Consolidated Financial Statements of

CONSTANTINE METAL RESOURCES LTD.

(Expressed in Canadian Dollars)

For the years ended October 31, 2011 and 2010

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CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Constantine Metal Resources Ltd.,

We have audited the accompanying consolidated financial statements of Constantine Metal Resources Ltd. and its subsidiary, which comprise the consolidated balance sheets as at October 31, 2011 and 2010 and the consolidated statements of operations and comprehensive loss and deficit, cash flows and shareholders' equity for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Constantine Metal Resources Ltd. and its subsidiary as at October 31, 2011 and 2010 and their financial performance and their cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

CHARTERED ACCOUNTANTS

Vancouver, Canada
February 28, 2012

Consolidated Balance Sheets
As at October 31, 2011 and 2010

		2011		2010
Assets				
Current assets:				
Cash and cash equivalents	$	**1,115,268**	$	193,082
Accounts receivable		**279,654**		78,424
Prepaid expenses		**20,070**		28,422
Available-for-sale investments (Note 5)		**31,200**		-
		1,446,192		299,928
Deposits		**40,855**		-
Mineral properties (Note 7)		**15,889,773**		12,578,301
Equipment (Note 6)		**39,763**		44,384
	$	**17,416,583**	$	12,922,613
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	$	**149,963**	$	113,289
Due to related parties (Note 9)		**37,889**		6,440
		187,852		119,729
Shareholders' Equity				
Share capital (Note 8)		**19,142,678**		14,422,352
Contributed surplus		**1,522,154**		1,263,278
Accumulated other comprehensive income (Note 5)		**(4,200)**		-
Deficit		**(3,431,901)**		(2,882,746)
		17,228,731		12,802,884
	$	**17,416,583**	$	12,922,613

Nature of Operations and Going Concern (Note 1)
Commitments (Note 14)
Subsequent Event (Note 16)

On Behalf of the Board of Directors:

"J. Garfield MacVeigh"
____
Director

"G. Ross McDonald"
____
Director

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operations and Comprehensive Loss and Deficit
For the years ended October 31, 2011 and 2010

		2011		2010
Expenses:				
Amortization	**$**	**13,082**	$	4,258
Consulting		**59,066**		92,175
Foreign exchange (gain)		**(1,484)**		(89,637)
General and administrative		**303,876**		360,218
Insurance		**27,859**		31,770
Investor relations (Note 8c)		**144,018**		135,367
Legal		**44,509**		24,429
Management fees		**12,000**		12,000
Professional fees – audit		**31,900**		21,900
Payroll expenses		**157,006**		67,348
Rent		**30,574**		18,067
Shareholder communications		**4,256**		17,568
Travel		**32,732**		32,108
Loss before other items		**(859,394)**		(727,571)
Other Items:				
Future income tax recovery (Note 13)		**300,000**		-
Interest income		**5,341**		4,737
Flow-through share tax expense (Note 8a(i))		**(6,370)**		-
Gain on mineral property (Note 7e)		**92,548**		-
Gain on sale of available-for-sale investments (Note 5)		**9,140**		-
Write-off of mineral property costs (Note 7f)		**(90,420)**		-
		310,239		4,737
Loss for the year	**$**	**(549,155)**	$	(722,834)
Other comprehensive loss				
Unrealized loss on available-for-sale investments (Note 5)		**(4,200)**		-
Comprehensive loss for the year	**$**	**(553,355)**	$	(722,834)
Basic and diluted loss per share	$	**(0.01)**	$	(0.01)

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows
For the years ended October 31, 2011 and 2010

		2011		2010
Cash and cash equivalents provided by (used in):				
Operations:				
Loss for the year	$	**(549,155)**	$	(722,834)
Amortization		**13,082**		4,258
Income tax recovery (Note 13)		**(300,000)**		-
Stock-based compensation (Note 8c)		**18,019**		52,170
Gain on available-for-sale investments (Note 5)		**(9,140)**		-
Write-off of mineral property (Note 7f)		**90,420**		-
Gain on mineral property (Note 7e)		**(92,548)**		-
Changes in non-cash working capital accounts:				
Accounts receivable		**(177,430)**		(42,641)
Accounts payable		**35,683**		(10,626)
Due to related parties (Note 9)		**(5,480)**		2,168
Prepaid expenses		**(32,503)**		3,975
		(1,009,052)		(713,530)
Investing activities:				
Mineral property expenditures (Note 7)		**(3,408,874)**		(3,223,681)
Proceeds from sale of available-for-sale investments (Note 5)		**32,740**		-
Option payment received (Note 7e)		**100,000**		-
Purchase of equipment and fixtures (Note 6)		**(8,461)**		(42,883)
		(3,284,595)		(3,266,564)
Financing activities:				
Private placement proceeds (Notes 8a and 8b)		**5,750,000**		1,400,000
Share issuance costs paid in cash		**(549,167)**		(11,866)
Stock options exercised		**-**		7,313
Warrants exercised		**15,000**		2,405,000
		5,215,833		3,800,447
Increase (decrease) in cash	$	**922,186**	$	(179,647)
Cash and cash equivalents, beginning of year		**193,082**		372,729
Cash and cash equivalents, end of year	$	**1,115,268**	$	193,082

Supplemental Disclosure of Non-Cash Financing Activity:

		2011		2010
Value of shares issued for mineral properties	$	**45,350**	$	5,250
Shares issued for finder's fees	$	**-**	$	52,200
Interest paid	$	**303**	$	728
Warrants issued for broker and finder's fees	$	**204,857**	$	32,984
Income taxes paid	$	**-**	$	-
Accounts payable related to properties	$	**105,018**	$	67,098

See accompanying notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity
For the years ended October 31, 2011 and 2010

	Number of Shares	Capital Stock	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity
		$	$	$	$	$
Balance,October 31, 2009	60,791,772	$ 10,573,725	$ 1,254,038	$ (2,159,912)	-	$ 9,667,851
Net loss for the year	-	-	-	(722,834)	-	(722,834)
Proceeds from exercise of stock options	56,250	13,035	(5,722)	-	-	7,313
Private placement, at $.20 per share	7,000,000	1,400,000	-	-	-	1,400,000
Less: private placement issuance costs	-	(97,050)	32,984	-	-	(64,066)
Finders' shares on private placement	217,500	52,200	-	-	-	52,200
Proceeds from exercise of warrants	12,025,000	2,475,192	(70,192)	-	-	2,405,000
Shares issued for mineral property	25,000	5,250	-	-	-	5,250
Stock-based compensation	-	-	52,170	-	-	52,170
Balance, October 31, 2010	80,115,522	$ 14,422,352	$ 1,263,278	$ (2,882,746)	$ -	$ 12,802,884
Net loss for the year	-	-	-	(549,155)	-	(549,155)
Unrealized loss on available-for-sale investments (Note 5)	-	-	-	-	(4,200)	(4,200)
Private placement, at $0.15 per share (Note 8a(i))	15,333,334	2,300,000	-	-	-	2,300,000
Less: private placement issuance costs	-	(1,090,024)	240,857	-	-	(849,167)
Private placement (flow-through) at $0.175 per share (Note 8a(i))	6,857,143	1,200,000	-	-	-	1,200,000
Private placement (flow-through) at $0.30 per share (Note 8a(ii))	7,500,000	2,250,000	-	-	-	2,250,000
Proceeds from exercise of warrants	50,000	15,000	-	-	-	15,000
Shares issued for mineral properties (Notes 7b,c, and f)	330,000	45,350	-	-	-	45,350
Stock-based compensation (Note 8c)	-	-	18,019	-	-	18,019
Balance, October 31, 2011	110,185,999	$ 19,142,678	$ 1,522,154	$ (3,431,901)	$ (4,200)	$ 17,228,731

See accompanying notes to consolidated financial statements.

1. Nature of Operations and Going Concern

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

The Company is in the business of acquiring interests in resource properties that are considered to be sites of potential economic mineralization, and then subsequently developing such assets with a view to enhancing their value and to bringing on a major mining partner for development of the assets. The Company may sell property for an enhanced value or seek a major mining partner to advance one of its projects on a joint venture basis. Currently the Company is principally engaged in the exploration of mineral properties which cannot be considered economic until a commercial feasibility study has been completed. The Company has no sources of operating revenue and is dependent upon equity financing to maintain current operations and to ultimately develop a mineral property interest or interests which can be profitably sold or 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 October 31, 2011, the Company has incurred losses since inception and has an accumulated operating deficit of $3,431,901. The continuation and long-term viability of the Company remains dependent upon its ability to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its resource properties, confirmation of the Company's interests in the underlying properties, and the attainment of profitable operations.

