Condensed Consolidated Financial Statements of

CONSTANTINE METAL RESOURCES LTD.

(Expressed in Canadian Dollars)

For the three months ended January 31, 2018 and 2017

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Notice to Reader:

These condensed consolidated interim financial statements of Constantine Metal Resources Ltd. (the "Company") have been prepared by management and approved by the Audit Committee on behalf of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed consolidated interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

Condensed Consolidated Statements of Financial Position

As at January 31, 2018 and October 31, 2017
(Expressed in Canadian dollars)

		January 31 2018		October 31 2017
Assets				
Current assets:				
Cash	**$**	**688,808**	$	1,780,392
Amounts receivable (Note 6)		**267,638**		203,232
Advances and prepaid expenses		**27,965**		44,193
		984,411		2,027,817
Exploration and evaluation properties (Note 4)		**14,831,956**		14,456,587
Performance bonds		**30,733**		32,465
	$	**15,847,100**	$	16,516,869
Liabilities				
Current liabilities:				
Trade payables and accrued liabilities	**$**	**114,018**	$	553,519
Amounts due to related parties (Note 6)		**18,743**		-
		132,761		553,519
Equity				
Share capital (Note 5)		**20,360,239**		20,360,239
Stock options reserve (Note 5b)		**1,936,756**		1,936,756
Warrants reserve		**432,941**		432,941
Accumulated deficit		**(7,015,597)**		(6,766,586)
		15,714,339		15,963,350
	$	**15,847,100**	$	16,516,869

Nature of Operations (Note 1)
Commitments (Note 10)
Event Subsequent to the End of the Period (Note 11)

On Behalf of the Board of Directors:

"J. Garfield MacVeigh"
Director

"G. Ross McDonald"
Director

See accompanying notes to the condensed consolidated financial statements.

Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

For the three months ended January 31, 2018 and 2017

(Expressed in Canadian dollars)

		2018		2017
Expenses:				
Consulting	$	16,054		4,962
General and administrative		45,877		27,884
Insurance		9,246		8,050
Legal		1,273		101,624
Mineral property costs		11,507		4,620
Professional fees - audit		7,727		4,500
Rent (net)		17,668		17,359
Salaries, wages and benefits		38,374		40,236
Shareholder communications		4,192		512
Share-based payments (Note 5b)		-		16,089
Travel		1,501		-
Loss from operations		(153,419)		(225,836)
Other Items:				
Interest income	$	1,533		-
Loss on foreign exchange		(92,505)		(33,222)
Gain on sale of exploration and evaluation properties (Note 4(b)(i))		-		3,455,719
Write-off of exploration and evaluation properties		(4,620)		-
Net income (loss) and Comprehensive income (loss) for the period	$	(249,011)		3,196,661
Basic and diluted income (loss) per share	$	(0.00)	$	0.03
Weighted average number of common shares outstanding		117,429,468		117,429,468

See accompanying notes to the condensed consolidated financial statements.

CONSTANTINE metal resources ltd.

Condensed Consolidated Statements of Cash Flows
For the three months ended January 31, 2018 and 2017
(Expressed in Canadian dollars)

	2018	2017
Cash provided by (used in):		
Operations:		
Net income (loss) for the period	**$ (249,011)**	$ 3,196,661
Items not affecting cash:		
Share-based payments	**-**	16,089
Write-off of exploration and evaluation properties (Note 4c)	**4,620**	-
Gain on sale of exploration and evaluation properties (Note 4b(i) and 4b(ii))	**-**	(3,455,719)
Changes in non-cash working capital accounts:		
Restricted cash	**-**	2,565,200
Amounts receivable	**(11,408)**	2,704
Trade payables and accrued liabilities	**(313,844)**	29,838
Exploration costs recoverable from partner	**(52,998)**	(6,581)
Reclamation bonds	**1,732**	998
Amounts due to related parties (Note 6)	**18,743**	(15,072)
Advances and prepaid expenses	**16,228**	28,609
	(585,938)	2,362,727
Investing activities:		
Exploration and evalution properties (Note 4)	**(505,646)**	(496,012)
Proceeds from sale of exploration and evaluation properties (Note 4)	**-**	4,421,419
Recovery of exploration and evalution property expenditures	**-**	408,689
Contribution to joint venture	**-**	(2,565,200)
	(505,646)	1,768,896
Increase in cash	**(1,091,584)**	4,131,623
Cash, beginning of year	**1,780,392**	567,673
Cash, end of period	**$ 688,808**	$ 4,699,296
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Accounts payable related to exploration and evaluation properties	**$ 57,275**	$ 216,096

See accompanying notes to the condensed consolidated financial statements.

Condensed Consolidated Statements of Changes in Equity

For the three months ended January 31, 2018 and 2017
(Expressed in Canadian dollars)

	Share Capital		Reserves			
	Number of Shares	Capital Stock	Stock Options	Warrants	Deficit	Total Equity
Balance, October 31, 2016	117,343,484	$ 20,360,239	$ 1,722,623	$ 432,941	$ (9,143,764)	$ 13,372,039
Net income for the period	-	-	-	-	3,196,661	3,196,661
Share-based payments	-	-	16,089	-	-	16,089
Balance, January 31, 2017	**117,343,484**	**$ 20,360,239**	**$ 1,738,712**	**$ 432,941**	**$ (5,947,103)**	**$ 16,584,789**
Net loss for the period	-	-	-	-	(819,483)	(819,483)
Share-based payments	-	-	198,044	-	-	198,044
Balance, October 31, 2017	**117,343,484**	**$ 20,360,239**	**$ 1,936,756**	**$ 432,941**	**$ (6,766,586)**	**$ 15,963,350**
Net loss for the period	-	-	-	-	(249,011)	(249,011)
Balance, January 31, 2018	117,343,484	**$ 20,360,239**	**$ 1,936,756**	**$ 432,941**	**$ (7,015,597)**	**$ 15,714,339**

See accompanying notes to the condensed consolidated financial statements.

1. Nature of Operations

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, except for cash flow generated from exploration management fees, property option fees and sale of available-for-sale investments, is dependent upon equity financing to maintain current operations and to ultimately develop a mineral property interest or interests which can be profitably sold or further developed and placed into successful commercial production.

