



Consolidated Financial Statements of

CONSTANTINE METAL RESOURCES LTD.

(Expressed in Canadian Dollars)

For the years ended October 31, 2016 and 2015

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Constantine Metal Resources Ltd.,

We have audited the accompanying consolidated financial statements of Constantine Metal Resources Ltd. ("the Company"), which comprise the consolidated statements of financial position as at October 31, 2016 and 2015 and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Constantine Metal Resources Ltd. as at October 31, 2016 and 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.



CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
February 23, 2017



Consolidated Statements of Financial Position

As at October 31, 2016 and 2015

(Expressed in Canadian dollars)

	2016	2015
Assets		
Current assets:		
Cash	\$ 567,673	\$ 396,069
Amounts receivable	24,119	39,965
Exploration costs recoverable from joint venture partner (Note 5a)	-	238,334
Available-for-sale investments (Note 4)	-	31,074
Advances and prepaid expenses	47,670	21,030
	639,462	726,472
Deposits	-	19,887
Exploration and evaluation properties (Note 5)	13,031,273	13,176,501
Performance bonds	33,528	32,688
Equipment	-	2,968
	\$ 13,704,263	\$ 13,958,516
Liabilities		
Current liabilities:		
Trade payables and accrued liabilities	\$ 225,880	\$ 282,643
Deferred recovery of exploration costs (Note 5a)	91,272	-
Amounts due to related parties (Note 7)	15,072	3,199
	332,224	285,842
Equity		
Share capital (Note 6)	20,360,239	20,326,015
Stock options reserve (Note 6b)	1,722,623	1,535,432
Warrants reserve	432,941	432,941
Available-for-sale investments reserve (Note 4)	-	(95,953)
Deficit	(9,143,764)	(8,525,761)
	13,372,039	13,672,674
	\$ 13,704,263	\$ 13,958,516

Nature of Operations (Note 1)

Commitments (Note 12)

Events Subsequent to the end of the Period (Note 13)

On Behalf of the Board of Directors:

"J. Garfield MacVeigh"

Director

"G. Ross McDonald"

Director

See accompanying notes to consolidated financial statements.



Consolidated Statements of Loss and Comprehensive Loss

For the years ended October 31, 2016 and 2015

(Expressed in Canadian dollars)

	2016	2015
Expenses:		
Amortization	\$ 2,968	\$ 5,461
Consulting	70,313	39,137
General and administrative	168,140	200,410
Insurance	27,052	38,222
Legal	9,383	5,107
Professional fees – audit	19,260	21,360
Salaries, wages and benefits	76,638	36,037
Rent (net)	69,354	70,364
Share-based payments (Note 6b)	187,191	126,258
Shareholder communications	4,774	6,487
Travel	2,252	9,684
Loss from operations	(637,325)	(558,527)
Other Items:		
Gain on foreign exchange	15,145	2,104
Gain on sale of available-for-sale investments (Note 4)	4,177	-
Write-off of exploration and evaluation properties (Note 5c)	-	(858,218)
Net loss for the year	(618,003)	(1,414,641)
Other comprehensive income		
Change in available-for-sale investments (Note 4)	95,953	(69,916)
Comprehensive loss for the year	\$ (522,050)	\$ (1,484,557)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	117,429,468	116,666,384

See accompanying notes to consolidated financial statements.



