Consolidated Financial Statements of

CONSTANTINE METAL RESOURCES LTD.

For the years ended October 31, 2009 and 2008

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AUDITORS' REPORT

To the Shareholders of Constantine Metal Resources Ltd,

We have audited the consolidated balance sheets of Constantine Metal Resources Ltd. as at October 31, 2009 and 2008 and the consolidated statements of operations, comprehensive loss and deficit, and cash flows for each of the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2009 and 2008 and the results of its operations and cash flows for each of the years ended in accordance with Canadian generally accepted accounting principles.

De Visser Gray LLP

CHARTERED ACCOUNTANTS
Vancouver, British Columbia
February 1, 2009

Consolidated Balance Sheets
As at October 31, 2009 and 2008

		2009		2008
Assets				
Current assets:				
Cash and cash equivalents	**$**	**372,729**	$	588,487
Accounts receivable		**35,783**		87,753
Prepaid expenses		**32,397**		18,700
		440,909		694,940
Mineral properties (Schedule, Note 4)		**9,440,541**		6,302,814
Equipment		**5,759**		2,327
	$	**9,887,209**	$	7,000,081
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	**$**	**215,086**	$	76,532
Due to related parties (Note 6)		**4,272**		4,060
		219,358		80,592
Shareholders' equity				
Share capital (Note 5a)		**10,573,725**		7,477,242
Contributed surplus		**1,254,038**		785,122
Deficit		**(2,159,912)**		(1,342,875)
		9,667,851		6,919,489
	$	**9,887,209**	$	7,000,081

Nature of Operations and Going Concern (Note 1)

Subsequent events (Note 12)

Approved by the Board of Directors:

"J. Garfield MacVeigh" Director *"K. Wayne Livingstone"* Director

See accompanying notes to financial statements.

Consolidated Statements of Operations, Comprehensive Loss and Deficit
For the years ended October 31, 2009 and 2008

	2009	2008
Expenses:		
Amortization	$ 542	$ 562
Consulting	-	12,500
General and administrative	168,293	128,196
General exploration	509	1,375
Insurance	19,402	26,961
Interest (income)	8,693	(32,762)
Investor relations	37,248	16,000
Legal	22,085	32,077
Management fees	12,000	31,250
Professional fees – audit	20,304	12,900
Payroll expenses	27,028	113,311
Rent	18,074	20,800
Shareholder communications	13,927	24,931
Stock-based compensation (Note 5c)	398,724	175,967
Travel	81,870	47,363
Loss before other Items	$ (828,699)	$ (611,431)
Future income tax recovery	90,000	170,500
Foreign exchange loss	(78,338)	(40,053)
Net and comprehensive loss for the year	(817,037)	(480,984)
Deficit, beginning of year	(1,342,875)	(861,891)
Deficit, end of year	$ (2,159,912)	$ (1,342,875)
Basic and diluted loss per share	$ (0.01)	$ (0.02)
Weighted average number of common shares outstanding	35,849,226	2,173,307

See accompanying notes to financial statements.

Consolidated Statements of Cash Flows
For the years ended October 31, 2009 and 2008

	2009	2008
Cash and cash equivalents provided by (used in):		
Operations:		
Loss for the year	**$ (817,037)**	$ (480,984)
Items not involving cash:		
Amortization	**542**	562
Future income tax recovery	**(90,000)**	(170,500)
Stock-based compensation	**398,724**	175,967
Changes in non-cash working capital accounts:		
Accounts receivable	**51,970**	(64,363)
Accounts payable	**30,119**	14,829
Due to related parties	**212**	4,060
Prepaid expenses	**(13,697)**	(4,958)
	(439,167)	(525,387)
Investing activities:		
Mineral property expenditures (Schedule, Note 4)	**(3,022,692)**	(3,035,853)
Equipment purchases	**(3,974)**	-
	(3,026,666)	(3,035,853)
Financing activities:		
Private placement proceeds (Note 4a)	**3,300,000**	2,451,600
Share issuance costs	**(49,925)**	(43,516)
Warrants exercised	**-**	467,000
	3,250,075	2,875,084
Decrease in cash	**$ (215,758)**	$ (686,156)
Cash and cash equivalents, beginning of year	**588,487**	1,274,643
Cash and cash equivalents, end of year	**$ 372,729**	$ 588,487

Supplemental disclosure of non-cash investing and financing activities:

Value of shares issued for mineral properties	**$ 6,600**	$ 6,000
Shares issued for finder's fee	**$ 120,000**	$ 17,505
Interest paid	**$ 8,919**	$ -
Warrants issued for finder's fee	**$ 70,192**	$ 5,100
Accounts payable related to mineral properties	**$ 158,269**	$ 49,834

See accompanying notes to financial statements.