The Company has not generated any revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. With the exception of the prior year, the Company has incurred losses since inception and has an accumulated operating deficit of $7,015,597. The continuation and long-term viability of the Company remains dependent upon its ability to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its resource properties, confirmation of the Company's interests in the underlying properties, and the attainment of profitable operations.

The head office and principal address of the Company is #320 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6.

2. Basis of Preparation

a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2017, which have been prepared in accordance with IFRS issued by the IASB.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as available-for-sale ("AFS"), which are stated at their fair values. In addition, these condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the October 31, 2017 annual financial report.

b) Approval of Consolidated Financial Statements

These condensed consolidated financial statements of the Company for the three months ended January 31, 2018 and 2017 were approved and authorized for issue by the Board of Directors on March 28, 2018.

These condensed consolidated financial statements include the accounts of the Company, its 100% controlled entity, Constantine North Inc. (an Alaska corporation), and its 51% interest in Constantine Mining LLC ("CML") (a Delaware corporation, also registered in the state of Alaska). The Company records its proportionate interest in the assets, liabilities and expenses of CML in its condensed consolidated financial statements.

2. Basis of Preparation (continued)

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

3. Significant Accounting Policies

a) Judgments and estimates

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Significant areas requiring the use of estimates relate to the determination of impairment of exploration and evaluation properties, determination of mineral reserves, and provision for closure and reclamation.

A significant judgment applicable to the financial statements of the current period relates to the determination of the appropriate accounting treatment for the Company's investment in Constantine Mining LLC.

b) Joint Arrangements

The Company conducts exploration work jointly with other parties in joint ventures and other related legal entities in circumstances where neither party can be said to authoritatively control the entity. Such arrangements are considered, for accounting purposes, to be joint ventures when a separate legal entity exists and where the Company's investment is substantially related only to the net assets of that entity. The Company's interests in a joint venture are accounted for on the equity basis, reflective of the Company's net investment at cost plus the Company's proportionate share of the entity's subsequent income, less its share of any losses incurred.

In circumstances where the Company's interest is considered to substantially relate to the development of a particular asset or assets, such an arrangement in considered to be a joint operation and the Company's proportionate interest in the accounts of that entity are consolidated on a line by line basis with those of the Company in the financial statements of the Company.

c) Comparative figures

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

4. Exploration and Evaluation Properties

The following tables are a summary of the Company's exploration and evaluation property interests:

	Balance October 31 2016	Fiscal 2017 Expenditures	Balance October 31 2017	Fiscal 2018 Expenditures	Balance January 31 2018
Palmer Property, Alaska, USA		*See (i)*		*See (ii) and (iii)*	
Acquisition costs	$ 878,712	$ -	$ 878,712	$ -	$ 878,712
Less: Recovery of acquisition costs	(1,140,225)	-	(1,140,225)	-	(1,140,225)
Advance royalty payments	492,794	48,082	540,876	6,661	547,537
Assaying and testing	411,081	117,222	528,303	-	528,303
Field transportation	5,233,636	634,155	5,867,791	(79,452)	5,788,339
Geophysics	790,698	101,554	892,252	2,158	894,410
Drilling	12,969,230	2,179,223	15,148,453	(228,995)	14,919,458
Property maintenance	706,581	85,900	792,481	27,830	820,311
Geology and field support	8,825,094	1,515,267	10,340,361	205,125	10,545,486
Environmental	1,232,901	355,082	1,587,983	32,926	1,620,909
Travel	488,963	142,557	631,520	26,905	658,425
Cost recoveries	(21,446,470)	(2,936,971)	(24,383,441)	-	(24,383,441)
	9,442,995	2,242,071	11,685,066	(6,842)	11,678,224
Haines Block		*See (i)*		*See (ii) and (iii)*	
Acquisition costs	$ 129,165	$ -	$ 129,165	$ -	$ 129,165
Assaying and testing	5,261	-	5,261	-	5,261
Field transportation	342,680	85,139	427,819	54,276	482,095
Geophysics	51,796	47323	99,119	20,572	119,691
Drilling	566,376	(2,982)	563,394	285,252	848,646
Geology and field support	174,793	5,199	179,992	10,245	190,237
Environmental	22,986	-	22,986	-	22,986
Travel	5,781	-	5,781	-	5,781
Cost recoveries	(1,009,361)	-	(1,009,361)	-	(1,009,361)
	$ 289,477	$ 134,679	$ 424,156	$ 370,345	$ 794,501
Total Alaska Properties	$ 9,732,472	$ 2,376,750	$ 12,109,222	$ 363,503	$ 12,472,725

(i) These amounts include 51% of the expenditures of Constantine Mining LLC for the period July 1 - October 31, 2017.

(ii) These amounts include 51% of the expenditures of Constantine Mining LLC for the period November 1 - January 31, 2018.

(iii) Certain historical costs were re-allocated from the Palmer Property to the Haines Block during this period.

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4. Exploration and Evaluation Properties (continued)

	Balance October 31 2016	Fiscal 2017 Expenditures	Balance October 31 2017	Fiscal 2018 Expenditures	Balance January 31 2018
Ontario Properties:					
Munro-Croesus Property, ON, Canada					
Acquisition costs	$ 487,932	$ 6,944	$ 494,876	$ 446	$ 495,322
Assaying and testing	107,655	-	107,655	-	107,655
Drilling	1,127,740	-	1,127,740	-	1,127,740
Field transportation	23,678	-	23,678	-	23,678
Geophysics	149,446	-	149,446	-	149,446
Travel	74,386	-	74,386	-	74,386
Geology and field support	543,000	11,395	554,395	1,149	555,544
Proceeds allocated on sale of mineral claims (Note 4b(i))	-	(440,512)	(440,512)	-	(440,512)
	2,513,837	(422,173)	2,091,664	1,595	2,093,259
Four Corners Property, ON, Canada					
Acquisition costs	$ 146,681	$ -	$ 146,681	$ -	$ 146,681
Assaying and testing	24,791	-	24,791	-	24,791
Drilling	243,471	-	243,471	-	243,471
Geophysics	56,893	-	56,893	-	56,893
Field Transportation	946	-	946	-	946
Travel	8,058	-	8,058	-	8,058
Technical consulting	81,673	-	81,673	-	81,673
Geology and field support	39,618	1,638	41,256	-	41,256
Proceeds allocated on sale of mineral claims (Note 4b(iii))	-	(603,769)	(603,769)	-	(603,769)
	602,131	(602,131)	-	-	-
Golden Mile Property, ON, Canada					
Acquisition costs	148,374	70,000	218,374	10,000	$ 228,374
Assaying and testing	40,829	-	40,829	-	40,829
Drilling	396,613	-	396,613	-	396,613
Field transportation	22,514	-	22,514	-	22,514
Geophysics	160,669	-	160,669	-	160,669
Geology and field support	522,198	2,868	525,066	271	525,337
Technical consulting	90,970	-	90,970	-	90,970
Travel	31,133	-	31,133	-	31,133
Cost recoveries	(1,230,468)	-	(1,230,468)	-	(1,230,468)
	182,832	72,868	255,700	10,271	265,971