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

2. Basis of Presentation

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

3. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and reflect the following policies:

a) 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. Significant estimates where management's judgment is applied include asset valuations, asset retirement obligations, income taxes, contingent liabilities, and stock based compensation. Actual results may differ from those estimates.

b) Financial Instruments

The Company classifies all financial instruments as either held-to-maturity, available-for-sale, held-for-trading, loans and receivables or other financial liabilities. Items held-to-maturity, loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in accumulated other comprehensive income. Instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized on the statement of loss and deficit.

The Company has designated its cash as held-for-trading, which is measured at fair value. Exploration advances and other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable are classified as other financial liabilities which are measured at amortized cost. The Company has classified its investment in a public company as available-for-sale and therefore carries it at fair market value, with the unrealized gain or loss recorded in shareholders' equity as a component of accumulated other comprehensive loss. These amounts will be reclassified from shareholders' equity to net income when the investment is sold or when the investment is impaired and the impairment is considered less than temporary. The Company has not classified any financial assets as held-to-maturity.

c) 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. 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.

d) Vehicles, Equipment and Leasehold Improvements

Equipment, vehicles, and leasehold improvements are recorded at cost. The Company provides for amortization on vehicles using the 30% declining balance method; on office equipment using the 20% declining balance method; and on leasehold improvement the straight-line method over the life of the lease, with half of this rate used in the year of acquisition.

e) Foreign Currency Translation

The accounts of the Company's foreign operations are considered to be integrated operations, and have therefore 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.

f) Environmental Protection and Rehabilitation Costs

The operations of the Company have been, and may in the future be, affected from time to time in varying degrees by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company may vary from region to region and are not predictable. The Company's policy is to meet or, if possible, surpass standards set by relevant legislation, by application of technically proven and economically feasible measures. Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against earnings as incurred or capitalized and amortized depending upon their future economic benefits. The Company does not anticipate any material capital expenditures for environmental control facilities because it is at an early stage of exploration.

g) 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.

h) 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.

i) Stock Based Compensation

In connection with incentive stock options granted by the Company to its officers, directors, employees and consultants, an expense is recognized over the vesting period based on the estimated fair value of the options on the date of the grant as determined using an option pricing model. The expense is charged to stock-based compensation and the offset is credited to contributed surplus. Cash received on exercise of incentive stock options is credited to share capital along with any contributed surplus amounts previously recorded that are applicable to the options exercised.

j) Flow-through Shares

The Company may finance a portion of its exploration activities through the issue of flow-through shares, which transfers the income tax deductibility of the exploration expenditures to the investor. Proceeds received on the issuance of such shares are credited to share capital, and the subsequent expenditure of these monies is charged to the related exploration costs incurred. At the date of renunciation of the tax benefits to the investors, the Company recognizes a future tax liability based on the difference between the amount renounced and the deferred carrying cost of the related expenditures on the Company's balance sheet, if any, and a share issuance cost is recorded for this amount. Previously unrecognized future income tax assets may then subsequently be recognized to reduce this liability, with the offsetting credit recorded in current operations.

k) Share Issue Costs

Costs incurred to issue common shares are deferred until the related shares are issued, at which time they are offset against share capital. Agent's options granted in connection with financings are assigned fair values on a similar basis to options granted as compensation as described above, with the expense recorded as a share issue cost.

l) Basic and Diluted Loss per Share

Basic loss per share is computed by dividing net loss by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants using the treasury stock method. In periods where a net loss is reported, all outstanding options and warrants are excluded from the calculation of diluted loss per share, as they would be anti-dilutive.

4. Recent Accounting Pronouncements

a) International Financial Reporting Standards ("IFRS")

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

the various alternatives for first time adoption of IFRS are in progress. Training of key personnel is in progress and will continue throughout the implementation.

5. Available-for-sale Investments

In December 2010, the Company received 100,000 shares of Ocean Park Ventures Corp., pursuant to an option agreement on the Trapper property (Note 7e). The Company sold 40,000 of the shares during the year for net cash proceeds of $32,740 and a gain for accounting purposes of $9,140. As at October 31, 2011 the Company's available-for-sale investments had an aggregate carrying value and fair value of $31,200 (2010-Nil). The aggregate book value of these securities was $35,400, which difference resulted in accumulated other comprehensive loss of $4,200 at October 31, 2011.

As at	October 31, 2011			October 31, 2010		
	Number of Shares	Cost	Fair Value	Number of Shares	Cost	Fair Value
Ocean Park Ventures Corp.	60,000	$ 35,400	$ 31,200	0	$ -	$ -

6. Equipment

	2011			2010		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Vehicles	$ 38,500	$ 13,570	$ 24,930	$ 38,500	$ 2,888	$ 35,612
Office equipment	12,473	3,430	9,043	4,012	2,478	1,534
Computers	8,357	2,567	5,790	8,358	1,120	7,238
	$ 59,330	$ 19,567	$ 39,763	$ 50,870	$ 6,486	$ 44,384

7. Mineral Properties

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

	Balance, October 31 2009	Fiscal 2010 Expenditures	Balance, October 31 2010	Fiscal 2011 Expenditures	Balance October 31 2011
Palmer Property, Alaska, USA (Note 7a)					
Acquisition costs	$ 1,042,115	$ 44,536	$ 1,086,651	$ 101,684	$ 1,188,335
Project and exploration costs	7,011,748	2,843,057	9,854,805	192,785	10,047,590
	8,053,863	2,887,593	10,941,456	294,469	11,235,925
Munro-Croesus Property, Ontario, Canada (Note 7b)					
Acquisition costs	433,775	3,066	436,841	35,359	472,200
Project and exploration costs	820,818	51,996	872,814	1,000,583	1,873,397
	1,254,593	55,062	1,309,655	1,035,942	2,345,597
Four Corners Property, Ontario, Canada (Note 7c)					
Acquisition costs	43,181	25,250	68,431	36,250	104,681
Project and exploration costs	88,904	28,854	117,758	311,192	428,950
	132,085	54,104	186,189	347,442	533,631
Phoenix Gold Property, Ontario, Canada (Note 7d)					
Acquisition costs	-	80,975	80,975	-	80,975
Project and exploration costs	-	-	-	144	144
	-	80,975	80,975	144	81,119
Trapper Gold Property, B.C., Canada (Note 7e)					
Acquisition costs	-	16,981	16,981	23,800	40,781
Project and exploration costs	-	29,149	29,149	20,322	49,471
Cost recovery	-	-	-	(90,252)	(90,252)
	-	46,130	46,130	(46,130)	-
Yukon, Canada (Note 7f)					
Acquistion costs	-	-	-	15,300	15,300
Project and exploration costs	-	1,750	1,750	1,679,958	1,681,708
Write-off of mineral property costs	-	-	-	(90,420)	(90,420)
	-	1,750	1,750	1,604,838	1,606,588
Hornet Creek, Idaho, USA (Note 7g)					
Acquisition costs	-	11,366	11,366	42,979	54,345
Project and exploration costs	-	780	780	31,788	32,568
	-	12,146	12,146	74,767	86,913
Total Mineral Property Costs	$ 9,440,541	$ 3,137,760	$ 12,578,301	$ 3,311,472	$ 15,889,773

a) Palmer Property, Alaska, USA

The Palmer property is comprised of 340 federal mining claims subject to a 99 year mining lease, dated December 19, 1997, and 63 state mining claims located near Haines, Alaska. To maintain the lease, the Company is required to make annual advance royalty payments of US $42,500 and pay Federal claim maintenance fees, which were US$47,600 in 2011.

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

b) Munro-Croesus Property, Ontario

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

The Company initially paid $40,000 in cash and issued 500,000 shares at a value of $0.70 in consideration of the property assets acquired. A further 250,000 shares were issued to the vendor on October 26, 2011 (Note 8a(i)), following confirmation of certain environmental conditions that were met, pursuant to the acquisition agreement. The vendor retains a 2% NSR production royalty of which 0.5% can be purchased by the Company for $1,000,000, with a right of first refusal on the remaining 1.5% royalty.

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

c) Four Corners Property, Ontario

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

In February 2011, $25,000 cash was paid and 50,000 shares of the Company were issued to the vendors, in accordance with the terms of the option agreement (note 8a(ii)).

d) Phoenix Gold Property, Ontario

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

e) Trapper Gold Property, B.C.

In May 2010 the Company signed an option agreement to acquire an undivided 100% interest in 9 contiguous mining claims (3,756 hectares) that comprise the Trapper gold property, located in the Atlin Mining Division in northern British Columbia. In order to acquire a 100% interest in the project, the Company must make cash payments totaling $135,000 ($15,000 paid on signing the agreement) and issue 155,000 common shares (Note 8a(v)) or pay $155,000 in cash, at the Company's election, over a 4 year period. The vendor will retain a 2.5% NSR royalty of which 1.0% can be purchased by the Company at any time for $500,000, with a right of first refusal on the remaining 1.5%.