Schedule of Deferred Mineral Property Costs
For the years ended October 31, 2009 and 2008

	Balance, October 31, 2007	Fiscal 2008 Expenditures	Balance, October 31, 2008	Fiscal 2009 Expenditures	**Balance, October 31, 2009**
Palmer Property, Alaska, USA (Note 4a)					
Acquisition costs	$ 878,712	$ -	$ 878,712	$ -	**$ 878,712**
Advance royalty payments	71,939	42,227	114,166	49,237	**163,403**
Alaska labour	-	-	-	167,724	**167,724**
Prop. acquisition & maint. cost	-	-	-	9,598	**9,598**
Assaying and testing	22,694	68,869	91,563	51,061	**142,624**
Field transportation	599,149	650,708	1,249,857	597,287	**1,847,144**
Geophysics	-	39,012	39,012	87,760	**126,772**
Drilling	605,654	977,961	1,583,615	1,070,873	**2,654,488**
Property filing and maintenance fees	95,982	44,314	140,296	55,116	**195,412**
Geology and field support	411,165	561,674	972,839	230,452	**1,203,291**
Technical consulting	138,682	118,691	257,373	318,267	**575,640**
Travel	15,673	36,310	51,983	37,072	**89,055**
	$ 2,839,650	$ 2,539,650	$ 5,379,416	$ 2,674,447	**$ 8,053,863**
Munro-Croesus Property, Ontario, Canada (Note 4b)					
Acquisition costs	427,091	1,824	428,915	4,860	**433,775**
Assaying and testing	-	11,880	11,880	10,018	**21,898**
Drilling	-	309,382	309,382	114,819	**424,201**
Field transportation	-	4,926	4,926	2,813	**7,739**
Geophysics	-	1,800	1,800	93,329	**95,129**
Travel	-	9,413	9,413	14,260	**23,673**
Geology and field support	-	36,232	36,232	67,236	**103,468**
Technical consulting	11,627	42,123	53,750	90,960	**144,710**
	$ 438,718	$ 417,580	$ 856,298	$ 398,295	**$ 1,254,593**
Four Corners Property, Ontario, Canada (Note 4c)					
Acquisition costs	-	24,581	24,581	18,600	**43,181**
Drilling	-	34,235	34,235	-	**34,235**
Geophysics	-	-	-	46,030	**46,030**
Field Transportation	-	-	-	130	**130**
Travel	-	252	252	-	**252**
Technical consulting	-	7,682	7,682	225	**7,907**
Geology and field support	-	350	350	-	**350**
	$ -	$ 67,100	$ 67,100	$ 64,985	**$ 132,085**
Total mineral property costs	$ 3,278,368	$ 3,024,446	$ 6,302,814	$ 3,137,727	**$ 9,440,541**

See accompanying notes to financial statements.

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

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

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

The Company has not generated any revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. As at October 31, 2009, the Company has incurred losses since inception and has an accumulated operating deficit of $2,159,912. The continuation of the Company as a going concern is dependent upon its ability to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its resource properties, confirmation of the Company's interests in the underlying properties, and the attainment of profitable operations.

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

2. Significant Accounting Policies

a) Basis of presentation

These 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").

b) Recent Accounting Pronouncements – Not Yet Adopted

(i) Mining Exploration Costs

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

(ii) 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

(iii) International financial reporting standards ("IFRS)

In February 2008 the Canadian Accounting Standards Board announced 2001 as the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The specific implementation is set for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require restatement for comparative purposes of amounts reported by the Company for the year ended October 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS has not been specifically determined at this time.

c) Changes in Accounting Policies

On November 1, 2008, the Company adopted the following provisions of the Canadian Institute of Chartered Accountants ("CICA") Handbook. There was no material impact on the Company's financial condition or operating results as a result of the adoption of these new standards:

(i) Section 1400 – General Standards of Financial Statement Presentation, to include requirements for management to assess and disclose an entity's ability to continue as a going concern (see Note 1).

(ii) Section 3064 – In February 2008, the CICA issued this new section to replace Section 3062, *Goodwill and Other Intangible Assets* and establish standards for the recognition, measurement and disclosure of goodwill and intangible assets. In addition, the CICA issued amendments to Section 1000, *Financial Statement Concepts* and AcG 11, *Enterprises in the Development Stage* and withdrew Section 3450, *Research and Development Costs*. EIC 27, *Revenues and Expenditures During the Pre-operating Period* is no longer applicable for entities that have adopted CICA 3064.

d) Use of estimates

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

e) Future income tax

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.

f) Cash and cash equivalents

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

g) Equipment and leasehold improvements

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

h) Loss per share

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

The result of this calculation is anti-dilutive to basic loss per share and is therefore not presented in those circumstances.

i) 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. Estimated future removal and site restoration costs are considered minimal.

j) 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.

k) Foreign currency translation

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

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

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

l) 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.

m) Flow-through common 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.

n) Management’s estimates

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

o) 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.

3. 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. 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. The Company's cash is invested in business accounts which are available on demand.

Market Risk

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

Exchange Risk

As at October 31, 2009, the majority of the Company's cash was held in Canada in Canadian dollars. The Company's significant operations are carried out in Alaska, USA and Ontario, Canada. 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.

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

a) Palmer Property, Alaska, USA

On April 13, 2006 the Company acquired all of the outstanding common shares of Constantine North, in consideration for one common share at nominal value and the assumption of all intercorporate debt owing by Constantine North. As the Company and Constantine North were at that time under common control the acquisition was recorded at the carrying cost of the parent company's investment in Constantine North of $878,712. The consideration paid was allocated entirely to the Palmer property, which was the sole identifiable asset of Constantine North.

The Palmer property is comprised of a 99 year mining lease, dated December 19, 1997, on 340 federal and 27 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 2009. The lease is subject to a 2.5% net smelter return ("NSR") royalty. The Company has a right of first refusal to purchase the NSR or any portion thereof at any time during the term of the lease. The advance royalty payments are deductible from the NSR royalty.

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

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 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 will be issued to the vendor, subject to confirmation of certain environmental conditions as specified in the agreement, prior to October 26, 2011. 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% NSR production royalty.

The Company is reviewing 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.