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4. Exploration and Evaluation Properties (continued)

		Balance October 31 2016		Fiscal 2017 Expenditures		Balance October 31 2017		Fiscal 2018 Expenditures		Balance January 31 2018
Ontario Properties (Balance forward)	$	3,298,800	$	(951,436)	$	2,347,364	$	11,866	$	2,359,230
Yukon, Canada										
Acquisition costs		52,401		4,620		57,021		4,620	$	61,641
Assaying and testing		197,379		-		197,379		-		197,379
Field transportation		476,911		-		476,911		-		476,911
Geology		184,753		481		185,234		-		185,234
Geochemisty		290,093		-		290,093		-		290,093
Technical consulting		61,608		-		61,608		-		61,608
Other		573,494		-		573,494		-		573,494
Cost recoveries		(25,000)		-		(25,000)		-		(25,000)
Writedown of exploration and evaluation properties		(1,811,638)		(5,101)		(1,816,739)		(4,620)		(1,821,359)
		1		-		1		-		1
Total Other Properties	$	3,298,801	$	(951,436)	$	2,347,365	$	11,866	$	2,359,231

a) Palmer Project, Alaska USA

i) Limited Liability Company Formed for Palmer Project

In December 2016 Dowa Metals & Mining Co., Ltd. ("Dowa") completed its option to earn a 49% interest in the Palmer Project, having completed US$22,000,000 in aggregate exploration expenditures on the project. A limited liability company (Constantine Mining LLC, or "CML") was then formed at the end of June 2017 and began operating in July 2017, with the Company owning 51% and Dowa owning 49% of the new entity. The Company's rights to the Palmer Property and a portion of the Haines Block land parcel (see below) have been assigned to CML.

Under the terms of the CML members' agreement, the Company is operator of CML and each party is responsible for its proportionate share of expenses, determined on the basis of ownership and subject to dilution according to standard dilution provisions.

For accounting purposes, the Company's investment in CML is considered to primarily relate to the continued advancement, with Dowa, of the Palmer property and the related elements of the Haines Block land parcel. Funding of CML by both venturers is on an ongoing cash-call basis, and accordingly the third-party assets, liabilities and expenses of CML, other than its mineral property interest, are expected to be relatively nominal at any point in time. Management's judgement is that the fairest accounting presentation for this arrangement is to provide, as a priority, a clear continuity of the Company's beneficial interest in the underlying property costs incurred. Accordingly, the Company's interest in CML has been considered a joint operation and its 51% interest in the accounts of CML have been consolidated within its own financial statements on a line by line basis.

4. Exploration and Evaluation Properties (continued)

a) Palmer Project, Alaska USA (continued)

From a legal perspective, the Company disposed of certain directly-held property interests to CML, in consideration for its interest in CML. There is material uncertainty associated with any attempt to measure the current fair value the Company's 51% interest in CML, and accordingly the Company considers that that this transaction, having been completed with Dowa as the beneficial counterparty and only for purposes of further advancing the underlying exploration project, lacks commercial substance. On this basis, no gain or loss has been recognized in respect to it. The continuity of the Company's historical exploration costs incurred on these interests has therefore been maintained in the current year's statement presentation.

ii) Palmer Project

The Palmer Project is comprised of 340 federal mining claims subject to a 99 year mining lease, dated December 19, 1997, and 63 state mining claims located near Haines, Alaska. To maintain the lease, there is a requirement to make annual advance royalty payments of US$42,500 and pay Federal claim annual maintenance fees, which were US$52,700 in 2017.

The lease is subject to a 2.5% net smelter returns ("NSR") royalty. CML 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.

iii) Haines Block Lease

In 2014, the Company entered into an agreement with the Alaska Mental Health Trust Authority (the "Trust") for the mineral exploration and development of an approximately 92,000 acre package of land (the "Haines Block"). There was a reduction in the size of the land package to 65,196 acres in 2017, in accordance with the terms of the lease agreement. The principal terms of the lease agreement are as follows:

1. Annual payments of US$25,000 per year for the initial 3 year lease term, US$40,000 for years 4 to 6, US$55,000 for years 7 through 9;
2. Work commitments of US$75,000 per year, escalating by US$50,000 annually;
3. Annual payments are replaced by royalty payments upon achieving commercial production;
4. Production royalties payable to the Trust include a sliding scale 1% to 4.5% royalty for gold, based on gold price, and a 3.5% royalty on minerals other than gold.

The Haines Block is contiguous with and surrounds the Federal and State mining claims that make up the Palmer Property.

A portion of the Haines Block land parcel with surface and mineral rights comprising approximately 3,483 acres, has been contributed to CML (Note 4a(i) and (iv)).

4. Exploration and Evaluation Properties (continued)

a) Palmer Project, Alaska USA (continued)

iv) Haines Block Selection Agreement

In July 2016, the Company signed a Selection Agreement (the "Selection Agreement") with Dowa on the Haines Block mining lease, which terms have now been met or expired. Under the terms of the Selection Agreement, Dowa selected a small subset of the Haines Block (the "Selection Area") including both surface and mineral rights, to become part of the Agreement. The remaining mineral rights of the Haines Block, representing approximately 96 percent of the total Haines Block land package, are 100 percent owned by the Company, and were subject to a Right of First Offer ("ROFO") by Dowa, which expired on September 1, 2017.

The main elements of the Selection Agreement were as follows:

1. Dowa selected a Haines Block land parcel with surface and mineral rights comprising approximately 3,483 acres, exclusive of all pre-existing federal claims, to be included as part of the Palmer Property joint venture.
2. The Company will maintain its 100% interest in the balance of the property of the Haines Block exclusive of the Selection Area and any exploration done in such area outside of the Selection Area will be at the Company's expense.
3. The Company granted Dowa a ROFO on Haines Block lands located outside of the Selection Area for a 3 year period beginning as of September 1, 2014, which terminated on September 1, 2017.

b) Ontario Properties

i) Sale of Ontario Mineral Claims to Lake Shore Gold Corp.

