Current assets:				
Cash and cash equivalents	$	2,122,631	$	20,000
Accounts receivable		40,059		-
		2,162,690		20,000
Mineral property – Alaska (Note 4)		987,508		878,712
	$	3,150,198	$	898,712
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	7,875	$	-
Due to Toquima Minerals Corp. (Note 4)		-		878,710
		7,875		878,710
Shareholders' equity:				
Share capital (Note 5)		3,162,352		20,002
Stock based compensation (Note 5)		358,530		
Deficit		(378,559)		-
		3,142,323		20,002
	$	3,150,198	$	898,712

See accompanying notes to financial statements.

CONSTANTINE METAL RESOURCES LTD.
Consolidated Interim Statements of Loss and Deficit

For the Three months ended July 31, 2006
(Unaudited - Prepared by Management)

	July 31 2006
Expenses:	
Stock based compensation	$ 358,530
Legal	7,582
Professional fees – audit	7,500
Management fees	4,700
General and administrative	247
	378,559
Loss for the period	(378,559)
Deficit, beginning of period	-
Deficit, end of period	$ (378,559)
Loss per share	$ (0.03)
Weighted average number of common shares outstanding	14,790,153

See accompanying notes to financial statements.

CONSTANTINE METAL RESOURCES LTD.
Consolidated Interim Statements of Cash Flows

For the three months ended July 31, 2006 and 2005
(Unaudited - Prepared by Management)

	Three months ended July 31 2005
Cash provided by (used in):	
Operations:	
Loss for the period	$ (378,559)
Items not involving cash:	
Stock based compensation	358,530
Change in non-cash operating working capital:	
Accounts receivable	(40,059)
Accounts payable	7,875)
	52,213
Investing activities:	
Mineral property expenditures	(108,796)
Financing activities:	
Seed private placement shares	375,000
Initial public offering shares	2,200,000
Less: IPO share issuance cash costs	(311,360)
	2,102,631
Cash, beginning of period	20,000
Cash, end of period	$ 2,122,631

Supplemental Disclosure of Non-Cash Financing Activity:

Stock based compensation $ 358,530

See accompanying notes to financial statements.

CONSTANTINE METAL RESOURCES LTD.
Interim Schedule of Mineral Property Costs

For the three months ended July 31, 2006
(Unaudited – Prepared by Management)

		For the three months ended July 31 2006
Palmer Property, Alaska, USA (Note 4)		
Acquisition cost, opening balance	$	878,712
Expenditures during the quarter:		
Advance royalty payments		11,982
Drilling		8,155
Property filing and maintenance fees		49,275
Other and miscellaneous		39,384
		108,796
Balance – End of Period	$	987,508

1. Nature and Continuance of Operation

The Company was incorporated under the Business Corporations Act (British Columbia) on March 3, 2006 by its initial sole shareholder, Toquima Minerals Corporation ("Toquima"), and as a preliminary step in a Plan of Arrangement to occur pursuant to an agreement dated March 23, 2006 among the Company, Toquima and Carlin Gold Corporation ("Carlin"). On July 31, 2006 the Company completed an Initial Public Offering ("IPO") and was listed on the TSX Venture Exchange on August 4, 2006.

This financial statement has been prepared in accordance with Canadian generally accepted accounting principles assuming that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has no operating revenue and its capacity to continue operations on such a 'going concern' basis will, for the foreseeable future, be dependent upon the availability of equity and related party debt financing on terms that are acceptable to the Company.

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2. Significant Accounting Policies

a) Basis of presentation

This financial statement is inclusive of the accounts of the Company and its wholly-owned subsidiary, Toquima North Ltd. ("Toquima North") and the results of operations of Toquima North and the Company for the period.

b) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could differ from these estimates.

c) Future income taxes

The Company accounts for the future tax consequences of the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the future potential benefit is taken and no net asset is recognized. Such an allowance has been applied to all potential income tax assets of the Company.

d) Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers cash and cash equivalents to include amounts held in banks and highly liquid debt investments with remaining maturities at point of purchase of three months or less. The Company places its cash and cash investments with institutions of high credit worthiness. At times, such investments may be in excess of federal insurance limits.