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

c) Four Corners Property, Ontario

In February 2008 the Company completed an agreement to acquire a 100% interest in the 65 claim Four Corners property located east of Timmins, Ontario. In order to acquire the 100% interest, the Company must make payments totaling $75,000 (of which $15,000 has been paid) and issue 100,000 shares over a 3 year period (10,000 shares at a value of $0.60 per share were issued at closing). 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 2009 the Company issued 15,000 shares pursuant to its option agreement on the Four Corners property.

5. **Share Capital**

a) Details of share capital transactions:

	Shares	Amount	Contributed Surplus
Authorized:			
Unlimited common shares without par value			
Issued:			
Balance – October 31, 2007	19,549,928	$ 4,771,758	$ 604,055
Shares issued for flow-through private placement, at $0.50 per share	1,100,000	550,000	-
Private placement share issuance costs	-	(236,621)	5,100
Shares issued for property acquisition (Note 4c)	10,000	6,000	-
Stock option compensation	-	-	175,967
Shares issued for private placement	11,237,444	1,901,600	-
Shares issued for finder's fee	38,900	17,505	-
Warrants exercised	1,325,500	467,000	-
Balance – October 31, 2008	33,261,772	$ 7,477,242	$ 785,122
Shares issued for flow-through private placement, at $0.20 per share	1,500,000	300,000	-
Less: private placement issuance costs	-	(90,000)	-
Shares issued for mineral property	15,000	3,600	-
Shares issued for mineral property	15,000	3,000	-
Private placement, at $0.12 per share	25,000,000	3,000,000	-
Less: private placement issuance costs	-	(240,117)	70,192
Finder's shares on private placement	1,000,000	120,000	-
Stock-based compensation	-	-	398,724
Balance – October 31, 2009	60,791,772	$ 10,573,725	$ 1,254,038

On December 18, 2008 the Company completed a flow-through private placement consisting of 1,500,000 shares at $0.20 per share for gross proceeds of $300,000. The Company recorded non-cash share issuance costs of $90,000 related to the renunciation for tax purposes of the share proceeds.

On February 12, 2009 the Company issued 15,000 shares at a price of $0.24 per share as part of a property option payment on the Four Corners mineral property.

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

On July 17, 2009 the Company completed a $3 million non-brokered private placement of 25,000,000 units (the "Units") at a price of $0.12 per Unit, each Unit consisting of one common share and one-half of one transferable share purchase warrant (Note 5b). The Company also issued 1,000,000 million units to a finder. The 500,000 finders warrants issued in the transaction had a fair value of $70,192, which was recorded as a non-cash share issuance cost.

b) Warrants

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

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

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

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 this plan is 10% of the Company's issued capital.

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

In October 2009, 2,200,000 share options at an exercise price of $0.235 per share for 5 years were granted to directors, officers, employees and consultants of the Company.

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

	2009		2008	
	Number of shares	Weighted Average Exercise price	Number of shares	Weighted Average Exercise price
Balance, beginning of year	1,815,000	$ 0.44	1,625,000	$ 0.41
Granted	3,450,000	0.20	590,000	0.58
Cancelled/ expired	-	-	(400,000)	0.55
Balance, end of year	5,265,000	$ 0.28	1,815,000	$ 0.44
Weighted average fair value of options granted during 2008			$ 0.45	
Weighted average fair value of options granted during 2009			$ 0.13	
Weighted average remaining life of options outstanding, October 31, 2008			2.90 years	
Weighted average remaining life of options outstanding, October 31, 2009			3.75 years	

The following assumptions were used for the Black-Scholes option valuation of the 390,000 options granted in February 2008.

Risk-free interest rate	3.46%
Expected life of the options in days	1,095
Annualized volatility	84%
Dividend rate	0.00

The following assumptions were used for the Black-Scholes option valuation of the 1,250,000 options granted in January 2009.

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

The following assumptions were used for the Black-Scholes option valuation of the 2,200,000 options granted in October 2009.

Risk-free interest rate	1.90%
Expected life of the options in days	1,461
Annualized volatility	101%
Dividend rate	0.00

The Company recorded $398,724 of stock compensation expense in connection with the stock options issued and vested during the year.

6. **Related Party Transactions**

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

		2009	2008
Management and technical fees paid or accrued to a company owned by a director	$	46,828	25,100
Consulting fees and wages paid to an officer		240,275	163,988
Accounting and administration fees paid or accrued to a company 50% owned by an officer of the Company		60,000	60,000
	$	347,103	249,088

As at October 31, 2009 there was $4,272 (2008 - $4,060) in amounts payable to related parties.

7. **Management of Capital**

The Company manages its cash, common shares, stock options and warrants (see Note 5) 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 is not subject to any externally imposed capital requirements.

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.

8. **Equipment**

	2009			2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Office equipment	$ 4,012	$2,094	$ 1,918	$ 4,012	$1,685	$ 2,327
Computer	3,974	133	3,840	-	-	-
	$ 7,986	$2,227	$ 5,759	$ 4,012	$1,685	$ 2,327

9. **Segmented Information**

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

		October 31 2009
Canada	$	1,833,346
United States		8,053,863
Total	$	9,887,209

10. **Income Taxes**

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

		2009		2008
Net loss for the year	$	(817,037)	$	(480,983)
Expected income tax (recovery)	$	(245,111)	$	(149,105)
Net adjustment for amortization and other non-deductible amounts		48,373		(35,037)
Unrecognized benefit of FIT assets		196,738		184,142
Asset recognized to offset FIT liability		(90,000)		(170,500)
Total income tax recovery	$	(90,000)	$	(170,500)

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

		2009		2008
Future income tax assets (liabilities):				
Net mineral property carrying amounts in excess of tax pools	$	(245,178)	$	(156,792)
Equipment		570		479
Share issue costs		79,943		90,814
Non-capital loss carryforwards		577,039		487,482
		412,374		421,983
Valuation allowance		(412,374)		(421,983)
Net future tax assets	$	-	$	-

The Company has Canadian non-capital losses of approximately $1,853,000 (2008: $1,197,000), which will be available to reduce future taxable income in Canada and which will expire in 2029.