In January 2017, the Company sold its 100% interest in the Four Corners property located east of Timmins, Ontario to Lake Shore Gold Corp. ("Lake Shore"). Principal terms of the Property Purchase Agreement were:

a. a $4,500,000 cash payment for the sale of a 100% interest in the mineral claims known as the Horseshoe, Four Corners and the Meunier Add-on claims (received).
b. The Company retains a 1% NSR on the Horseshoe claims, as well as the right of first refusal on the NSR associated with the underlying property agreement.
c. Lake Shore transferred to the Company a 100% interest in patented mining claim L39421 that is contiguous to Company's Munro-Croesus claims. Lake Shore will retain a 1.5% NSR on the transferred claim.
d. The Company retains the rights to the NSR buy-down provisions associated with the underlying property agreements on all of the properties sold to Lake Shore.

The Company recorded a gain of $3,455,719 on the disposition of the Four Corners property in the year ended October 31, 2017.

4. Exploration and Evaluation Properties (continued)

b) Ontario Properties (continued)

ii) Munro-Croesus Property

The Company owns 100% of the Munro-Croesus gold mineral property located 90 kilometers east of Timmins, Ontario, which includes the former Munro-Croesus gold mine.

Under the terms of the original acquisition agreement, there is a 2% NSR production royalty payable on the property, 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 royalty.

The Company transferred a portion of its Munro-Croesus claims to Lake Shore in connection with the sale of the Four Corners property to Lake Shore (Note 4b(iii)), and allocated $440,512 of the proceeds on the transaction to the sale of Munro-Croesus mineral claims.

The Company received one mineral claim from Lake Shore in connection with the Four Corners transaction (the Munro claim), which has been added to the Munro-Croesus claims.

As at January 31, 2018, the Munro-Croesus property consists of 15 patented mining claims and leases and 2 staked claims.

iii) Golden Mile Property

In December 2016, the Company completed the earn-in obligations of an option agreement to acquire 100% of the Golden Mile property located in northern Ontario, Canada. The Company has made a total of $175,000 in cash payments and issued 180,000 shares to complete this acquisition. The Company has granted a 3% NSR to the previous owners of the property, of which 1/3 of the NSR may be purchased by the Company at any time for $1,000,000. The Company must make annual advance royalty payments of $10,000, commencing on December 10, 2017 (paid), which are deductible from future NSR payments.

c) Yukon Land Position and Joint Venture

The Company and Carlin Gold Corporation (“Carlin Gold”) control over 3,000 claims in the Mayo and Watson Lake Mining Districts, Yukon. The claims are distributed in twelve blocks that total approximately 65,000 hectares (250 square miles).

In April 2016, the Company recorded a $858,218 writedown of the property to a carrying value of $1, based on an impairment review of the property for accounting purposes. In the fiscal year ended October 31, 2017, the Company recorded a write-off of $5,101 for expenditures incurred on its Yukon land position. In the three months ended January 31, 2018, the Company recorded a write-off of $4,620 for expenditures incurred on its Yukon land position.

See Note 11b.

5. Share Capital

a) Common Shares

Authorized: unlimited common shares without par value

Issued and outstanding: 117,373,484 common shares

b) Stock Options

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

On June 2, 2017, the Company issued 2,325,000 incentive share options, exercisable at a price of $0.16, expiring June 2, 2022. The stock options were issued to directors, officers and employees of the Company.

A summary of the status of the Company's stock options at January 31, 2018 and October 31, 2017 and changes during the periods therein is as follows:

	Three months ended January 31, 2018		Year ended October 31, 2017	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance, beginning of year	**11,425,000**	**$ 0.10**	11,125,000	$ 0.09
Granted	**-**	**-**	2,325,000	0.16
Expired or cancelled	**-**	**-**	(2,025,000)	0.11
Balance, end of period	**11,425,000**		11,425,000	

The fair value cost of the stock options granted in June 2017 was calculated using the Black-Scholes Pricing Model using the following range of assumptions:

	June, 2017
Risk-free interest rate	**1.23%**
Expected life (in days)	**1,825**
Annualized volatility	**82.51%**
Dividend rate	**n/a**

5. Share Capital (continued)

b) Stock Options (continued)

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

A summary of the Company's stock options outstanding as at January 31, 2018 is as follows:

Expiry Date	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Exercisable
January 17, 2019	0.07	5,250,000	0.56	5,400,000
March 6, 2020	0.14	1,400,000	0.29	1,300,000
June 30, 2021	0.10	2,450,000	0.79	2,450,000
June 2, 2022	0.16	2,325,000	0.93	1,575,000
		11,425,000	2.57	10,725,000

6. Related Party Transactions

The following represents the details of related party transactions paid or accrued for the three months ended January 31, 2018 and 2017:

For three months ended January 31,	2018	2017
Consulting, administrative and technical fees paid or accrued to companies owned by directors	$ 3,000	$ 11,347
Consulting fees paid to officers	45,675	43,164
Accounting and administration fees paid or accrued to a company 50% owned by an officer	21,578	18,000
Share-based payments to key management	-	16,089
	$ 70,253	$ 88,600

The Company paid NS Star Enterprises Ltd., a company controlled by a director, $3,000 for consulting, management and administration services during the three months ended January 31, 2018 (2017-$11,347). The Company paid Morfopoulos Consulting Associates Ltd., a company controlled by the CFO, $21,578 for accounting, and management and administration services during the three months ended January 31, 2018 (2017-$18,000). The Company paid D. Green Geoscience Inc., a company controlled by the vice-president of exploration, $45,675 for technical consulting and management and administration services during the three months ended January 31, 2018 (2017-$43,164).

For the three months ended January 31, 2018, the Company paid wages totaling $33,000 (2017-$33,000) to Mr. J. Garfield MacVeigh in his capacity as President of the Company. For the three months ended January 31, 2018, the Company paid wages totaling $41,022 to Elizabeth Cornejo in her capacity as Vice-President, Community and External Affairs of the Company.

6. Related Party Transactions (continued)

At January 31, 2018, the Company had accounts payable of $18,743 outstanding to D. Green Geoscience Inc.