e) **Equipment and Leasehold Improvements**

Equipment and leasehold improvements are recorded at cost. The Company provides for amortization on office equipment using the 20% declining balance method and straight-line method for leasehold improvements over the life of the lease, with half of this rate used in the year of acquisition.

f) **Earnings (Loss) per Share**

Basic earnings (loss) per share is computed by dividing income (or loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents are reflected in diluted earnings per share by application of the treasury stock method.

g) **Stock-Based Compensation**

The Company adopted the recommendations of CICA Handbook Section 3870, stock-based compensation and other stock-based payments, effective to all awards granted on or after 1 January 2002. This established standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services.

As encouraged by CICA Handbook Section 3870, the Company has enacted prospectively early adoption of the fair value based method of accounting for awards issued to employees for the fiscal year beginning 1 January 2004.

The new standard requires that all stock-based awards made to employees and non-employees be measured and recognized using a fair value based method. In prior years, stock-based compensation expense was only recognized when stock-based compensation awards were made to non-employees, while pro forma disclosure was acceptable for awards made to employees.

h) **Foreign Currency Translation**

The accounts of the Company's foreign operations have been translated into Canadian dollars as follows:

- Monetary assets and liabilities at year-end rates,
- All other assets and liabilities at historical rates, and
- Revenue and expense and exploration and development items at the average rate of exchange prevailing during the period.

Exchange gains and losses arising from these transactions are reflected in income or expense in the year that they occur.

i) **Mineral Property Costs**

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Mineral exploration and development costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while costs for the prospects abandoned are written off.

The recoverability of the amount capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its resource properties, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

j) Management's Estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported years. Actual results could differ from those estimates.

3. Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and amounts due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

4. ACQUISITION OF TOQUIMA NORTH AND THE PALMER PROPERTY

On April 13, 2006, the Company acquired from its then-sole shareholder, Toquima, all of the outstanding common shares of Toquima North in consideration of one common share at nominal consideration and the assumption of all intercorporate debt owing by Toquima North at the carrying cost of Toquima's aggregate investment in Toquima North of $878,712. As there had been no substantive change in the ownership of the net identifiable assets of Toquima North, the transaction was measured under the purchase method of accounting using carrying values and this consideration was allocated entirely to the Palmer property, which is the sole asset of Toquima North.

The Palmer property is comprised of a 99 year mining lease, effective December 19, 1997, on 340 mining claims located near Haines, Alaska. To maintain the lease, the Company is required to make annual advance royalty payments of US $42,500 and pay Federal claim maintenance fees of US $42,500. The lease is subject to a 2.5% net smelter return ("NSR") royalty of which the Company may purchase 0.5% of the NSR for US $3,000,000 before the tenth anniversary date of December 31, 2007. 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.

The Company spent $108,796 on the Palmer property in the quarter ended July 31, 2006, bringing its total investment in the project to $987,508.

5. Share Capital

a) Details of share capital are as follows:

	Shares		Amount
Authorized:			
Unlimited common shares without par value			
Issued and fully paid:			
Issued at incorporation	1	$	1
Issued on the acquisition of the outstanding share capital of Toquima North	1		1
Issuance of escrowed common shares to Carlin	2,000,000		20,000
Conversion of private placement special warrants	1,500,000		375,000
Conversion of Carlin special warrants	5,540,911		878,710
Initial public offering	5,500,000		1,788,944
Issued to Agent as part of commission on IPO	199,240		79,696
Issued to Agent on completion of IPO	50,000		20,000
Balance - July 31, 2006	14,790,153	$	3,162,352

Shares issued

The Company completed its Initial Offering of 5,500,000 units at a price of $0.40 per unit to raise proceeds of $2,200,000 before issue costs. Issue costs include a commission equal to 8% of the gross proceeds raised, which was paid $96,304 in cash and $79,696 in units (199,240). The Agent also received a corporate finance fee of $20,000, 50,000 units and compensation options equal to 10% of the number of units sold under the offering, each such option entitling the Agent to purchase one additional common share for a two year period at a price of $0.40 in the first year and $0.50 thereafter. All units will be comprised of a common share and one-half of a share purchase warrant, with each whole warrant exercisable to acquire an additional share at a price of $0.60 for a period of two years.

b) **Warrants**

As at July 31, 2006, the following share purchase warrants were outstanding:

Number	Price per Share	Expiry Date
1,500,000	$0.35	July 31, 2008
2,750,000	$0.50	July 31, 2008
25,000	$0.50	July 31, 2008
99,620	$0.50	July 31, 2008

c) **Escrow Shares**

As at July 31, 2006, 7,140,841 shares were held in escrow and will be released over a three year period, based on a predetermined schedule.