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
	1,853,000

11. Commitments

The Company has two lease agreements for the rental of office space. The leases expire on October 30, 2010 and November 30, 2012. The future minimum lease obligations in aggregate for both leases are as follows:

		Amount
2010 fiscal year	$	35,514
2011 fiscal year		19,008
2012 fiscal year		19,008
2013 fiscal year		1,584
	$	75,114

The Company subleases one of its leased offices under an agreement which has an amount of $16,506 of rent remaining until that lease expires in October 2010.

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

12. Subsequent Events

The following material events have occurred subsequent to October 31, 2009:

i) On November 24, 2009 the Company completed a $1.4 million non-brokered private placement of 7,000,000 units (the "Units") at a price of $0.20 per Unit, each Unit consisting of one common share (a "Share") and one-half of one transferable share purchase warrant. Each share purchase warrant is exercisable at a price of $0.30 for two years from the closing date. The Company also issued 213,750 units and 213,750 insider's warrants to a finder. The finder's warrants are exercisable at a price of $0.30 for one year from the closing date.

ii) 56,250 stock options were exercised at a price of $0.13 per share.

iii) In January 2010 the Company received $2,405,000 cash from the exercise of outstanding warrants to acquire 12,025,000 shares at a price of $0.20 per share. The Company had accelerated the expiry of 13,000,000 warrants by giving 30 days notice to its warrant holders that it was exercising its right to do so under the terms of the warrants. The unexercised balance of 975,000 accelerated warrants expired on January 13, 2010.

MANAGEMENT DISCUSSION & ANALYSIS
For the year ended October 31, 2009
(Report Date: January 25, 2010)

General

This Management Discussion and Analysis ("MD&A") has been prepared by management as of January 25, 2010. This MD&A should be read in conjunction with the audited consolidated financial statements and notes for the fiscal year ended October 31, 2009, which were prepared in accordance with Canadian generally accepted accounting principles.

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

Forward-Looking Statements

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

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

2009 HIGHLIGHTS

1. Subsequent to year end, Constantine completed the first NI43-101 compliant resource (see news release dated January 20, 2010) on the Palmer property. The resource was estimated by Mr. Gary Giroux, P.Eng. of Giroux Consultants Limited, an independent consultant.

   • 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.

   • High-grade copper zones within the overall resource include 2.52 million tonnes grading 2.65 percent copper, 3.71 percent zinc, 0.29 grams per tonne gold and 27.0 grams per tonne silver, based on a 1.5 percent copper cut-off.

2. The results of independent mineralogy studies with metallurgical benchmarking (see news release dated November 19, 2009) demonstrated coarse grained mineralogy and the likelihood that the Palmer mineralization will yield good recoveries with high grade concentrates at relatively low milling cost.

3. The 2009 Palmer drill program (10 holes for a total of 4,643 meters) has expanded South Wall zone mineralization by 80 meters along strike, 90 meters vertically down dip, and 40 meters up dip, for a

total horizontal strike length of 380 metres and a total vertical extent of 410 meters. The continued expansion of the area of South Wall and RW mineralization, in conjunction with downhole geophysical results has identified specific target areas for future drilling that have the potential to significantly expand the sulphide zones.

4. Three holes were drilled at the Munro Croesus project for total of 843 meters. All three holes (MC09-11 to MC09-13) tested the Croesus Mine footwall zone that was intersected in the last hole (MC08-10) of the 2008 drill program and 2 drill holes also tested vein structures on the south faulted offset side of the Croesus fault.. The geometry of the gold associated alteration and favourable host lithologies have now been established over variable strike and dip extents on both sides of the Croesus Fault (see news release NR #40-09, April 09, 2009 and further discussion below under Ontario gold projects).

5. In October 2009, the Company hired Mr. Robert Jeffery to provide investor relations services to the Company. Mr. Jeffery will assist Constantine with the continued development and implementation of the Company's investor relations program informing both existing and potential shareholders on progress of the Company's resource exploration projects. Mr. Jeffery has worked in the industry as a stockbroker with Canaccord Capital Inc., Midland Doherty and Levesque Beaubien, and has previously provided IR services to the Hunter Dickinson Group and most recently Southern Arc Resources. Mr. Jeffery provides full-time investor relation services to the Company.

6. The Company completed three non-brokered private placements since the beginning of the 2009 fiscal year:

   - $300,000 flow-through financing (December 2008)
   - $3,000,000 financing (July 2009)
   - $1,400,000 financing (November 2009)

   Additionally, in January 2010 the Company received $2.405,000 from the exercise of 12,025,000 warrants at $0.20.

Palmer Project Exploration (southeast Alaska)

The Company's principal asset is the 100% controlled Palmer polymetallic massive sulphide project in Alaska. The project is logistically well situated within 3 miles of a paved highway and 35 miles north of the deep-sea port of Haines. The Palmer project consists of a 340 federal claim property that are subject to certain annual advanced royalty payments and a net smelter royalty payment to the lessor should the property reach commercial production and 63 state claims that are owned outright by Constantine, but subject to certain Alaska State payments to maintain them in good standing. The property includes a large number of precious metals-enriched volcanogenic massive sulfide ("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 kilometre 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.