In November, 2010 the Company granted an option to Ocean Park Ventures Corp. ("Ocean Park") on the Trapper gold property. Pursuant to the terms of the option agreement, Ocean Park paid $100,000 and issued 100,000 common shares of its common stock to Constantine (Note 5). In order to maintain the option and earn a 50% interest in the property, Ocean Park must make cumulative exploration expenditures on the property totaling $4,750,000 as follows: $750,000 by December 15, 2011 (incurred), $1,250,000 by second anniversary of the agreement, $2,250,000 by the third anniversary and $4,750,000 by December 15, 2014. In addition, Ocean Park must issue an additional 900,000 common shares to Constantine as follows: 200,000 shares by the second anniversary, 300,000 shares by third anniversary and 400,000 shares by December 15, 2014.

After completing $4,750,000 in exploration expenditures and issuing the share consideration to the Company to earn the 50% interest, Ocean Park may elect to extend the option and earn an additional 20% interest, for a total interest of 70%. To earn the additional 20% interest, Ocean Park must issue an additional 500,000 common shares by December 15, 2015 and incur an additional $5,000,000 in exploration expenditures on the property by December 15, 2017, with a minimum annual expenditure of $1,000,000.

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

The Company recorded a gain for accounting purposes of $92,548 on cash and shares received from Ocean Park during the year ended October 31, 2011.

f) Yukon Land Position and Joint Venture

Effective September 20, 2010, the Company entered into a joint venture agreement with Carlin Gold Corporation ("Carlin"). The Company and Carlin have staked an aggregate of 4,619 mineral claims in Yukon as part of a 50/50 joint venture. The Company's share of joint venture costs to October 31, 2011 was $1,681,708. As at October 31, 2011, the Company had a balance of $34,662 due to Carlin for its share of joint venture costs, which amount is included in due to related parties.

Acquisition by Joint Venture: Aztec Property, Yukon

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

In order to acquire a 100% interest in the property, the CCJV must make cash payments totaling $450,000 and issue 180,000 common shares of the Company and 270,000 common shares of Carlin over a period of five years. Annual advance royalty payments to the vendor of $35,000 will commence January 20, 2017. The vendor will retain a 2.5% NSR royalty, 20% of which, (representing a 0.5% NSR) can be purchased by CCJV at any time for $1,000,000, with a right of first refusal on the remaining 2% NSR royalty. CCJV will commit to a minimum exploration expenditure of $45,000 on the property within the first year of the agreement. In February 2011, the Company paid $12,500 and issued 10,000 shares of the Company (Note 8a(iii)) in connection with this agreement.

Subsequent to the end of the year, the CCJV terminated this option agreement. As at October 31, 2011, the Company wrote off its $90,420 interest in the Aztec property.

Refer to note 16.

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

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

In order to acquire a 100% leasehold right to the 44 claims that comprise the property, the Company must make cash payments totaling US$155,000 (US$35,000 paid) over a four year period. Under the terms of the agreement, the Company may elect to pay half of the remaining US$120,000 cash payments in common shares of the Company. The lessor will retain a 2% NSR, half of which can be purchased by the Company at any time for US$1,000,000, with a right of first refusal on the remaining 1% NSR.

During the term of the agreement, the Company will be responsible for annual land holding costs, currently estimated at $6,600 per year.

Under the terms of the agreement, the Company must make a one-time $500,000 cash payment upon a making commercial production decision.

8. Share Capital

a) Authorized: unlimited common shares without par value

Issued and outstanding: 110,185,999

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

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

Each full warrant entitles the holder to purchase one additional non-flow-through common share of the Company at a price of $0.20 per share for a period of 24 months from the date of closing.

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

At October 31, 2011, the Company had incurred the entire amount of the flow-through financing in Canadian Exploration Expenditures ("CEE"). During the year, the Company incurred tax related to its renunciation of share proceeds prior to it qualifying expenditures of $6,370 (2010-Nil).

(ii) On February 15, 2011, the Company issued 50,000 shares at a deemed price of $0.225 per share, in accordance with the terms of a property option agreement on the Four Corners gold property (Note 7c).

(iii) On March 1, 2011, the Company issued 10,000 shares at a deemed price of $0.28 per share, in accordance with the terms of a property option agreement on the Aztec gold property (Note 7f).

(iv) On March 17, 2011, the Company completed a $2,250,000 brokered flow-through private placement consisting of 7,500,000 shares issued at $0.30 per share. The Company paid $135,200 in agent's commissions and issued 450,000 compensation warrants to the agent in connection with the transaction. The compensation warrants are exercisable at a price of $0.30 per warrant for a period of 2 years from the date of closing.

At October 31, 2011, the Company had incurred approximately $1,901,896 in CEE in regard to this private placement financing.

(v) On September 14, 2011, the Company issued 20,000 shares at a deemed price of $0.19 per share, in accordance with the terms of a property option agreement on the Trapper gold property (Note 7e).

(vi) On October 26, 2011, the Company issued 250,000 shares at a deemed price of $0.11 per share, in accordance with the terms of the acquisition of the Munro-Croesus gold property (Note 7b).

b) Warrants

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

	Year ended October 31, 2011		Year ended October 31, 2010	
	Number of Shares	weighted average exercise price	Number of shares	weighted average exercise price
Balance, beginning of year	3,826,250	$0.30	13,000,000	$0.20
Exercised	(50,000)	0.30	(12,025,000)	0.20
Expired	(217,500)	0.30	(975,000)	0.20
Granted	13,039,316	0.20	3,826,250	0.30
Balance, end of year	16,598,066	$0.22	3,826,250	$0.30

Weighted average fair value of agent warrants granted during 2010	$0.10
Weighted average fair value of agent warrants granted during 2011	$0.12
Weighted average remaining life of warrants outstanding, October 31, 2010	1.01 years
Weighted average remaining life of warrants outstanding, October 31, 2011	0.90 years

The fair value cost of warrants and compensation options included in private placement issuance costs was estimated using the Black-Scholes Pricing Model using the following range of assumptions:

	2011	2010
Risk-free interest rate	1.69%	1.84% - 2.78%
Expected life of options in days	730	1,461 - 1,734
Annualized volatility	106%	107% - 114%
Dividend rate	0	0

c) Share Purchase Options

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

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

	Year ended October 31, 2011		Year ended October 31, 2010	
	Number of Shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Balance, beginning of year	5,190,000	$0.28	5,265,000	$0.28
Granted	250,000	$0.27	-	-
Exercised	-	-	(56,250)	0.13
Expired	(1,425,000)	$0.40	-	-
Cancelled	(500,000)	$0.24	(18,750)	0.13
Balance, end of year	3,515,000	$0.24	5,190,000	$0.28

Weighted average fair value of options granted during 2011	$0.10
Weighted average remaining life of options outstanding, October 31, 2010	2.3 years
Weighted average remaining life of options outstanding, October 31, 2011	2.5 years

The fair value cost of share purchase options was estimated using the Black-Scholes Pricing Model using the following range of assumptions:

	2011	2010
Risk-free interest rate	1.24% - 2.15%	1.84% - 2.78%
Expected life of options in days	730 - 1,095	1,461 - 1,734
Annualized volatility	86% - 117%	107% - 114%
Dividend rate	0	0

The fair value computed using the Black-Scholes model is only an estimate of the potential value of the individual options and the Company is not required to make payments for such transactions.

For the year ended October 31, 2011, the Company recorded $18,019 (2010 - $52,170) of stock based compensation, which is included in Investor Relations expense for the year ended October 31, 2011 and 2010.

9. Related Party Transactions

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

As at October 31,	2011	2010
Management and technical fees paid or accrued to companies owned by directors	38,718	30,172
Consulting fees paid to officers	110,873	129,775
Accounting and administration fees paid or accrued to a company 50% owned by an officer of the Company	72,000	60,000
	221,591	219,947

At October 31, 2011, the unpaid portion of the above amounts was $3,227 (2010 - $6,440).

At October 31, 2011, included in due to related parties was an amount of $34,662 (2010 – Nil) due to Carlin, a company related by common directors and officers, for the Company's portion of mineral property expenditures relating to the Yukon joint venture (Note 7f).

10. Management of Capital

The Company manages its cash, common shares, stock options and warrants (Note 8) 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.

11. Financial Instruments

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

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and amounts due to related parties.

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

Financial Instrument Risk Exposure

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

Credit Risk

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

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. A portion of the Company's cash is invested in business accounts which are available on demand.

