



January 05, 2017

NR # 132-17

NEWS RELEASE

Dowa Exercises Option to Earn 49% Interest in Palmer Copper-Zinc-Silver-Gold Project, Southeast Alaska

Vancouver, BC – Constantine Metal Resources Ltd. (TSX Venture – CEM) ("Constantine" or the "Company") is pleased to announce that Dowa Metals & Mining Alaska Ltd. ("Dowa") has completed its US\$22 million earn-in to the Palmer VMS Project, Alaska ("Palmer" or "Project") and has exercised its option to participate as a partner in the Project. A Joint Venture has been formed for the purpose of further exploring and developing Palmer, with Constantine owning a 51% participating interest and Dowa owning a 49% participating interest. Approximately US\$2 million in unspent funds will form the starting cash balance of the Joint Venture.

Garfield MacVeigh, President and CEO states, *"We are delighted to form the Joint Venture partnership and start the next phase in Palmer's advancement. Dowa has over a century of experience in mining and smelting VMS ore deposits and shares Constantine's conviction in the Project's potential and commitment to responsible exploration. With a projected shortfall in global zinc supply and a dearth of quality advanced stage zinc projects we anticipate an exciting 2017 and bright future for the Project and our shareholders."*

Update on \$4,500,000 Horseshoe Claims Sale

The previously announced sale of certain Ontario claims to Lake Shore Gold Corp., a wholly owned division of Tahoe Resources Inc. (see news release dated November 7, 2016) is nearing completion. Government documentation necessary to close the transaction, including completion of claim transfers, is expected to be finalized in January. The \$4.5 million cash payment due in full upon closing will provide Constantine with a strong cash balance to fund its 51% share in the exploration development of the Palmer Project joint venture for 2017 and beyond.

About the Palmer Project

Palmer is a resource expansion stage, high-grade volcanogenic massive sulphide (VMS) project, with an Inferred Mineral Resource of 8.1 million tonnes grading 1.41% copper, 5.25% zinc, 0.32 g/t gold and 31.7 g/t silver*. The Project is being advanced as a Joint Venture partnership between Constantine (51%) and Dowa (49%), with Constantine as operator. Dowa Metals & Mining Alaska Ltd. is a subsidiary of Dowa Metals and Mining Co., Ltd., an integrated metals company that operates the largest zinc smelter in Japan. The project is located in a very accessible part of coastal Southeast Alaska, 60 kilometers by road from the year-round deep sea port of Haines. Mineralization at Palmer occurs within the same belt of rocks that is host to the Greens Creek mine, one of the world's richest VMS deposits. The district-scale, 108,000 acre, land package at Palmer hosts at least 25 separate base metal and/or barite occurrences and prospects, indicating the potential for discovery of multiple deposits.

About the Company

Constantine is a mineral exploration company led by a proven technical team with a focus on premier North American mining environments. In addition to the Company's flagship copper-zinc-silver-gold Palmer Joint Venture Project, Constantine also controls a portfolio of high-quality, 100% owned, gold projects in the Timmins camp Ontario. This includes the large, well located Golden Mile Property in Timmins and the Munro Croesus Gold Property that is renowned for its exceptionally high-grade past production. Management is committed to providing shareholder value through discovery, meaningful community engagement, environmental stewardship, and responsible mineral exploration and development activities that support local jobs and businesses.

Please visit the Company's website (www.constantinemetals.com) for more detailed company and project information.

On Behalf of Constantine Metal Resources Ltd.

“Garfield MacVeigh”

President

For further information please contact:

Garfield MacVeigh, President or Darwin Green, VP Exploration

Phone: 604-629-2348. Email: info@constantinemetals.com

* 8.125 million tonne inferred resource grading 1.41% copper, 5.25% zinc, 0.32 g/t gold and 31.7 g/t silver. See the Company's news release date May 11, 2015 and available on www.sedar.com. Resource estimate utilizes an NSR cut-off of US\$75/t with assumed metal prices of US\$1200/oz for gold, US\$18/oz for silver, US\$2.75/lb for copper, and US\$1.00/lb for zinc. Estimated metal recoveries are 89.6% for copper, 84.9% for zinc, 75% for gold (61.5% to the Cu concentrate and 13.5% to the Zn concentrate) and 89.7% for silver (73.7% to the Cu concentrate and 16% to the Zn concentrate) as determined from metallurgical locked cycle flotation tests. An “Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure.

Darwin Green, VP Exploration for Constantine Metal Resources Ltd. and a qualified person as defined by Canadian National Instrument 43-101 has reviewed and approved the technical information contained in this release.

Notes:

Forward looking statements: This news release includes certain “forward-looking information” within the meaning of Canadian securities legislation and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively “forward looking statements”). Forward-looking statements include predictions, projections and forecasts and are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “forecast”, “expect”, “potential”, “project”, “target”, “schedule”, “budget” and “intend” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved and other similar expressions and includes the negatives thereof. All statements other than statements of historical fact included in this release, including, without limitation, statements regarding the expected. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are based on a number of material factors and assumptions. Important factors that could cause actual results to differ materially from Company's expectations include actual exploration results, changes in project parameters as plans continue to

be refined, results of future resource estimates, future metal prices, risk of not closing the Horseshoe claims sale transaction, availability of capital and financing on acceptable terms, general economic, market or business conditions, uninsured risks, regulatory changes, defects in title, availability of personnel, materials and equipment on a timely basis, accidents or equipment breakdowns, delays in receiving government approvals, unanticipated environmental impacts on operations and costs to remedy same, and other exploration or other risks detailed herein and from time to time in the filings made by the Company with securities regulators. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ from those described in forward-looking statements, there may be other factors that cause such actions, events or results to differ materially from those anticipated. There can be no assurance that forward-looking statements will prove to be accurate and accordingly readers are cautioned not to place undue reliance on forward-looking statements.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.