- Recent 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 (see News Release #49-09, November 19, 2009).

- 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 lower 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 deep sea port facilities at Haines, Alaska.

2009 Palmer Exploration Highlights

The majority of the 2009 drilling was focused on the “South Wall Zones”, with limited testing of the RW Zone that were discovered in late 2007 and 2008. The RW Zone and the South Wall Zones are associated with the same geological units, but are located on opposite limbs of a disrupted, flat plunging, asymmetric fold structure. Mineralization within the South Wall Zones occurs in 3 steep dipping, sub-parallel zones over an approximate stratigraphic thickness of 75-100 meters and the RW Zone lies on the modest north-dipping limb of the fold structure. Our current interpretation suggests that the RW Zone on the modest north dipping (RW) limb correlates with South Wall Zones 2 and 3 on the steep dipping South Wall limb and that South Wall Zone 1 is located under the RW zone and has not yet been tested on the modest north dipping RW limb.

The 2009 drill program (10 holes for a total of 4,643 meters) has expanded South Wall zone mineralization by 80 meters along strike, 90 meters vertically down dip, and 40 meters up dip, for a total horizontal strike length of 380 meters and a total vertical extent of 410 meters. As part of South Wall drilling, some drill holes penetrated oxidized mineralization in the upper gentle dipping limb of the anticline. This mineralization correlates with the RW Zone that includes the 2007 intersection in CMR07-07 (14.0 meters grading 4.09% copper, 7.35% zinc, 0.40 g/t gold, and 50.9 g/t silver) that has not yet been followed up. These intercepts have expanded the area of known RW Zone mineralization. They present excellent targets and expand the potential for defining more high-grade massive sulphide mineralization down-dip, beyond the limits of near surface oxidation and leaching. Tabulated results for all of Constantine’s RW and South Wall drill results with estimated true thicknesses are provided in news release NR #46-09 and on the Company’s website at “www.constantinemetals.com”. The 2009 drill results include drill holes CMR09-23 to CMR09-32.

Down-hole 3D Time Domain Electromagnetic (TDEM) surveys were completed on eight of ten holes drilled during the 2009 program. Preliminary field data indicate the survey to be very effective at identifying South Wall zone massive sulphide mineralization. TDEM conductors were observed in every hole surveyed, including several conductors that represent potential new target areas for massive sulphides. One of the most significant anomalies is an off-hole conductor measured in CMR09-30 for a length of more than 130 meters. CMR09-30, the westernmost hole drilled during the 2009 program, is interpreted to have been drilled sub-parallel to the South Wall Zone I horizon. The large TDEM conductor suggests massive sulphide mineralization could be present off-hole and will be a priority target in the 2010 drill program. CMR09-30 was drilled 100 meters west of CMR09-24 (9.1 meters grading 1.89% copper, 5.16% zinc, 0.30 g/t gold and 27.4 g/t silver), the westernmost intersection of South Wall Zone I massive sulphide. A final report following 3D modelling of the data to better determine distance, direction, and size of the conductive bodies is still pending. These data will be utilized in designing future phases of drilling at Palmer.

Preliminary, metallurgical focused mineralogical work and metallurgical benchmarking was completed on six core samples of South Wall Zones I and II mineralization at the Company's Palmer project. The samples represent the range of dominant mineralization types recognized in drilling to date and the results of the test work are used to better define cut-off grades for the initial National Instrument 43-101 compliant South Wall and RW resource estimate that has recently been completed and is discussed below. The test work was done by SGS Vancouver Advanced Mineralogy Facility in association with SGS Lakefield Research Limited, and included high definition mineralogical analysis utilizing QEMSCAN™ technology. The work was completed on two size fractions for each sample and provides identification of the main ore and gangue minerals, estimation of grain sizes, deportment of copper, zinc and lead between the identified mineral phases, and liberation and locking information of the ore minerals. Highlights of the benchmarking report are summarized below (for more details and discussion see news release NR #49-09).The complete SGS report on this work is posted on the Constantine website at www.constantinemetals.com).

- Mineralization is relatively coarse grained and from a process perspective a coarse primary grind (150-200 microns) is predicted. A coarse regrind or potentially no regrind on the copper and zinc concentrates is also predicted.

- Based on benchmarking the mineralogical analysis against projects with known metallurgy, four samples representing the main styles of copper mineralization (sample head grades of 2.76 percent to 5.70 percent copper) have projected copper recoveries in the range of 87 percent to 93 percent, to a concentrate grade of 27 percent to 30 percent.

- Four samples representing the main styles of zinc mineralization (sample head grades of 8.15 percent to 15.45 percent zinc) have projected zinc recoveries in the 90 percent range, to a concentrate grade of approximately 55 percent.

- Projected zinc recoveries could not be made for two samples of copper dominant mineralization as they contained too little zinc to make a concentrate; projected copper recoveries for two samples of zinc dominant mineralization with lower grade copper are estimated at approximately 75 percent to a concentrate of approximately 25 percent.

QEMSCAN™ is an acronym for Quantitative Evaluation of Materials by Scanning Electron Microscopy and has been shown to be able to reliably predict what approximates to an optimal metallurgical flowsheet, as well as project trends in metallurgical response. For the most part, a rough target for metallurgy can be projected. However, this can be risky from QEMSCAN™ analysis alone QEMSCAN™ data should not be used as a substitute for flotation test work data obtained from a properly structured flotation program. A flotation program for the Palmer Project will be designed based on the findings of this and possibly additional mineralogical work.