As at October 31, 2011, the Company has Canadian Exploration Expenditure obligations of approximately $458,000, which the Company has agreed to incur by December 31, 2012. There is a risk that the Company will be unable to raise the funds necessary to meet its operational requirements.

Market Risk

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its marketable securities portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates and fluctuations.

Exchange Risk

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

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

As at October 31,	201	201
Financial Assets		
Held-for-trading, measured at fair value		
Cash and cash equivalents	**$ 1,115,268**	$ 193,082
Available-for-sale, measured at fair value		
Available-for-sale investments	**$ 31,200**	$ -
Financial Liabilities		
Other liabilities, measured at amortized cost		
Accounts payable, accrued liabilities and due to related parties	**$ 187,852**	$ 119,729

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

As at October 31	201	201
	Level 1	Level 1
Cash and cash equivalents	**$ 1,115,268**	$ 193,082
Available-for-sale investments	**31,200**	**-**

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

12. Segmented Information

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

As at October 31,	2011	2010
Canada	$ 6,092,354	$ 1,969,011
United States	11,324,229	10,953,602
Total	$ 17,416,583	$ 12,922,613

13. Income Taxes

A reconciliation of income taxes at statutory rates is as follows:

	2011	**2010**
Net loss for the year	$ (549,155)	$ (722,834)
Expected income tax expense	(147,357)	(206,008)
Net adjustment for amortization and other non-deductible amounts	(98,380)	(27,602)
Asset recognized to offset FIT liability	(300,000)	-
Unrecognized benefit of FIT assets	245,737	233,610
Total income tax recovery	$ (300,000)	$ -

Subject to confirmation with regulatory authorities, the significant components of the Company's future income tax assets are approximately as follows:

	2011	2010
Future income tax assets (liabilities):		
Net mineral property carrying amounts in excess of tax pools	$ (547,326)	$ (230,953)
Equipment	4,892	1,622
Share issue costs	131,657	40,392
Non-capital loss carryforwards	964,623	731,220
	553,846	542,281
Valuation allowance	(553,846)	(542,281)
Net future tax assets	$ -	$ -

The Company has Canadian non-capital losses of approximately $3,589,000 (2010 - $2,673,000), which will be available to reduce future taxable income in Canada and which will expire in 2031. The Canadian non-capital losses, if not utilized, will expire in the years presented below:

2016	$ 156,000
2027	447,000
2028	594,000
2029	656,000
2030	820,000
2031	916,000
	$ 3,589,000

14. Commitments

The Company has a lease agreement for the rental of office space, which expires on May 31, 2016. The 2012 minimum lease obligation for the lease is $25,449.

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

	Amount
2012 fiscal year	$ 25,449
2013 fiscal year	42,469
2014 fiscal year	44,452
2015 fiscal year	46,435
2016 fiscal year	27,762
	$ 186,567

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

The Company is committed to incur, on a best-efforts basis $2,250,000 in qualifying Canadian exploration expenditures by December 31, 2012 pursuant to a flow-through private placement, of which approximately $1,792,000 has been incurred as at October 31, 2011.

15. Comparative Figures

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

16. Subsequent Event

On February 21, 2012, the Company signed a letter of intent to spin-out the CCJV's Yukon properties into a new company. Pursuant to the terms of the letter of intent, the parties agreed to enter into a definitive agreement no later than April 15, 2012. The terms within the proposed definitive agreement will include payment of $500,000 cash and the issuance of 14,166,666 shares (ie. 28% of the new spin-out company) to the Company. Closing of the transaction will be subject to a number of conditions, including completion of a $4,000,000 financing and listing of the new company, delivery by the CCJV of a NI 43-101 compliant technical report, completion of satisfactory due diligence and regulatory approvals.

Management Discussion and Analysis
For the year ended October 31, 2011

General

The information in this Management's Discussion and Analysis, or MD&A, is intended to assist the reader in the understanding and assessment of the trends and significant changes in the results of operations and financial conditions of Constantine Metal Resources Ltd. (the "Company" or "Constantine"). This MD&A should be read in conjunction with the audited consolidated financial statements of the Company, including the notes thereto, for the year ended October 31, 2011 which are prepared in accordance with Canadian generally accepted accounting principles. This MD&A has taken into account information available up to and including February 28, 2012.

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

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

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

2011 Highlights

1. The 7,280 meter 2011 Munro Croesus drill program completed in late June 2011, has documented significant gold mineralization in multiple different areas of the greater Munro Croesus project. Importantly, shallow diamond drilling and exposure of the Croesus Mine crown pillar has identified the potential for high grade Croesus gold mineralization in the immediate hanging wall and footwall to the mined out Croesus vein as well as the modest depth 200 Zone footwall target.
2. Adjacent to the Munro Croesus property, Lake Shore Gold Corp. ("Lake Shore Gold") drilled three confirmatory diamond drill holes and one expansion diamond drill hole on the Fenn-Gib deposit. The expansion hole indicates a 200 meter extension of shallow mineralization to the north of previous drilling and increases the probability of the extension of mineralization onto Constantine's immediately adjacent Munro Croesus property. Lake Shore Gold's initial National Instrument 43-101 resource estimate for the Fenn-Gib property released in November 2011

includes a total of 40.8 million tonnes grading 0.99 gpt for a total of 1.30 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 in the Inferred category.

3. The $1.6 million Constantine-Carlin Joint Venture summer field program in the Yukon was initiated in late June 2011 and completed in mid-September 2011 after collecting approximately 13,000 soil, silt and rock samples. Soil sample results at the TUT property has confirmed a coincident gold and arsenic soil anomaly which spans 6.5 kilometers in length, ranges from 300 to 1,200 meters in width and is defined by soils with greater than 100 ppm arsenic and greater than 20 ppb gold. First pass sampling at the JV's X Block property has encountered several areas with anomalous gold and arsenic, with associated thallium and mercury.
4. The 100% partner funded 2011 Trapper exploration program included 8,581 meters of drilling in 42 holes. Mineralization at the Main Gold zone is indicated in drilling over a strike length of 2.3 kilometers.

Gold Projects

Constantine controls 100% interest in three gold projects, the Munro-Croesus, Phoenix and Trapper projects. One of these projects is the famous high-grade past-producing Croesus Gold Mine located along the north side of the Porcupine Destor Fault zone, approximately 75 kilometers east of the center of the Timmins gold camp. The Phoenix Gold project is in the south Timmins area, and the Trapper Gold project is in northern British Columbia. Constantine's gold properties are important assets of the Company that provide exposure to high quality gold exploration targets and are a significant part of the current year's exploration activities. The Trapper Project is optioned to Ocean Park Ventures Corp. who can earn a 70% interest in the project by completing $9.75 million in work expenditures and issuing certain cash and share payments to Constantine. The Company also has a 50% interest in 4,619 mineral claims in Yukon, in a joint venture with Carlin Gold Corporation, which is focused on exploration for Carlin-style gold deposits.

Munro-Croesus Project (Ontario)

The Munro Croesus property, the Four Corners property located 1.2 kilometers east of Munro Croesus and the JM Property are together referred to as the Munro Croesus Project. The Project includes strategic claims adjacent to the Fenn-Gib property which was acquired by Lake Shore Gold Corp. from Barrick Gold Corporation for $60 million. Since acquiring the Fenn-Gib property, Lakeshore Gold has drilled four resource confirmation/expansion holes and completed a 43-101 resource calculation. The new resource estimate is reported to include a total of 40.8 million tonnes grading 0.99 grams per tonne ("gpt") for a total of 1.30 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. Constantine's 100% owned claims are located within 300 meters west and along trend from the Fenn-Gib gold resource and also along the east and northeast boundaries of the Fenn-Gib property.

A 7,280 meter drill program started in early March, 2011 and completed in late June 2011 tested the high-grade Croesus Mine target at shallow and moderate depths, and the Four Corners property at the Canamax and Perry Pond targets. A late fall trenching program exposed the Croesus Mine crown pillar and downhole Induced Polarization (IP) and Electromagnetic surveys were carried out on Croesus Mine drill holes and Four Corners Canamax Zone drill holes.

Munro Croesus Gold Property (Munro Croesus Project)

The Munro-Croesus property includes the formerly producing Croesus mine, known to have produced some of the highest grade gold ever mined in Ontario. Prior to the current drilling program on the property, two previous drilling campaigns in early 2008 and early 2009 totaled 2,864 meters. The previous drilling located high-grade Croesus type gold veins in the south offset fault block of the Croesus Mine vein

and identified a new footwall zone of high-grade gold mineralization (12.2 g/t gold over 0.46m) at depth under the historic mine workings.