At January 31, 2018, the Company's amounts receivable balance includes $218,235, representing the 49% non-consolidated portion of the amount receivable from CML.

7. Management of Capital

The Company manages its cash, common shares, stock options and warrants 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 exploration and evaluation properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

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. Financial Instruments

a) 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, amounts receivable, available-for-sale investments, trade payables and amounts due to related parties.

The fair values of cash and cash equivalents, amounts receivable, deposits, trade payables and amounts due to related parties approximate their book values because of the short-term nature of these instruments.

b) Financial Instrument Risk Exposure

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

Credit Risk

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

Liquidity Risk

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

8. Financial Instruments (continued)

b) Financial Instrument Risk Exposure (continued)

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, however management does not consider this risk to be significant.

Exchange Risk

As at January 31, 2018, the majority of the Company's cash was held in the USA in U.S. dollars. The Company's significant operations are carried out in Canada and in Alaska, USA. As a result a portion of the Company's cash and cash equivalents, amounts receivable, and trade payables are denominated in US dollars and are therefore subject to fluctuations in exchange rates. Management does not believe that the exchange risk is significant.

c) Fair Value Measurements

The carrying value of financial assets and financial liabilities at January 31, 2018 and October 31, 2017 are as follows:

		January 31 2018		October 31 2017
Financial Assets				
FVTPL, measured at fair value				
Cash	**$**	**688,808**	$	1,780,392
Loans and receivables, measured at amortized cost				
Amounts receivable		**267,638**		203,232
Financial Liabilities				
Other liabilities, measured at amortized cost				
Trade payables and accrued liabilities	**$**	**114,018**	$	553,519
Amounts due to related parties		**18,743**		-

The fair value hierarchy of financial instruments measured at fair value is as follows:

As at		**January 31 2018**		October 31 2017
		Level 1		Level 1
Cash	**$**	**688,808**	$	1,780,392

The Company does not use Level 2 or Level 3 valuation inputs.

9. Segmented Information

The Company has one operating segment, which is exploration and evaluation of its mining properties.

At October 31, 2017, the Company operates in two geographic areas, being Canada and the United States. The following is an analysis of the non-current assets by geographical area:

	Canada	United States	Total
Non-Current Assets			
Exploration and Evaluation Properties			
As at January 31, 2018	**2,359,231**	**12,472,725**	**14,831,956**
As at October 31, 2017	2,347,365	12,131,009	14,478,374
Performance Bonds			
As at January 31, 2018	**-**	**30,733**	**30,733**
As at October 31, 2017	-	32,465	32,465

10. Commitments

The Company has a lease agreement for the rental of office space, which expires on May 31, 2021.

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

		Amount
2018 fiscal year	$	33,876
2019 fiscal year		42,469
2020 fiscal year		43,626
2021 fiscal year		25,449
	$	145,420

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

11. Events Subsequent to the Reporting Period

a) In February 2018, the Company issued 300,000 stock options to an employee at a price of $0.185, exercisable for a period of five years.

b) In March 2018, the Company announced the signing of a Letter Agreement (“Agreement”) granting Fireweed Zinc Ltd. (“Fireweed”) an option to purchase a 100% interest in three properties totaling 624 claims in the Mac Pass area, Yukon. Total consideration for Fireweed to acquire a 100% interest in the properties includes an aggregate of $500,000 in cash, and issuance of 300,000 common shares in the capital of Fireweed, to be paid over three years. The subject claims were staked under the Constantine Carlin Joint Venture (“CCJV”), and all option payments and royalties will be split 50% payable to the Company and 50% payable to Carlin Gold Corporation. Under the terms of the Agreement, net smelter return royalty (“NSR”) rights will be retained by Constantine and Carlin Gold Corporation, consisting of a 0.5% NSR on base metals and silver and a 2.0% NSR on all other metals. An additional payment of $750,000 will be payable upon Fireweed producing an indicated resource of 2.0 million tonnes on the optioned properties.

Management's Discussion and Analysis
For the three months ended January 31, 2018
(Expressed in Canadian dollars)

General

The information in this Management's Discussion and Analysis, or MD&A, is intended to assist the reader in the understanding and assessment of the trends and significant changes in the results of operations and financial conditions of Constantine Metal Resources Ltd. (the "Company" or "Constantine"). This MD&A should be read in conjunction with the unaudited interim financial statements of the Company, including the notes thereto, for the three months ended January 31, 2018 and 2017, the audited consolidated financial statements of the Company, including the notes thereto, for the years ended October 31, 2017 and 2016, and the MD&A of such financial statements, and other information relating to the Company on file with the Canadian provincial securities regulatory authorities on SEDAR at www.sedar.com. The Company's audited consolidated financial statements for the years ended October 31, 2017 and 2016 were prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has taken into account information available up to and including March 28, 2018.

Constantine is a junior exploration company engaged in the exploration and development of several exploration properties. Its principal project is a polymetallic (copper-zinc-gold-silver) massive sulphide advanced exploration project in southeast Alaska known as the Palmer Project. Constantine also has gold properties in Ontario and the Yukon. The Company's principal Ontario gold projects are the Golden Mile project in the Timmins gold camp and the Munro-Croesus project, which includes the past-producing high-grade Croesus gold mine located east of the Timmins gold camp.

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

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations. The Company is currently engaged in exploration and development of mineral properties and does not have any source of revenue or operating assets, however the Company has generated cash flow from option earn-in agreements, from fees for management of option-joint venture exploration projects and from sale of available-for-sale investments. The recoverability of the amounts shown for mineral properties is dependent upon the ability of the Company to obtain necessary financing to complete exploration, technical studies and, if warranted, development and future profitable production or proceeds from the disposition of properties. The amounts shown as mineral properties represent net costs to date and do not necessarily represent present or future values.

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

Highlights

- **2018 Palmer Program and Budget –** Currently in advanced preparation stage with details to be provided soon.
- **Constantine and Carlin Option Three Yukon Properties to Fireweed Zinc -** Signing of a Letter Agreement grants Fireweed Zinc Ltd. ("Fireweed") the option to purchase a 100% interest in three properties totaling 624 claims in the Mac Pass area, Yukon. Total consideration for Fireweed to acquire a 100% interest in the properties includes an aggregate of $500,000 in cash, and issuance of 300,000 common shares in the capital of Fireweed, to be paid over three years.
- **Vice-President, Advanced Projects Appointed** – In February 2018, Mr. Ian Cunningham-Dunlop was appointed Vice President Advanced Projects. Ian has previously worked with the company on a part-time basis since 2014.