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.

An amount of $358,530 has been recorded in the current period as stock based compensation expense, based on the stock options granted at the end of the quarter upon completion of the Company's IPO.

A summary of the Company's options as at July 31, 2006 is as follows:

Number	Price per Share	Expiry Date
1,425,000	$0.40	May 11, 2011

6. Related Party Transactions

The following represents the details of related party transactions paid or accrued during the three month period ended July 31, 2006:

	July 31 2006
Accounting and administration fees paid or accrued to a company 50% owned by an officer of the Company	4,700.00
	$ 4,700.00

7. Segmented Information

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

	July 31 2006
Canada	$ 2,162,690
Alaska, USA	987,508
Total	$ 3,150,198

CONSTANTINE METAL RESOURCES LTD.

FORM 51-102F1
MANAGEMENT DISCUSSION & ANALYSIS **JULY 31, 2006**

This MD&A should be read in conjunction with the audited financial statements and notes for the year ended April 30, 2006, and includes information up to September 27, 2006.

Company Overview

Constantine Metal Resources Ltd. (the "Company", "Constantine") is an exploration stage company engaged in the exploration and development of a polymetallic massive sulphide exploration property in Alaska known as the Palmer Property, our principal project.

Constantine was incorporated in March 2006 pursuant to a Plan of Arrangement between Carlin Gold Corporation and Toquima Minerals Corporation (“Toquima”), which resulted in Constantine acquiring the Palmer project from Toquima.

On July 31, 2006 the Company completed an initial public offering for $2,200,000 and is now a reporting issuer in British Columbia and Alberta. Constantine trades on the TSX Venture Exchange under the symbol CEM.

The proceeds of the IPO will be used for exploration of the Palmer project and general working capital. In August 2006 the Company began an $875,000 Phase 1 drilling program on the project. Planning for the Phase 1 drill program began in late June with the anticipation of completing the IPO in sufficient time to start the Phase 1 program before the end of the drill season which is usually mid-September at higher elevations in the Palmer project area. The drilling program started in early August concurrent with the completion of the IPO and listing on the TSX Venture Exchange. The results of the program will be reported on pending receipt of the final analytical results.

The Company's cash position at July 31, 2006 was $2,122,631, which is sufficient to meet the project and corporate needs for the year. Constantine’s working capital position at July 31, 2006 was $2,154,815.

Palmer Project - Alaska

The Company’s principal asset is the Palmer base metal project near Haines, Alaska The Palmer project consists of a 340 federal claim property that 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 link many of the occurrences are indicative of a very large ore-forming hydrothermal system.

Notable prospect areas include Glacier Creek (RW Zone and Main Zone horizons), Mount Henry Clay, Cap, Nunatak, and the Hanging Glacier (HG). Previous exploration, including several diamond drill programs, indicate similarities in mineralization style, alteration, age, and tectonic setting to the world-class Greens Creek and Windy Craggy deposits, which occur in the same belt of Triassic-age rocks in Southeast Alaska and Northwest British Columbia.

Exploration Highlights

1. At the Glacier Creek prospect, two stratiform horizons (RW zone and Main Zone horizons) have been identified that are part of the Phase 1 Constantine drill program that will be reported on pending receipt of final analytical results (see above).

2. Prior drilling has intercepted the RW zone mineralization grading 13.51% Zn, 0.21% Cu over 2.2 meters, 5.85% Zn, 1.89% Cu over 2.5 meters and 4.01% Zn over 4.6 meters.

3. The drill intercepts of the two known horizons are open on strike and down-dip and appear to be repeated by folding. These zones are identified by widespread footwall quartz-sericite+/-pyrite alteration and favourable geochemistry.