Summary of the 2011 Munro Croesus drill program:

Near surface high-grade veins have been intersected in both the hanging wall and footwall to the main high-grade Croesus Mine vein structure, including intercepts of 18.79 g/t gold over 4.10 meters in MC11-C38 and 18.03 g/t gold over 1.24 meters in MC11-20.[1] These intersections highlight the potential for more high-grade Croesus type ore that was only mined historically to a depth of 40 meters and that could be accessible by a shallow (< 50 meter deep) open pit. Drilling has also outlined the 200 Zone target for more detailed exploration 175-200 meters below the Croesus Mine workings (9.56 g/t gold over 1.31 meters in MC11-17 and 12.2 g/t gold over 0.46 meters in MC08-10). The 2011, 200 Zone drilling provided a suitable drill spacing for down-hole geophysics to map out the chemically and structurally favourable, sulphide-carbon rich host rocks and potentially directly target zones of high-grade gold for which the Croesus Mine was famous. The downhole geophysical work was completed in late Fall 2011 and a report is pending upon completion of interpretation of the results. The crown pillar at the Croesus Mine was cleaned off to evaluate the geology and structure and provide information on crown pillar stability. The Croesus vein structure exposed in the pillar is a complex multi-vein structure up to 8 meters wide and will be sampled in detail in 2012.

Four Corners Property Drilling (Munro Croesus Project)

Constantine has fulfilled the terms of the Four Corners option agreement (subject to annual advanced royalty payments of $5,000/year and a 2.5% Net Smelter Return Royalty) to acquire a 100% interest in the 63 claim Four Corners property that forms part of the Munro-Croesus project. The Property is located 1.2 kilometers east of the Munro Croesus property, with Lake Shore Gold's Fenn-Gib property located in between. The Four Corners property straddles an area between the prolific Porcupine Destor Fault Zone (PDDZ), the Pipestone Fault Zone and the Munro Break, and within the same structural corridor that hosts the high-grade Croesus Mine to the west and the >2.0 million ounce combined production from the past producing Holt-McDermott and Holloway Mines located 25 kilometers to the east. The geological setting at Four Corners shares many similarities to classic Archean gold systems.

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

At the Four Corners Perry Pond prospect, two holes were drilled on section that tested shallow to moderate south dipping gold bearing shear zones that cut steep north dipping contacts between tholeiite-komatiite rocks. The best value from the current drilling is 0.64 g/t gold over 4.05 meters. Previous drilling

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[1] Samples of drill core were cut by a diamond blade rock saw, with half of the cut core placed in individual sealed polyurethane bags and half placed back in the original core box for permanent storage. Sample lengths typically vary from a minimum 0.1 meters to a maximum 1.0 meter interval with an average 0.5 meter sample length. Drill core samples were delivered directly, by Constantine personnel, to the ALS Chemex prep lab in Timmins Ontario in sealed woven plastic bags. Prepared pulps were shipped by ALS Chemex to their North Vancouver Lab where gold was determined by fire-assay *fusion of a 30 g sub-sample with atomic absorption spectroscopy (AAS) finish. A subset of samples were also screened and analyzed for metallics gold. All samples were analyzed for multi-element inductively-coupled plasma (ICP) atomic emission spectroscopy, following multi-acid digestion.*

by St. Andrew Goldfields Ltd. on the prospect intersected 9.37 g/t gold over 1.25 meters within a south dipping deformation zone that cuts tholeiitic and komatiitic volcanic rocks.

Update on Adjacent Lake Shore Gold Corp. Fenn-Gib Property

The Fenn-Gib property acquired by Lake Shore Gold from Barrick for $60 million is located immediately adjacent and between Constantine's Munro-Croesus and Four Corners properties. The structural and geological controls on mineralization at Fenn-Gib are interpreted to extend westward onto underexplored parts of the Munro-Croesus property, which is located within 300 meters and along trend of the Fenn-Gib deposit. In October 2011 Lake Shore Gold reported the results of 4 holes, including 3 confirmation ("twin") holes in preparation of a 43-101 resource and 1 infill/expansion drill hole,on their wholly owned Fenn-Gib project. The three "twin" holes intersected widths and grades similar or better than original holes and a fourth expansion hole intersected 1.31 grams per tonne ("gpt") gold ("Au") over 414.00 meters ("m"), including 1.54 gpt gold over 264.00 m, and 2.40 gpt gold over 20.00 m, and ended in mineralization 470 meters vertically below surface. This hole indicates a 200 meter expansion of shallow mineralization to the north of previous drilling. The subsequent, initial National Instrument 43-101 resource estimate for the Fenn-Gib property released in November 2011 includes a total of 40.8 million tonnes grading 0.99 gpt for a total of 1.30 million contained Au ounces in the Indicated category and 24.5 million tonnes at 0.95 gpt for a total of 0.75 million ounces in the Inferred category. A following quote from the news release highlights the possibility of expanding the resource onto Constantine ground immediately to the west - "we (Lake Shore Gold) believe the potential to add to the resource with further work is excellent given that there is only limited drilling below 300 metres and to the north, east and west of the Main Zone".

JM Gold Property (Munro Croesus Project)

The JM property was acquired by staking in August 2010 and consists of 2 claims (4 units, 65 hectares) immediately to the north of the Munro Croesus property. The property covers the projected extension of the favourable Croesus mine stratigraphy to the northwest of the Croesus Mine. Some geological mapping and sampling was completed on the property in September 2011. More mapping and sampling of the area should be carried out in the 2012 field season in conjunction with completing the compilation of historical work in the area.

Phoenix Gold Project (Ontario)

The Phoenix Gold property agreement signed in April 2010 allows Constantine to earn a 100% interest in 35 claims (519 units ~8,304 hectares) located 75 kilometers south of the Timmins gold camp. The claims were staked based on Ontario geological survey airborne magnetic maps that indicate possible westerly extensions of the Matachewan-Kirkland-Larder Lake Break that is associated with Matachewan and Kirkland-Larder Lake gold camps. Favourable Tisdale Group volcanic rocks underlie the property, including several areas of ultramafic rocks that may play an important part in localizing gold deposits near and along fundamental structural breaks or deformation zones. No field work was carried out on the property during the 2011 field season. Approximately $235,000 in expenditures is required to maintain the property in good standing in 2012 and the Company is looking for a partner to advance the project that is located in the very active Shiningtree gold area.

Constantine-Carlin Gold Yukon JV Project

For years, gold mining companies have searched the globe for the next Carlin-type gold district, and the new Osiris and subsequent discoveries by Atac Resources Ltd. have described Carlin-type sediment hosted gold mineralization in the Yukon. The potential significance of this discovery is enormous when considering Nevada's Carlin-type deposits are typically large and high grade and have produced over 100

million ounces of gold since discovery in the 1960s. Carlin-type deposit potential in the Yukon is supported by several interesting local and regional features:

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

The Constantine-Carlin 50/50 Joint Venture (the "JV") was formed in fall 2010 specifically to target and explore for Carlin-type gold deposits in the Yukon's Selwyn Basin. The JV moved quickly to establish a large land position in this emerging gold frontier, acquiring areas with permissive geology and drainages with strong geochemical anomalies. The JV now controls a total of 4,619 claims in 16 properties comprising approximately 1,000 square kilometers (385 square miles), which represents one of the largest property positions in this new district. A $1.6 million summer field program was initiated in late June 2011 and completed in mid-September 2011 after collecting approximately 13,000 soil, silt and rock samples.

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

On February 27, 2012, the Company announced that it has signed a letter of intent to spin-out the CCJV's Yukon properties into a new company. Pursuant to the terms of the letter of intent agreement, the parties agreed to enter into a definitive agreement no later than April 15, 2012. The terms within the proposed definitive agreement will include payment of $500,000 cash and the issuance of 14,166,666 shares (ie. 28% of the new spin-out company) to the Company. Closing of the transaction will be subject to a number of conditions, including completion of a $4,000,000 financing and listing of the new company, delivery by the CCJV of a NI 43-101 compliant technical report, completion of satisfactory due diligence and regulatory approvals.

Summary Highlight Results to Date

Initial laboratory data at the TUT property has confirmed a coincident gold and arsenic soil anomaly. The anomaly, which spans 6.5 kilometers in length and ranges from 300 to 1,200 meters in width, is defined by soils with greater than 100 ppm arsenic and greater than 20 ppb gold. Individual soil samples within this area are as high as 2,809 ppb (2.81 grams per tonne gold) and 58,652 ppm (5.87 percent) arsenic. Detailed infill grid sampling has defined a greater than 1,000 ppm arsenic core to the anomaly that is 1.5 kilometers in length and 500 meters in width. Seven mineralized grab samples from initial prospecting within the 1,000 ppm arsenic core anomaly area range from 2.01 grams per tonne gold to greater than 15 grams per tonne gold, with an average grade of 5.21 grams per tonne gold.[2] The core of the soil anomaly correlates with a zone of altered and heavily fractured rhyolite dikes that are commonly associated with

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

quartz-arsenopyrite veining. Dikes within the zone average 35 to 50 meters in width and are located near the outer edge of a contact metamorphic aureole, approximately one kilometer outboard of a Cretaceous-age quartz monzonite stock.