On January 20, 2010 (see news release NR #53-09) the Company reported the first NI43-101 compliant resource for the Palmer project. The resource estimate, prepared by independent consultant Mr. Gary Giroux, P.Eng. of Giroux Consultants Limited, is for the RW and South Wall zones and is based on drill holes completed up to the end of 2009 and NSR (Net Smelter Return) formula utilizing recoveries based on metallurgical benchmarking discussed above.

The inferred resource estimate is tabulated below for a range of both NSR (Net Smelter Return) and copper cut-off grades.

Cutoff NSR(i) US$	Tonnes	Grade				
		Cu (%)	Zn (%)	Pb (%)	Au (g/t)	Ag (g/t)
50.00	4,750,000	1.84	4.57	0.15	0.28	29.1
75.00	4,120,000	2.01	4.79	0.16	0.30	30.5
100.00	3,000,000	2.31	5.14	0.17	0.33	33.3

(i) NSR equals (US$36.87 x Cu% + US$9.54 x Zn% + US$11.12 x Au g/t + US$0.18 x Ag g/t). NSR formula is based on assumed values for offsite costs, metal recovery, and metal prices. Offsite costs include transportation of concentrate, smelter treatment charges, and refining charges. Assumed metal prices are US$700/oz for gold (Au), US$12/oz for silver (Ag), US$2.25/lb for copper (Cu), and US$0.85/lb for zinc (Zn), with estimated metal recoveries of 55%, 55%, 90%, and 90% respectively.

Cutoff Cu (%)	Tonnes	Grade				
		Cu (%)	Zn (%)	Pb (%)	Au (g/t)	Ag (g/t)
1.00	3,560,000	2.24	4.25	0.14	0.30	28.8
1.50	2,520,000	2.65	3.71	0.11	0.29	27.0
2.00	1,650,000	3.13	3.19	0.09	0.31	26.9

Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability. Additional technical disclosure regarding data verification, exploration including drilling, quality assurance and quality control measures, geological information, analytical and testing procedures and true widths may be found in news release NR #46-09 (October 22, 2009) and news release NR #53-09. An updated NI43-101 report incorporating the resource will be provided within 45 days of the January 20, 2010 release.

The South Wall and RW inferred resources are open along strike and down dip. Future drilling will be designed to expand the known resources and to upgrade and refine the categorization of this initial inferred resource estimate.

Ontario Projects

Constantine controls 100% interest in two gold projects including 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. Although the current focus of exploration is on the Palmer base metal discoveries, the Ontario properties are important assets of the Company that provide exposure to high grade gold exploration potential and year round exploration where management has strong familiarity and expertise.

Munro-Croesus Project (Ontario)

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

2009 Munro Croesus Exploration Results

Three holes were drilled at the Munro Croesus project for total of 843 meters. All three holes (MC09-11 to MC09-13) tested the Croesus Mine footwall zone that was intersected in the last hole (MC08-10) of the 2008 drill program and 2 drill holes also tested vein structures on the south, faulted offset side of the Croesus fault. The geometry of the gold associated alteration and favourable host lithologies have now been established over variable strike and dip extents on both sides of the Croesus Fault (see news release NR # 40-09, April 9, 2009). The geometry of the gold associated alteration and favourable host lithologies in the Croesus Mine footwall zone have been established over a 60 meter dip length with a best gold value in the 2009 footwall zone drilling of 2.9 g/t gold over 0.22 meters. This intercept is located 20 meters northwest of the footwall zone in MC08-10 that assayed 12.2 g/t gold over 0.46 meters. Two of the drill holes (MC09-11, MC09-12) also tested Croesus-type veins on the off-set, south side of the Croesus fault and returned a best value of 3.4 g/t gold over 0.80 meters. This intersection is 45 metres down dip of an historic 1976 drill intersection grading 14.4 g/t gold over 0.28 metres meters and approximately 50 meters below a sub-parallel vein zone that assayed 83 g/t gold over 0.10 meters in 2008 drill hole, MC08-08. This drilling further indicates multiple veins characterized by a distinct alteration on both sides of the Croesus fault and also establishes control points at depth on the Croesus fault that are important for future drill planning.

Four Corners Property (Ontario)

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

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

Future Exploration Plans

The Company is currently formulating plans for a Palmer drill program with two to three drills during the period from May to October, 2010. The objective of the program is to expand the January 20, 2010 NI43-101 compliant resource. Results of all previous drilling combined with downhole geophysical results and interpretations from the resource model are being used to plan the program. The successful application of downhole geophysics in the 2009 drill program highlighted the need to do additional surface geophysics on selected parts of the property, in particular the MHC prospect, Cap prospect, downdip RW and the South Wall grid. This work is being planned during the early part of the 2010 program. More mineralogical work and the first metallurgical flotation work is being considered post-2010 drilling. An environmental permitting plan and schedule is being put in place that may be used to evaluate a future underground exploration program.

Some downhole geophysics is being scheduled for the Munro Croesus mine area. Discussions with several geophysical groups suggests that downhole geophysics may be able to detect very high grade, but small lenses of the spectacular high-grade gold that was mined historically from the Croesus Mine with drill holes spaced 10-15 meters apart. An orientation program is being planned using the existing holes. The geological and structural controls on the high-grade Croesus gold are very specific and

localized, allowing this kind of approach. Detailed exploration for very small targets is justified at Croesus because of the exceptionally high-value of the bonanza grade ore shoots historically mined (e.g. 5,000 to 15,000 ounces per tonne).