4. The Cap prospect has a drill intercept of 134 g/t Ag over 23 metres and lies on trend and to the southwest of the high-grade MHC float prospect. The system is open in all directions.

5. Numerous other prospects:

   Mount Henry Clay: Numerous high-grade chalcopyrite-pyrite massive sulphide and baritic, base metal rich massive and semi-massive sulfide boulders occur near the limits of a perched and stranded glacier. The average grade of 26 massive sulphide-barite boulders is: 19.3% Zn, 1% Cu, 0.4% Pb, 38.2 g/t Ag, 0.22 g/t Au, and 20.6% Ba, including a 6 foot diameter boulder that assayed 33% Zn and 2.5% Cu. The source of the boulders has not been discovered and the MHC area remains attractive for discovery.

   Nunatak: A bulk sample of baritic semi-massive sulphide yielded 11.84 oz/ton Ag and 0.92 oz/ton Au.

   HG: Massive sulphide samples from outcrop graded up to 198.9 g/t Ag, 1.58 g/t Au, 14.1% Zn, 2.3% Pb and 0.036% Cu.

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 property is 100% controlled by way of a mineral lease agreement with the owner, with advance royalties applied to a 2.5% Net Smelter Return (NSR) royalty, which is subject to certain optional buyout provisions.

The Company plans to continue exploration on the project in the summer of 2006 following completion of the IPO. Exploration will focus on expanding the current limits of RW and Main Zone mineralization and drill test other prospective targets that will include the Cap, MHC, and the RW southwall.

Results of Operations and Summary of Quarterly Results

This was the Company's first quarter of operation. Constantine's main activity in the quarter ended July 31, 2006 was the completion of a TSX Venture listing application and initial public offering. We also began mobilizing for the August drilling program around the end of the quarter.

The net loss for the 3 months ended July 31, 2006 was $378,559, consisting primarily of non-cash stock option compensation expense of $358,530. Other operating expenses were nominal for the period, totaling $20,029.

The Company incurred costs of $411,056 in connection with the completion of the IPO. Of this amount, approximately $212,000 was paid to the prospectus agent for commissions, finance fees and costs, and other compensation. A portion of the total amount paid to the agent was non-cash compensation in the form of shares and warrants valued at $99,696. Legal expenses accounted for $155,000 of the IPO cost and the balance consisted primarily of filing and listing fees.

During the quarter Constantine spent $108,796 in regard to the Palmer property. A total of $49,275 of this amount was spent on annual property filing fees required to maintain the property in good standing in the state of Alaska. The amount of $39,383 was spent in preparation for the summer exploration program and $8,155 in pre-season drilling costs. During the quarter $11,982 was paid in advance royalty payments to the property owners.

Liquidity

The Company's sources of cash in the last quarter were:

- $375,000 from the sale of a seed private placement
- $1,888,640 net cash proceeds from IPO

The Company's total cash position at July 31, 2006 was $2,122,631, sufficient to meet our project and corporate needs for the ensuing year. The working capital position at July 31, 2006 was $2,154,815.

Capital Resources

The Company has no material commitments for capital expenditures at this time. Holding costs for the Palmer project are estimated at approximately $100,000 for the next year.

Off-Balance Sheet Arrangements

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

Related Party Transactions

Morfopoulos Consulting Associates Ltd., a company 50% owned by Aris Morfopoulos, C.F.O. of Constantine, provided management, accounting and administration services to the Company during the period totaling $4,700.

Critical Accounting Estimates

The most significant accounting estimate for the Company relates to the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment of value.

Management's estimates of mineral prices, recoverable proven and probable reserves, and operating, capital and reclamation costs are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties.

Financial Instruments

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short term to maturity of these instruments.

Forward-Looking Statements

Certain statements contained in this Management Discussion and Analysis and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance of achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below.

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 closely monitors its risk based activities and 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.

Political Risk

The resource properties on which the Company is actively pursuing its exploration and development activities are all located in Alaska. While the political climate in Alaska 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. 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.

Other

Additional information about the Company may be found on the SEDAR website at www.sedar.com.