Initial sampling at the JV's X Block property has encountered several areas with anomalous gold and arsenic, with associated thallium and mercury that have been followed up with more detailed work. Separate soil samples have returned values of up to 6,355 ppb (6.36 grams per tonne) gold, 9,756 ppm arsenic, 13.6 ppm thallium and 9.3 ppm mercury. The geological setting of these anomalous sample areas is within the lower Paleozoic strata and structures targeted in the initial staking.

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

Strategies are being considered to provide funding to advance and drill test priority targets in the 2012 field season.

Trapper Gold Project (British Columbia)

The 100% partner funded 2011 program included 8,581 meters of drilling in 42 holes. The work was completed by Ocean Park Ventures Corp. ("Ocean Park") who can earn a 70% interest in the project by spending $9.75 million in work expenditures and issuing certain cash and share payments to Constantine. Mineralization at the Main Gold zone has now been indicated in drilling over a strike length of 2.3 kilometres. Drill results include 22.86 meters of 2.51 g/t gold in mineralized porphyry and 25 meters of 1.03 g/t gold within 147.5 meters of 0.42 g/t gold in sulphide stockwork, including semi-massive mineralization. Prior to the 2011 exploration program, no drilling had been undertaken at the Trapper Gold project and the nature of the mineralization system was unclear. Highlights of the 2011 Phase 1 drill program include:

- Recognition of a large porphyry gold-copper complex with at least two porphyry centres, including associated hydrothermal breccias
- Drilling of a dense, multi-kilometre gold-mineralized structural network including core zones of gold-rich sulfide stockworks that are locally semi-massive in character
- Drill discovery of gold-mineralized feldspar porphyry dykes and sills with gold grade enrichment at the margins
- Discovery of at- to near-surface copper-mineralized feldspar porphyry

Ocean Park reports plans for drill-testing all of these targets in 2012, including definition drilling of the gold-mineralized porphyry discoveries and gold-rich sulfide stockworks, which have demonstrated significant grade and size potential. There are also plans to drill test the core gold-copper porphyry complex located adjacent to the main gold zone. A ground based induced polarization (IP) geophysical survey, an airborne electromagnetic survey, and an extensive expansion to the historic soil geochemical grid were part of the 2011 field program.

Base Metal Projects

Palmer project (southeast Alaska, USA)

Overview

The Company's principal asset is the 100% controlled Palmer polymetallic massive sulphide project in Alaska. The next phase of exploration on the project requires a minimum $5,000,000 exploration program and the project was inactive during the 2011 field season except for some environmental baseline work and ongoing geological studies. The project is logistically well situated within 3 miles of a paved highway and 35 miles north of the deep-sea port of Haines. The Palmer project consists of a 340 federal claim property that is subject to certain annual advanced royalty payments and a net smelter royalty payment to the lessor should the property reach commercial production and 63 state claims that are owned outright by Constantine, but subject to an Area of Interest net smelter return and certain Alaska State payments to maintain them in good standing. The property includes a large number of precious metals-enriched volcanogenic massive sulfide ("VMS") prospects distributed along two sub parallel trends and within two or more stratigraphic horizons along a combined 14.5 kilometer (9 mile) strike length of volcanic-sedimentary stratigraphy. Extensive zones of quartz-sericite-pyrite alteration that link many of the occurrences are interpreted to be indicative of a very large mineralized system. Palmer project highlights are itemized below.

- The 64 square kilometer property encompasses numerous underexplored VMS prospects located within large scale hydrothermal alteration zones. In addition to the immediate opportunity to expand the current RW and South Wall resources, excellent potential exists to discover other new deposits on the property.

- Constantine completed the first NI 43-101 compliant resource (see news release dated January 20, 2010) on the Palmer property. Using an NSR cut-off of $50 per tonne an inferred resource of 4.75 million tonnes grading 1.84 percent copper, 4.57 percent zinc, 0.28 grams per tonne gold, and 29.1 grams per tonne silver has been estimated.

- Mineralogical studies and metallurgical benchmarking demonstrated coarse grained mineralogy and the likelihood, through further test work, that the Palmer mineralization will yield good recoveries with high grade concentrates at relatively low milling cost.

- The resource area could likely be accessed by short lateral development.

- The Company believes that the geometry of the currently defined, wide, steeply dipping South Wall sulphide mineralization is favourable for low cost underground mining methods.

- The project has a favourable location with good logistics, including direct access to Pacific Rim concentrate markets via 60 kilometers of existing road connecting the project to the deep sea port at Haines, Alaska.

To advance the Palmer project, a $5,000,000 exploration program is recommended for the next phase of exploration. The focus will be to test extensions of the RW and Southwall Zones with 2 drills and one drill to test other prospects that may include the Cap, Nunatak, HG and MHC drill targets. Additional surface, down-hole and possibly airborne geophysical surveys will be included in the program.

Work carried out in 2011 included some environmental work The Company will require additional funds or a partner to carry out the proposed exploration work.

Hornet Creek (Idaho, USA)

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

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

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

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

The Company completed some surface sampling and geology work on part of the property in October 2011 as part of a larger proposed program (see below) and is compiling all available historical information on the property. An initial field program is proposed that includes geological mapping, rock and soil sampling, and geophysics to establish drill targets.

Results of Operations

Mineral Property Acquisitions and Expenditures

In the year ended October 31, 2011 the Company incurred costs of $3,410,892 on mineral properties, net of $90,252 in cost recoveries on the Trapper property. The majority of these expenditures were incurred on the Yukon joint venture project, where the Company and Carlin jointly completed a major staking and sampling program. The Company's share of Yukon joint venture costs for the year ended October 31, 2011 was $1,679,958. In 2011 Constantine also completed a 7400 meter drilling program on the Munro-Croesus project in Ontario. A total of $1,035,942 was spent on the Munro-Croesus property and $347,442 on the adjacent Four Corners property in the year ended October 31, 2011.

In November 2010, Constantine optioned the Trapper property to Ocean Park Ventures Corp. and received an initial option payment of $100,000 and 100,000 shares from Ocean Park. As a result of the

cash and share payments received, the Company realized a gain for accounting purposes of $92,548 on the Trapper gold project for the year ended October 31, 2011.

In January 2011 the Company acquired a 100% interest in the Hornet Creek copper-gold massive sulphide prospect in west-central Idaho through a long-term lease agreement. The Company spent a total of $86,913 on the Hornet Creek project as at October 31, 2011, which included acquisition costs of $54,345.

In February 2011, the Company paid $12,500 and issued 10,000 shares in connection with its share of the joint venture's Aztec property acquisition in Yukon. Following mineral investigation of the Aztec property during the year, the joint venture decided to terminate the option agreement, and wrote-off its investment in the property. Constantine's portion of the write-off was $90,420, which amount is included in the Company's Statement of Operations and Comprehensive loss for the year ended October 31, 2011.

In October 2011 Constantine issued 250,000 shares of the Company to the vendor of the Munro-Croesus property, representing the final share payment on the purchase of the property.