2018 Palmer Exploration Program

A substantive exploration program and budget is being prepared for the Constantine – Dowa Joint Venture with details expected to be released in April. The 2018 program includes a dual focus to expand on the 2017 exploration success utilizing the results from the property wide 2017 airborne geophysical results as well as advancing and expanding on the main South Wall-RW deposit area and the new 2017 AG zone discovery. The 2018 program also includes plans to complete the road access to the Haines Block land held under lease to the Joint Venture.

Three Yukon Properties Optioned to Fireweed Zinc

The 50/50 Constantine-Carlin Joint Venture ("CCJV") has signed an option with Fireweed Zinc (FWZ_V) to purchase a 100% interest in three properties (namely MC, MP and Jerry) totaling 624 claims in the Mac Pass area, Yukon. Total consideration for Fireweed to acquire a 100% interest in the properties includes an aggregate of $500,000 in cash, and issuance of 300,000 common shares in the capital of Fireweed, to be paid over three years. The claims were staked in 2011 under the CCJV, and all option payments and royalties will be split 50% payable to Constantine and 50% payable to Carlin Gold Corporation ("Carlin").

The Agreement includes net smelter return royalty ("NSR") rights retained by Constantine and Carlin, consisting of a 0.5% NSR on base metals and silver and a 2.0% NSR on all other metals. An additional payment of $750,000 is payable upon Fireweed producing an indicated resource of 2.0 million tonnes on the optioned properties.

The CCJV controls an additional ten (10) properties in the greater Mac Pass area, totaling 1,835 claims and approximately 37,700 hectares that are available for sale or option. These include multiple early-stage gold prospects with high tenor gold-in-soil anomalies. Gold exploration activity has recently picked up in Yukon's Selwyn Basin, with two separate option agreements announced in 2017 by Newmont and Barrick with junior explorers that include over $100 million in combined total earn-in expenditures.

Senior Employee Promotions and Additions

The Company recently announced appointment of Ian Cunningham-Dunlop to the position of Vice President, Advanced Projects. The appointment coincides with the transition to advanced stage exploration and evaluation work at the Company's high-grade Palmer Project, southeast Alaska.

Mr. Cunningham-Dunlop is a seasoned mining executive with more than 30 years of experience in domestic/international mineral exploration and project development and was most recently involved in advancing the Castle Mountain gold project in California (NewCastle Gold), the Karma gold mine in Burkina Faso (True Gold Mining), and the Long Canyon gold mine in Nevada (Fronteer Gold). He also supervised all surface exploration activities at the Eskay Creek Au-Ag-Cu-Pb-Zn mine in BC for Homestake Mining/Barrick Gold (1997-2003) giving him a strong understanding of volcanic massive sulphide systems similar in style and age to Palmer. Ian holds a B.Sc. in Geological Engineering from Queen's University and has worked with the Company as a Senior Technical Adviser since 2014. He is a qualified person under NI 43-101 guidelines.

Property Wide Airborne Electromagnetic and Magnetometer Survey Completed

For the first time since the initial Palmer surface discovery in 1969, a property wide airborne survey was completed over the entire Palmer area that includes the Joint Venture property and 100% Constantine controlled lands. The helicopter borne survey was completed with excellent coverage. The results of the airborne continue to be evaluated to assist in prioritizing 2018 drill targets. A few salient points are summarized below:

1. Combination of conductivity and magnetics is used to prioritize targets in established favourable stratigraphy
2. South Wall resource area displays a weak conductive response centered on the east side of the known resource that persists to depth. Hanging wall basalts display a strong magnetic signature. The South Wall response is very useful as a model to characterize what may be significant mineralization elsewhere on the property and especially in association with known but undrilled mineralized prospects.
3. At least eight, conductive responses of similar character to South Wall have been identified that occur in favourable stratigraphy, most of which are associated with known but untested mineralized prospects.
4. Lack of a conductive response does not eliminate a discovery opportunity; e.g. the RW resource displays no obvious conductive response, although a downdip response indicates the potential for more conductive mineralization that has not been tested by drilling.

Base Metal Project – Palmer Property (Southeast Alaska, USA)

Dowa Exercises Option to Earn 49% Interest in Palmer Project

In December 2016, Dowa completed its US$22 million earn-in to the Palmer VMS Project and exercised its option to participate as a partner in the project. A joint venture was formed for the purpose of further exploring and developing Palmer project, with Constantine owning a 51% participating interest and Dowa owning a 49% participating interest.

Palmer Project Description

Palmer is an advanced 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 in partnership with Dowa, which has earned 49% in the project by making aggregate expenditures of US$22 million over four years. The Palmer project is located in a very accessible part of coastal southeast Alaska, with road access to the edge of the property and is within 60 kilometers of 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. There are at least 25 separate base metal and/or barite occurrences and prospects on the Palmer property, indicating the potential for discovery of multiple deposits beyond the RW-South Wall deposit area.

** See the Company's news release date May 11, 2015 and the company's technical report entitled "NI 43-101 Technical Report and Updated Resource Estimate Palmer Exploration Project "dated June 24, 2015 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 are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.*

Palmer Project Agreements

The Company holds a 99 year mining lease dated December 19, 1997 on 340 mining claims that comprise the original Palmer property. 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 $52,700 in 2017. 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, which total US$821,667 to date, are deductible from the NSR royalty.

In September 2014, a formal agreement was signed between the Alaska Mental Health Trust Authority, a state corporation within Alaska (the "Trust") and the Company for an upland mining lease on the approximately 92,000 acre Haines Block land package surrounding the Palmer property. Pursuant to the lease terms, as described below, the acreage was reduced on September 1, 2017 and the land package under lease currently totals approximately 65,000 acres. The relinquished lands are located several kilometers northwest of the project in a separate package of rocks with low potential for VMS.