Relogging and resampling of some historic Four Corners drill holes is planned for the late spring, 2010 in conjunction with the surface examination of an historic showing in the northwest corner of the property.

The Company is formulating plans for exploration drilling on the Ontario gold projects. Timing of when this drilling will be carried out has yet to be determined.

Results of Operations

In 2009 the Company completed a winter drill progam on its Munro-Croesus property in Ontario and a summer drill program on its Palmer Project in Alaska. Expenditures of $463,280 were incurred on the Ontario mineral properties and expenditures of $2,674,447 were incurred on the Palmer project in the fiscal year ended October 31, 2009.

The Company once again conducted a major drilling program on the Palmer project, with costs remaining consistent with the previous year as shown in the table below:

	2009	2008
Palmer Project Expenditures	$2,674,447	$2,539,766
No. of meters drilled	4,561	4,395

Constantine conducted its second drill program on the Munro-Croesus project in February 2009, completing a 3 hole, 843 meter drill program. Prior to the drilling program Constantine completed a $137,000 geophysics program on the project. Overall exploration costs on the project remained consistent with the preceding year.

Expenses for 2009 (excluding non-cash stock based compensation) decreased compared to the previous year, from $468,226 to $430,201. The decrease was due mainly to the fact that in 2009 a greater percentage of the payroll was utilized for and allocated to mineral projects than in 2008. General and administrative costs grew from $128,196 in 2008 to $168,293 as the Company continued to establish its operational infrastructure.

In 2009 the Company incurred stock based compensation expense of $398,724 (2008 - $175,967) in regard to the granting of 3,450,000 options to directors, management, employees and consultants. .

Investor relations costs of $37,248 (2008 - $16,000) increased over the previous year as the Company committed greater resources to investor relations. In October 2009 the Company signed a $5,000/month agreement for the provision of investor relations services from a consultant and granted 500,000 stock options (subject to approval from regulatory authorities) in connection with the agreement.

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

Summary of Quarterly Results

In the quarter ended October 31, 2009, the Company incurred expenditures of $2,075,585 (2008-$2,011,587) on its three mineral properties: the Palmer project in Alaska; and the Munro-Croesus property and Four Corner properties in Ontario. All but $41,591 was spent on the Palmer Project.

The Company incurred a net loss of $318,849 (2008-$183,644) in the fourth quarter. Of this amount, $275,379 (2008-$175,967) was for non-cash stock based compensation expense incurred as a result of the issuance of stock options. The Company incurred $12,904 (2008-$nil) for investor relations expense during the quarter. Payroll expenses for the quarter showed a $75,115 net credit, following a reallocation of year-to-date payroll costs to mineral projects.

The Company's cash position at October 31, 2009 was $372,729 (2008-$588,487). However, subsequent to the year-end the Company completed a $1.4 million private placement in November 2009 and raised an additional $2,405,000 through the exercise of $0.20 warrants in January 2010. The Company's cash position as of the date of this report is $3,784,000. The Company will require additional financing in order to complete all of the exploration work that it has planned for 2010.

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, 2009	(318,849)	$ (0.01)
July 31, 2009	(106,457)	(0.01)
April 30, 2009	(166,481)	(0.01)
January 31, 2009	(225,254)	(0.02)
October 31, 2008	(183,644)	(0.01)
July 31, 2008	(106,617)	(0.01)
April 30, 2008	(109,786)	(0.01)
January 31, 2008	(80,935)	(0.01)
October 31, 2007	(148,846)	(0.01)
July 31, 2007	(63,448)	(0.01)
April 30, 2007	(139,888)	(0.01)
January 31, 2007	(6,636)	(0.01)

Liquidity and Capital Resources

The Company's total cash position at October 31, 2009 was $372,729 (2008-$588,487). The Company's working capital position at October 31, 2009 was $221,551 (2008-$614,348).

Subsequent to the end of the fiscal year, in January 2010 the Company received $2,405,000 from the exercise of 12,025,000 outstanding warrants at $0.20 each. The Company's cash position as of January 25, 2010 was $3,784,000.

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

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

In December 2009 the Company renounced the full amount of the $300,000 December 2008 flow-through financing to its investors. As a result of the renunciation, the Company reduced its future income tax asset by $90,000, with the corresponding decrease applied directly to share capital.

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

Off-Balance Sheet Arrangements

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

Related Party Transactions

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

Management and technical fees paid or accrued to companies owned by directors	$	46,828
Consulting fees and wages paid to officers		240,275
Accounting and administration fees paid or accrued to a company 50% owned by an officer of the Company		60,000
	$	347,103

Critical Accounting Estimates

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

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

Another significant accounting estimate relates to accounting for stock-based compensation. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimates, and therefore the existing models no not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the year.

Estimates are also used in the determination of valuation allowances for future income tax assets. Management has made its best estimate of such allowances, however actual results may differ from those estimates and would impact future results of operations and cash flows.

Forward-Looking Statements

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

Summary of Outstanding Share Data

The Company's issued and outstanding share capital as at the date of this report is as follows:

Outstanding Share Data

As of the date of this report, the Company has 79,978,022 shares outstanding.