The following table is a breakdown of mineral property expenditures on the Company's U.S. properties for the years ended October 31, 2011 and 2010:

	Balance, October 31 2009	Fiscal 2010 Expenditures	Balance, October 31 2010	Fiscal 2011 Expenditures	**Balance October 31 2011**
Palmer Property, Alaska, USA					
Acquisition costs	$ 878,712	$ -	$ 878,712	$ -	**$ 878,712**
Advance royalty payments	163,403	44,536	207,939	43,091	**251,030**
Alaska labour	167,724	264,150	431,874	15,643	**447,517**
Prop. acquisition & maint. cost	9,598	9,116	18,714	-	**18,714**
Assaying and testing	142,624	43,097	185,721	2,031	**187,752**
Field transportation	1,847,144	670,529	2,517,673	10,007	**2,527,680**
Geophysics	126,772	207,844	334,616	1,051	**335,667**
Drilling	2,654,488	1,017,840	3,672,328	-	**3,672,328**
Property filing and maintenance fees	195,412	52,058	247,470	58,593	**306,063**
Geology and field support	1,203,291	296,816	1,500,107	37,426	**1,537,533**
Technical consulting	575,640	230,588	806,228	114,597	**920,825**
Travel	89,055	51,019	140,074	12,030	**152,104**
	8,053,863	2,887,593	10,941,456	294,469	**11,235,925**
Hornet Creek, Idaho, USA					
Acquisition costs	-	11,366	11,366	43,329	**54,695**
Assaying and testing	-	282	282	21,046	**21,328**
Field transportation	-	-	-	255	**255**
Technical consulting	-	497	497	7,927	**8,424**
Travel	-	-	-	2,211	**2,211**
	-	12,145	12,145	74,768	**86,913**
Total	$ 8,053,863	$ 2,899,738	$ 10,953,601	$ 369,237	**$ 11,322,838**

The following table is a breakdown of mineral property expenditures on the Company's Canadian properties for the years ended October 31, 2011 and 2010:

	Balance, October 31 2009	Fiscal 2010 Expenditures	Balance, October 31 2010	Fiscal 2011 Expenditures	**Balance October 31 2011**
Munro-Croesus Property, ON, Canada					
Acquisition costs	$ 433,775	$ 3,066	$ 436,841	$ 35,360	**$ 472,201**
Assaying and testing	21,898	4,651	26,549	79,568	**106,117**
Drilling	424,201	-	424,201	699,278	**1,123,479**
Field transportation	7,739	1,569	9,308	6,031	**15,339**
Geophysics	95,129	-	95,129	54,317	**149,446**
Travel	23,673	3,299	26,972	23,285	**50,257**
Geology and field support	103,468	2,608	106,076	43,611	**149,687**
Technical consulting	144,710	39,869	184,579	94,492	**279,071**
	1,254,593	55,062	1,309,655	1,035,942	**2,345,597**
Four Corners Property, ON, Canada					
Acquisition costs	43,181	25,250	68,431	36,250	**104,681**
Assaying and testing	-	-	-	23,367	**23,367**
Drilling	34,235	-	34,235	208,686	**242,921**
Geophysics	46,030	-	46,030	10,863	**56,893**
Field Transportation	130	-	130	816	**946**
Travel	252	-	252	6,805	**7,057**
Technical consulting	7,907	16,837	24,744	41,775	**66,519**
Geology and field support	350	12,017	12,367	18,880	**31,247**
	132,085	54,104	186,189	347,442	**533,631**
Phoenix Gold Property, ON, Canada					
Acquisition costs	-	80,975	80,975	-	**80,975**
Technical consulting	-	-	-	144	**144**
	-	80,975	80,975	144	**81,119**
Trapper Gold Property, B.C., Canada					
Acquisition costs	-	16,981	16,981	23,800	**40,781**
Assaying and testing	-	3,809	3,809	(585)	**3,224**
Field transportation	-	3,439	3,439	2,616	**6,055**
Geology and field support	-	11,439	11,439	745	**12,184**
Technical consulting	-	5,750	5,750	17,229	**22,979**
Travel	-	4,712	4,712	317	**5,029**
Cost recovery	-	-	-	(90,252)	**(90,252)**
	-	46,130	46,130	(46,130)	**-**
Yukon, Canada					
Acquisition costs	-	-	-	15,300	**15,300**
Assaying and testing	-	-	-	184,795	**184,795**
Field transportation	-	-	-	470,388	**470,388**
Geology	-	-	-	151,196	**151,196**
Geochemisty	-	-	-	285,593	**285,593**
Technical consulting	-	-	-	50,399	**50,399**
Other	-	1,750	1,750	537,587	**539,337**
Write-off of mineral property costs	-	-	-	(90,420)	**(90,420)**
	-	1,750	1,750	1,604,838	**1,606,588**
Total	$ 1,386,678	$ 238,021	$ 1,624,699	$ 2,942,236	**$ 4,566,935**

Operating Costs

The Company recorded expenses of $859,394 for the year ended October 31, 2011, a 19% increase over the previous year ($722,834). The largest increase in 2011 expenses was in payroll costs, which increased from $67,348 in 2010 to $157,006 in 2011. Payroll costs were expected to be higher, based on the additional personnel hired at the end of last year, and higher cost allocations of existing personnel to general and administration functions. The Company's legal costs of $44,509 for the year were higher than the previous year (2010-$24,429), due to increased acquisition and due diligence work.

For the year ended October 31, 2011, general and administrative costs consisted of:

General and Administrative expenses	Amount
Conferences, trade shows and advertising	$ 137,994
Accounting and administration	77,129
Office expenses	46,470
Transfer agent, listing and filing fees	27,946
Other	14,337
Total	$ 303,876

Selected Annual Information

Selected annual financial information for the three years ended October 31, 2011, 2010 and 2009 as follows:

At October 31,	***2011***	***2010***	***2009***
Loss before other items	$ (859,394)	$ (722,834)	$ (907,037)
Net loss for the year	(549,155)	(722,834)	(817,037)
Loss per share	(0.01)	(0.01)	(0.02)
Total assets	17,416,583	12,922,613	9,887,209
Total liabilities	187,852	119,729	219,358
Total shareholders' equity	17,228,731	12,802,884	9,667,851

Summary of Quarterly Results

In the quarter ended October 31, 2011, the Company incurred expenditures of $924,982 on mineral properties. Of this amount, $645,296 was spent on the Yukon joint venture project, as the Company and its partner completed the initial phase of sampling and exploration of the property.

The Company recorded net income of $51,504 (2010-$132,554 loss) for the quarter, after taking into account an income inclusion of $300,000 at the year-end for future income tax recovery related to flow-through accounting. General and administrative costs of $64,819 (2010-$89,666) were the largest component of operating expenses in the fourth quarter. In the fourth quarter, the Company recorded a $90,420 write-off of mineral property as a result of its decision to abandon its option on the Aztec property in Yukon. Investor relations costs in the fourth quarter were $31,825 (2010-$14,006). These costs are projected to be less in the next quarter, due to cost reductions that have been applied to investor relations activities at the end of the fiscal year.

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

For Quarter Ended	Income (Loss)	Income (Loss) per share
October 31, 2011	$ 51,504	$ 0.00
July 31, 2011	(169,553)	(0.00)
April 30, 2011	(330,016)	(0.00)
January 31, 2011	(101,090)	(0.00)
October 31,2010	(123,953)	(0.01)
July 31, 2010	(118,002)	(0.01)
April 30, 2010	(258,040)	(0.01)
January 31, 2010	(222,839)	(0.01)

Liquidity and Capital Resources

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

The Company's cash position at October 31, 2011 was $1,115,268 (2010-$193,082) and its working capital at October 31, 2011 was $1,258,340 (2010-$180,199). The Company completed a $3,500,000 equity financing in December 2010 ($2,300,000 in hard dollars and $1,200,000 in flow-through financing), and a $2,250,000 flow-through financing in March 2011. Its cash position as of the date of this report is approximately $1,100,000.

As at October 31, 2011, the Company has remaining Canadian Exploration Expenditure obligations of approximately $458,000, which the Company has agreed to use its best efforts to incur by December 31, 2012. There is a risk that the Company will be unable to raise the funds necessary to meet all of its flow-through expenditure obligations.

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

At this time, the Company has no material contractual commitments for capital expenditures.

Off-Balance Sheet Arrangements

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

Related Party Transactions

Certain directors and officers of the Company provided specific services to the Company during the year as follows:

as at Oct 31,	2011	2010
Management and technical fees paid or accrued to		
companies owned by directors	38,718	30,172
Consulting fees paid to officers	110,873	129,775
Accounting and administration fees paid or accrued		
to a company 50% owned by an officer of the Company	72,000	60,000
	221,591	219,947

At October 31, 2011, the unpaid portion of the above amounts was $3,226 (2010 - $6,440).

At October 31, 2011, included in accounts payable was an amount of $34,662 (2010 – Nil) due to Carlin, a company related by common directors and officers, for the Company's portion of mineral property expenditures relating to the Yukon joint venture.

Management of Capital

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

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

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

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

Use of Proceeds from Financings

Planned Use of Proceeds as Previously Disclosed	*Actual Use of Proceeds to October 31, 2011*
December 2010 Flow-Through Financing:	
• $1,200,000 to be used to incur eligible Canadian exploration expenditures ("CEE") on the Company's Canadian gold projects.	• Entire amount has been spent on eligible CEE of the Company's Canadian gold projects.
December 2010 Financing:	
• $2.3 million to be used on exploration of the Palmer project and for general and administrative and working capital purposes	• Cost of both financings $ 549,169 • Palmer project 300,714 • Hornet Creek project 68,221 • Canadian projects (non-CEE expenditures) 68,159 • Fixed assets 8,461 • Working capital items 513,008 $ 1,532,732 • Amount still to be spent 767,268
March 2011 Flow-Through Financing:	
• $2,250,000 to be used to incur CEE on the Company's Canadian gold projects.	• CEE spent to date $1,792,000 • Amount still to be spent $458,000

Summary of Outstanding Shares Data

On October 31, 2011, the Company had 110,185,999 shares outstanding.