Constantine acquired the Haines Block for mineral exploration and development in a competitive lease process offered by the Trust. The Haines Block is contiguous with and surrounds the Federal and State mining claims that make up the approximately 16,000 acre Palmer property. The Trust owns the subsurface mineral estate of the Haines Block and a small subset of the block is held fee simple, for which the Trust owns both the surface and subsurface estate. General lease terms include annual rental of US$25,000 per year for the initial three year lease term, US$40,000 for years 4 to 6, US$55,000 for years 7 through 9, with work commitments of US$75,000 per year, escalating by US$50,000 annually. There is a mandatory acreage reduction of 25,000 acres at the end of the first and second 3 year lease terms. The lease can be extended beyond year nine by making annual rental payments and continuing to diligently pursue exploration and development on the lease. Annual payments are replaced by royalty payments upon achieving commercial production. Production royalties payable to the Trust include a sliding scale 1% to 4.5% royalty for gold based on gold price, and a 3.5% royalty on minerals other than gold. The Alaska State production royalty levied on State lands does not apply to production on Trust lands.

Dowa exercised the right under the Constantine-Dowa Option-JV Agreement (see Selection Agreement below) to include a portion of Mental Health Trust Lease land (3,483 acres) that is immediately adjacent to the Company's current drilling activities as part of the Palmer Property to the benefit of both parties and at the same time leaves Constantine with a 100% interest in the balance of approximately 62,000 acres of highly prospective Haines Block land.

The Haines Block shares similar geology to the Palmer Property and is considered prospective for hosting high-grade massive sulphide mineralization. The property also covers areas upland of the active Porcupine placer gold district that has estimated past production of 82,489 ounces of gold. This represents the first time the Haines Block has been offered to the public for lease, with very limited exploration work having taken place in recent decades. Please refer to the Company's September 9, 2014 news release for additional details about the Haines Block lease agreement.

Gold Projects

In January 2017, the Company completed the sale of Horseshoe claims and the Four Corners and Meunier Add-On properties to Lake Shore Gold (the "Lake Shore Transaction") (see News Release dated November 7, 2016) for $4.5 million cash plus retained royalties and the acquisition of a 100% interest in Lake Shore's Munro Claim, which is contiguous to Constantine's existing Munro-Croesus claims. The mineral claims included in the $4.5 million sale, known as the Horseshoe, Four Corners and the Meunier Add-on claims, are located adjacent to Lake Shore's Fenn-Gib gold project in Ontario, but do not include Constantine's neighboring Munro Croesus Gold Property, which is renowned for its exceptionally high-grade past production from the Croesus Mine.

Subsequent to the Lake Shore Transaction, Constantine controls a 100% interest in the core Munro Croesus gold mine property and the Golden Mile property, that collectively represent a high potential land position in the prolific Timmins gold camp in Ontario. The Munro Croesus project, which includes the famous high-grade past-producing Croesus Gold Mine, is located along the north side of the Pipestone Fault and within the Porcupine Destor Fault zone corridor approximately 75 kilometers east of the center of the Timmins gold camp. The large (68 square kilometers) Golden Mile property is in the Timmins gold camp, nine kilometers northeast of Goldcorp's multimillion ounce Hoyle Pond Mine, and is strategically located at the intersection of the projection of the Timmins camp giant mine corridor with the Pipestone fault.

In Alaska, the Company holds a 100% interest in the portion of the Haines Block Lease property that covers areas upland of the active Porcupine placer gold district that has estimated past production of 82,489 ounces. Other gold assets include a 50/50 Joint Venture formed in 2010 with Carlin Gold Corporation exploring a large land position in a new Carlin-type gold district in Yukon.

The Company is continuing to actively consider various strategic alternatives to realize the value of the remaining gold assets for its shareholders.

(Expressed in Canadian dollars)

Results of Operations

The Company recorded a net loss of $249,011 for the three months ended January 31, 2018 (2017- $3,196,661 gain).

Exploration and Evaluation Expenditures

For the three months ended January 31, 2018, the Company recorded expenditures of $375,369 on exploration and evaluation properties.. The Palmer project, including Haines Block, accounted for $363,503 of those expenditures. During the three months ended January 31, 2018, the Company made cash contributions totaling $580,503 to maintain its 51% interest in the Palmer Project joint venture.

Palmer Project Joint Venture

Effective July 1, 2017, the Company began accounting for the Palmer Project joint venture with Dowa as a joint operation for accounting purposes. Therefore, only 51% of the exploration expenditures on the Palmer Project joint venture are included in the Company's financial statements.

Operating Costs

The Company recorded net cash operating expenses of $153,419 for the three months ended January 31, 2018, compared to cash operating costs of $209,747 for the same period last year. A breakdown of total general and administrative costs for the three months ended January 31, 2018 is shown in the table below.

General and Administrative expenses for the three months ended January 31, 2018		Amount
Conferences, trade shows and advertising	$	11,138
Accounting and administration		8,952
Office expenses		8,973
Transfer agent, listing and filing fees		16,814
Total	$	45,877

(Expressed in Canadian dollars)

Summary of Quarterly Results

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

For Quarter Ended		Total Assets		Income (Loss)		Income (Loss) per share
January 31, 2018	$	15,847,100	$	(249,011)	$	(0.00)
October 31, 2017		16,516,869		(157,083)		(0.00)
July 31, 2017		16,759,739		(714,145)		(0.01)
April 30, 2017		18,985,980		51,745		(0.01)
January 31, 2017		19,293,609		3,196,661		0.03
October 31, 2016		13,704,263		(56,671)		(0.00)
July 31, 2016		14,478,625		(295,275)		(0.00)
April 30, 2016		13,683,252		(157,346)		(0.00)

Financial Condition, Liquidity and Capital Resources

The Company is not in commercial production on any of its mineral properties and accordingly, it does not generate cash from operations. The Company finances its activities by raising capital through the equity markets, by the sale of mineral property assets, and by option and joint venture agreements that provide cash payments and management fees.

The Company and Dowa are responsible for funding the cash requirements of the joint venture, based to their 51:49 interests. As at January 31, 2018, the Company has made cash contributions totaling US$2,754,619 to the Palmer Project joint venture.

The Company's cash position at January 31, 2018 was $688,808 (October 31, 2017-$1,780,392) and its working capital at January 31, 2018 was $851,650 (October 31, 2017-$1,474,298).

The Company is dependent on equity capital to fund exploration and development of exploration properties and its on-going operations. Additional working capital will be required in order to finance 2018 Palmer Project joint venture operations and other exploration work as may be determined by the Company's management on other properties.