The following warrants and stock options presently outstanding:

		Price per Share	Expiry Date
Warrants	213,750	$0.30	Nov. 24, 2010
Warrants	3,606,875	$0.30	Nov. 24, 2011
Stock options	1,425,000	$0.40	May 11, 2011
Stock options	390,000	$0.57	Feb. 13, 2013
Stock options	1,175,000	$0.13	Jan. 12, 2014
Stock options	2,200,000	$0.235	Oct. 27, 2014
	22,010,625		

New accounting policies adopted

Assessing Going Concern

Effective August 1, 2008, the Company adopted the CICA Handbook Section 1400, which includes requirements for management to assess and disclose an entity's ability to continue as a going concern. The Company has included the disclosure recommended by the new handbook section in Note 1 to the financial statements.

Capital Disclosures

Effective August 1, 2008, the Company implemented the new CICA Handbook Section 1535 "Capital Disclosures". This section specifies the disclosure of (i) an entity's objectives, policies, and processes for

managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has included the disclosure recommended by the new handbook section in Note 7 to the financial statements.

Financial Instruments

Effective August 1, 2008, the Company implemented the new CICA Handbook Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments – Presentation. These two standards replace the current standard, “Financial Instruments – Disclosure and Presentation” (Section 3861), revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how those risks are managed. The Company has included the disclosure recommended by the new handbook sections in Note 3 to the financial statements.

EIC 173: credit risk and the fair value of financial assets and financial liabilities

On January 20, 2009, the CICA issued EIC abstract 173 which establishes that an entity’s own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. The adoption of this standard did not have a significant impact on the Company’s financial statements.

EIC 174: mining exploration costs

On March 27, 2009, the CICA issued EIC abstract 174 to provide additional guidance for mining exploration enterprises on when an impairment test is required. This abstract was applied during the current year. The adoption of this standard did not have a significant impact on the Company’s financial statements.

Recent accounting pronouncements

Goodwill and intangible assets

The Canadian Accounting Standards Board (“AcSB”) issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008.

International financial reporting standards (“IFRS”)

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of November 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended October 31, 2011.

The Company has commenced a review of the Canadian equivalents to IFRS. At this stage in the transition project, a small number of areas have been identified that may have an impact on the Company's financial statements. The Company expects there may be changes with respect to accounting policies on deferred development expenditures and foreign currency translation. The Company has not developed an IFRS changeover plan at October 31, 2009 however management has completed an initial diagnostic and review. As the review of Canadian GAAP equivalents to IFRS proceeds, other areas may be identified that impact on the financial statements of the Company. It should be noted that Canadian GAAP to IFRS may be amended prior to mandatory adoption.

Management has considered the differences between Canadian GAAP and IFRS as they impact Constantine. The review to date has found that there are likely to be no material differences to the majority of line items appearing in the Constantine balance sheet and income statement from what has been reported under Canadian GAAP if the recognition and measurement provisions of IFRS were applied. It should be noted that, in making this assessment, a full conversion exercise considering every recognition, measurement, presentation and disclosure differences that exists between the two bases of accounting (i.e. Canadian GAAP and IFRS) has not been completed.

The specific areas where no applicable differences in recognition and measurement have been identified between IFRS and Canadian GAAP are cash, receivables, trade and other payables and capital lease obligations.

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 “Business Combinations”, 1601 “Consolidated Financial Statements” and 1602 “Non-controlling Interests” which replace CICA Handbook Sections 1581 “Business Combinations” and 1600 “Consolidated Financial Statements”. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after January 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company’s interim and annual financial statements for its fiscal year beginning January 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently.

Financial instruments - Disclosures

In June 2009, the CICA amended Section 3862, Financial Instruments – Disclosures that includes additional disclosure requirements about fair value measurements for financial instruments and liquidity risk disclosures. These amendments entail a three-level hierarchy that takes into account the significance of the inputs used in making the fair value measurements. The amendments to Section 3862 apply for annual financial statements relating to fiscal years ending after September 30, 2009. The Company has adopted the disclosure requirements of this standard and does not expect them to have a significant impact on the Company’s financial statements.

Financial instruments

The Company’s financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and due to related parties. The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Risk Factors

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

Industry

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

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

Metal Prices

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

Political Risk

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

Environmental

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

Operational

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

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. As at October 31, 2009, the Company had a cash balance of $372,729 to settle current liabilities of $219,358. 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 due to related parties approximate their fair values due to 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.

Changeover Plan to International Financial Reporting Standards ("IFRS")

In February 2008, the AcSB confirmed that Canadian GAAP for publicly accountable enterprises will be converged with IFRS effective in calendar year 2011, with early adoption allowed starting in calendar year 2009. IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences on recognition, measurement and disclosures. In the period leading up to the changeover, the AcSB will

continue to issue accounting standards that are converged with IFRS, thus mitigating the impact of adopting IFRS at the changeover date. The International Accounting Standard Board (IASB) will also continue to issue new accounting standards during the conversion period, and as a result, the final impact of IFRS on the Company's consolidated financial statements will only be measured once all the IFRS applicable at the conversion date are known.

For the Company, the changeover to IFRS will be required for interim and annual financial statements beginning on November 1, 2011. As a result, the Company has begin to develop a plan to convert its Financial Statements to IFRS. The Company will provide training to key employees and will be monitoring the impact of the transition on its business practices, systems and internal controls over financial reporting.

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, 2009. 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.

Other

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

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

CORPORATE DIRECTORY

DIRECTORS

J. Garfield MacVeigh
K. Wayne Livingstone *
Brian C. Irwin *
David W. Adamson *
Tara M. Christie

* Audit Committee Members

OFFICERS

J. Garfield MacVeigh, President and Chief Executive Officer
Aris Morfopoulos, Chief Financial Officer and Secretary
Darwin Green, V.P. Exploration

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