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

		Price per Share	Expiry Date
Warrants	12,589,316	$0.20	December 13, 2012
Warrants and Compensation Options	*3,558,750	$0.30	November 24, 2011
Compensation Options	450,000	$0.30	March 17, 2013
Stock options	390,000	$0.57	February 13, 2013
Stock options	1,175,000	$0.13	January 12, 2014
Stock options	1,700,000	$0.235	October 27, 2014
Stock options	250,000	$0.27	February 11,2014
	20,113,066		

* now expired.

Recent Accounting Pronouncements – Not Yet Adopted

Business Combination, Consolidated Financial Statements and Non-controlling interest

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

International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for public accountable enterprises would be replaced by IFRS for fiscal years beginning on or after January 1, 2011.

The Company commenced its IFRS conversion project in 2008 when it began the process of developing project governance structure. Overall project governance, management and support have been coordinated by the Company, with an independent external advisor engaged to assist in the IFRS conversion.

The Company's approach to the conversion to IFRS includes three phases:

- Phase one, an initial general diagnostic of its accounting policies and Canadian GAAP relevant to its financial reporting requirements to determine the key differences and options with respect to acceptable accounting standards under IFRS.
- Phase two, an indepth analysis of the IFRS impact in those areas identified under phase one.
- Phase three, the implementation of the conversion process, including the completion of the opening balance sheet as at November 1, 2010, together with related discussion and notes.

The following is a summary of key areas where accounting policies differ and where accounting policy decisions are necessary that will impact the Company's reported financial position and results of operations:

- Mineral properties – IFRS 6, "Exploration for and Evaluation of Mineral Resources" provides the Company with the option of expensing the exploration and evaluation costs as incurred, or deferring these costs until technical feasibility and commercial viability has been determined, at which point they are transferred to the development and production phase and allocated to specific projects. Under Canadian GAAP, exploration, evaluation and development costs are capitalized when incurred and amortized on the basis of production or written off when the prospect is no longer deemed prospective or is abandoned. The existing accounting policy will be maintained.

- Share-based payment – Under IFRS, stock-based compensation is amortized under the graded method only. In addition, the Company is required to update its value of options for each reporting period for expected forfeitures. Under Canadian GAAP, the Company recognizes stock-based compensation on straight-line method and updates the value of the options for

forfeitures as they occur. The Company will record an IFRS income statement and balance sheet adjustment at November 1, 2010.

- Impairment of assets – Under IFRS, impairment tests are generally carried out using the discounted future cash flows (one step test). Write-downs to net realizable values under an impairment test can be reversed if the conditions of impairment cease to exist. Under Canadian GAAP, impairment tests are generally done on the basis of undiscounted future cash flows and impairment loss is measured as the excess of the carrying value over the discounted future cash flows (two-step approach). Unlike IFRS, write-downs are permanent changes in the carrying value of assets and cannot be reversed. The Company's financial statements will not be impacted on the changeover to IFRS based on the analysis of impairment indicators on transition. Nevertheless, in subsequent years, IFRS could generate more impairment write-downs than Canadian GAAP since it uses a one-step test.

The transition to IFRS requires the Company to apply IFRS 1, "First-Time Adoption of International Financial Reporting Standards ("IFRS 1") which details the requirements for preparing IFRS-compliant financial statements in the first reporting period after the date of transition. IFRS 1 provides entities adopting IFRS for the first time with a number of optional and mandatory exemptions in certain areas to the general requirement of full retrospective application of IFRS. Based on management's analysis of the various accounting policy choices available, IFRS 1 election relevant to the Company is as follows:

- Property, plant and equipment – IFRS 1 allows the Company to elect to have fair value or revaluation amounts as the deemed cost of property, plant and equipment at the date of transition. In accordance with IFRS 1, the Company may elect to measure certain items of property, plant and equipment at their fair values at the date of transition. Any fair value adjustments and changes to the assessment of the related useful lives of the individual components of property, plant and equipment could impact the depreciation charges subsequent to the date of transition. The Company will not elect to utilize this transitional provision and will record property, plant and equipment at cost upon adoption of IFRS.

The Company is in the implementation stage. This stage involves finalizing accounting policy decisions, preparing the Company's opening balance sheet as at November 1, 2010, preparing comparative financial statements and notes under IFRS for each quarterly period of the 2010 fiscal year, and implementing system, processes, internal controls and training necessary. The quantification of the amounts that resulted from the differences between Canadian GAAP and IFRS relating to the key standards are based on management's estimates and decisions, and are currently being reviewed internally by the board of directors and by the Company's external auditors.

Disclosure Controls and Procedures

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

Corporate Governance

Management of the Company is responsible for the preparation and presentation of the interim and annual financial statements and notes thereto, MD&A and other information contained in this MD&A.

Additionally, it is management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

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

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

Forward-Looking Statements

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

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

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These statements are based on a number of assumptions and factors, including assumptions regarding general market conditions; future prices of gold and other metals; possible variations in ore resources, grade or recovery rates; actual results of current exploration activities; actual results of current reclamation activities; conclusions of future economic evaluations; changes in project parameters as plans continue to be refined; failure of plant, equipment, or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; risks related to joint venture operations; timing and receipt of regulatory approvals of operations; the ability of the Company and other relevant parties to satisfy regulatory requirements; the availability of financing for proposed transactions and programs on reasonable terms; the ability of third-party service providers to deliver services on reasonable terms and in a timely manner; and delays in the completion of development or construction activities. Other factors that could cause the actual results to differ include market prices, results of exploration, availability of capital and financing on acceptable terms, inability to obtain required regulatory approvals, unanticipated difficulties or costs in any rehabilitation which may be necessary, market conditions and general business, economic, competitive, political and social conditions. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, there may be other factors which cause actual results to differ. Significant additional drilling is required by the Company at its Palmer property to fully understand the system size before a meaningful resource can be calculated and completed. Accordingly, readers should not place undue reliance on forward-looking statements.

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

Risk Factors

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

Industry

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

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

Metal Prices

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

Political Risk

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

Environmental

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

Constantine has assumed the environmental liability at the Croesus minesite on the Munro Croesus property. To date the Company has not incurred any costs and does not expect that the final costs will be material, however it does remain an uncertain liability. The Ontario government requires a closure plan if the claims are abandoned or become inactive and the requirements of the plan may require some environmental reclamation costs. The previous owner completed remediation of what the Company considers to be the major liabilities, which included capping the Walsh and Croesus shafts. The Croesus minesite was visited by a mines inspector in September 2010 and an inspection report received from the Ministry of Northern Development, Mines and Forestry (Ontario) in early 2011. The summary of field observations and recommendations in the Inspection Report are near surface stope stability concerns and recommendation for a crown pillar stability assessment. There is a specific near-term recommendation to secure the location of a small raise to surface that is filled with waste rock with a fence and signs. The bedrock around the small raise to surface that is filled with waste rock and the crown pillar at the Croesus shaft has been cleared of surface rubble by an excavating program in October 2011. The small raise area has been fenced and cautionary signage has been put in place. A preliminary evaluation of the near surface stope stability and a crown pillar stability assessment has been completed by a qualified engineer. The initial conclusion based on historic data and new information from drill data through the old workings and the recent excavation work is that the “old workings will stand for a long time” and that “surface subsidence would be minimal at the down-dip edge of the zone and could be as much as 1 meter near the upper edge.” Now that the crown pillar is exposed, a site visit by the engineer is planned for 2012 and formal reporting of the conclusions will be made to the Ministry of Northern Development, Mines and Forestry (Ontario).Surface water samples upstream and downstream of the site have been recommended to determine water quality issues.

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

Operational

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

Credit risk

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

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

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At October 31, 2011, the Company had a cash balance of $1,115,268 to settle current liabilities of $187,852. All of the Company’s financial liabilities have maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

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

(a) Interest rate risk

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

(b) Foreign currency rate risk

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

Sensitivity analysis

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

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

Effectiveness of Disclosure Controls

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

Approval

Darwin Green, Vice-President Exploration for Constantine, and a qualified person as defined by Canadian National Instrument 43-101, has reviewed the technical information contained in this MD&A and has also verified the analytical data for drill core samples disclosed in this release by reviewing the blanks duplicates and certified reference material standards and confirming that they fall within limits as determined by acceptable industry practice.

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Additional Information

Additional disclosures pertaining to the Company's technical reports, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.