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

Off-Balance Sheet Arrangements

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

(Expressed in Canadian dollars)

Related Party Transactions

The following represents the details of related party transactions paid or accrued for the three months ended January 31, 2018 and 2017:

For three months ended January 31,	2018	2017
Consulting, administrative and technical fees paid or accrued to companies owned by directors	**$ 3,000**	$ 11,347
Consulting fees paid to officers	**45,675**	43,164
Accounting and administration fees paid or accrued to a company 50% owned by an officer	**21,578**	18,000
Share-based payments to key management	**-**	16,089
	$ 70,253	$ 88,600

The Company paid NS Star Enterprises Ltd., a company controlled by a director, $3,000 for consulting, management and administration services during the three months ended January 31, 2018 (2017-$11,347). The Company paid Morfopoulos Consulting Associates Ltd., a company controlled by the CFO, $21,578 for accounting, and management and administration services during the three months ended January 31, 2018 (2017-$18,000). The Company paid D. Green Geoscience Inc., a company controlled by the vice-president of exploration, $45,675 for technical consulting and management and administration services during the three months ended January 31, 2018 (2017-$43,164).

For the three months ended January 31, 2018, the Company paid wages totaling $33,000 (2017-$33,000) to Mr. J. Garfield MacVeigh in his capacity as President of the Company. For the three months ended January 31, 2018, the Company paid wages totaling $41,022 to Elizabeth Cornejo in her capacity as Vice-President, Community and External Affairs of the Company.

At January 31, 2018, the Company had accounts payable of $18,743 outstanding to D. Green Geoscience Inc.

At January 31, 2018, the Company's amounts receivable balance includes $218,235, representing the 49% non-consolidated portion of the amount receivable from CML.

Management of Capital

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

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

(Expressed in Canadian dollars)

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

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

Summary of Outstanding Shares Data

The Company had 117,343,484 shares outstanding on January 31, 2018, and as of the date of this report.

The following stock options were outstanding at January 31, 2018:

No. of Stock Options	Price per Share	Expiry Date
5,250,000	$0.07	January 17, 2019
1,400,000	$0.14	March 6, 2020
2,450,000	$0.10	June 30, 2021
2,325,000	$0.16	June 2, 2022
11,425,000		

In February 2018, the Company issued 300,000 stock options to an employee at an exercise price of $0.185 for the purchase of 300,000 common shares of the Company, exercisable for a period of five years.

A total of 11,725,000 options are outstanding as of the date of this report.

Corporate Governance

Management of the Company is responsible for the preparation and presentation of the interim and annual financial statements and notes thereto, MD&A and other information contained in this MD&A. Additionally, it is management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

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

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

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.

Financial

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 January 31, 2018, the Company has incurred significant losses since inception and has an accumulated operating deficit of $7,015,157. The continuation and long-term viability of the Company remains dependent upon its ability to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its resource properties, confirmation of the Company's interests in the underlying properties, and the attainment of profitable operations.

Industry

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

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

Metal Prices

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

Political Risk

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

Environmental

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

On the Palmer project, reclamation of disturbances related to the Company's permitted exploration activities are bonded under the Alaska State-wide Bond Pool. The Company has also contracted an ASTM Phase 1 environmental site assessment (ESA) on the federal lode mining claims of the Palmer project. The ESA concluded that there are no environmental concerns associated with the Property at this time.

The Munro Croesus project includes the very small past producing Munro Croesus Gold Mine that mined approximately 5000 tons of ore. The Company has assumed the environmental liability at the Croesus minesite on the Munro Croesus property. To date it has not incurred any material expenses, however it does remain an uncertain liability. The Ontario government requires a closure plan if the claims are abandoned or become inactive and the closure plan will require some water sampling and site reclamation costs. The previous owner completed remediation of what the Company considers to be the major liabilities, which included capping the Walsh and Croesus shafts. The Croesus minesite was visited by a mines inspector in September 2010 and an inspection report received from the Ministry of Northern Development, Mines and Forestry (Ontario) in early 2011. The summary of field observations and recommendations in the Inspection Report are near surface stope stability concerns and recommendation for a crown pillar stability assessment. There is a specific near-term recommendation to secure the location of a small raise to surface that is filled with waste rock with a fence and signs and this remedial action has been taken. The small raise area was fenced and cautionary signage was installed. A preliminary evaluation of the near surface stope stability and a crown pillar stability assessment was completed by a qualified engineer, independent of the Company. The initial conclusion based on historic data and new information from drill data through the old workings and the recent excavation work is that the "old workings will stand for a long time" and that "surface subsidence would be minimal at the down-dip edge of the zone and could be as much as 1 meter near the upper edge." Now that the crown pillar is exposed, a site visit by a qualified Ontario mining engineer is required with formal reporting of the conclusions to be made to the Ministry of Northern Development, Mines and Forestry (Ontario). Surface water samples upstream and downstream of the site have been recommended to determine water quality issues. No specific schedule has been established to carry out this work.

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.

Cyber security risk

Cyber security risk is the risk of negative impact on the operations and financial affairs of the Company due to cyber-attacks, destruction or corruption of data, and breaches of its electronic systems. Management believes that it has taken reasonable and adequate steps to mitigate the risk of potential damage to the Company from such risks. The Company also relies on third-party service providers for the storage and processing of various data. A cyber security incident against the Company or its service providers could result in the loss of business sensitive, confidential or personal information as well as violation of privacy and security laws, litigation and regulatory enforcement and costs. The Company has not experienced any material losses relating to cyber-attacks or other information security breaches, however there can be no assurance that it will not incur such losses in the future.

Credit risk

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

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

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At January 31, 2018, the Company had a total cash balance of $688,808 to settle current liabilities of $132,761.

All other 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.

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.

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 amounts due to related parties closely approximate their fair values in view of the relatively short periods to maturities of these financial instruments.

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

Forward-Looking Statements

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

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

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

This MD&A includes, but is not limited to, forward-looking statements regarding: the Company's plans for upcoming exploration work on the Company's exploration properties in Alaska, and the Company's ability to meet its working capital needs for the next fiscal year.

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

Approval

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

Ian Cunningham-Dunlop, P.Eng. Vice-President, Advanced Projects, is a Qualified Person as defined by NI 43-101 for the Palmer project. James N. Gray, P.Geo. of Advantage Geoservices Ltd. is the Qualified Person as defined by NI 43-101 for the resource estimate discussed above. They have reviewed and approved the resource estimate statements in this MD&A.

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

Additional Information

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