Consolidated Statements of Cash Flows
For the years ended October 31, 2016 and 2015
(Expressed in Canadian dollars)

	2016	2015
Cash provided by (used in):		
Operations:		
Net loss for the year	\$ (618,003)	\$ (1,414,641)
Items not affecting cash:		
Amortization	2,968	5,461
Share-based payments (Note 6b)	187,191	126,258
Write-off of exploration and evaluation properties (Note 5c)	-	858,218
Gain on available-for-sale investments (Note 4)	(4,177)	-
Changes in non-cash working capital accounts:		
Amounts receivable	15,846	(28,146)
Deposits	19,887	7,948
Amount due to joint venture partner	-	(23,802)
Trade payables and accrued liabilities	(7,200)	(4,962)
Exploration costs recoverable from partner (Note 5a)	329,606	(273,310)
Reclamation bonds	(840)	(4,510)
Amounts due to related parties (Note 7)	11,873	(767)
Advances and prepaid expenses	(26,640)	10,834
	(89,489)	(741,419)
Investing activities:		
Exploration and evaluation properties (Note 5)	(5,004,626)	(6,588,919)
Recovery of exploration and evaluation property expenditures (Note 5a)	5,134,515	7,138,926
Proceeds from sale of available-for-sale investments (Note 4)	131,204	-
	261,093	550,007
Increase (decrease) in cash	171,604	(191,412)
Cash, beginning of year	396,069	587,481
Cash, end of year	\$ 567,673	\$ 396,069
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Value of shares issued for success fee on Palmer option agreement (Notes 5a and 6a)	\$ 30,624	\$ 69,067
Accounts payable related to exploration and evaluation properties	216,096	265,659
Interest received	-	-
Value of shares issued for mineral properties (Note 6a)	3,600	6,720

See accompanying notes to consolidated financial statements.



Consolidated Statements of Changes in Equity

For the years ended October 31, 2016 and 2015

(Expressed in Canadian dollars)

	Share Capital		Reserves			Deficit	Total Equity
	Number of Shares	Capital Stock	Stock Options	Warrants	Available-for-Sale Investments		
Balance, October 31, 2014	116,304,665	\$ 20,250,228	\$1,409,174	\$432,941	\$ (26,037)	\$ (7,111,120)	\$ 14,955,186
Net loss for the year	-	-	-	-	-	(1,414,641)	(1,414,641)
Unrealized gain (loss) on available-for-sale investments (Note 4)	-	-	-	-	(69,916)	-	(69,916)
Share-based payments	-	-	126,258	-	-	-	126,258
Shares issued for exploration and evaluation properties (Note 6a)	541,336	75,787	-	-	-	-	75,787
Balance, October 31, 2015	116,846,001	\$ 20,326,015	\$1,535,432	\$432,941	\$ (95,953)	\$ (8,525,761)	\$ 13,672,674
Net loss for the year	-	-	-	-	-	(618,003)	(618,003)
Unrealized gain on available-for-sale investments (Note 4)	-	-	-	-	95,953	-	95,953
Share-based payments (Note 6b)	-	-	187,191	-	-	-	187,191
Shares issued for exploration and evaluation properties (Note 6a)	497,483	34,224	-	-	-	-	34,224
Balance, October 31, 2016	117,343,484	\$ 20,360,239	\$1,722,623	\$432,941	\$ -	\$ (9,143,764)	13,372,039

See accompanying notes to consolidated financial statements.



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

1. Nature of Operations and Going Concern

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. As at October 31, 2016, the Company has incurred losses since inception and has an accumulated operating deficit of \$9,143,764. 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

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies, methods of computation and presentation applied in these financial statements are consistent with those of the previous financial year.

b) Approval of Consolidated Financial Statements

These consolidated financial statements of the Company for the years ended October 31, 2016 and 2015 were approved and authorized for issue by the Board of Directors on February 23, 2017.

These consolidated financial statements include the accounts of the Company and its 100% controlled entity, Constantine North Inc. (an Alaska corporation).

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.

b) Foreign currency translation

The functional and reporting currency of the Company and its subsidiary is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the dates of transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in profit or loss, except for differences on the retranslation of available-for-sale instruments, which are recognized in other comprehensive loss.

c) Exploration and Evaluation Properties

Costs directly related to the exploration and evaluation of resource properties are capitalized once the legal rights to explore the resource properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Resource properties are reviewed for impairment at each reporting date.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received are recorded as a gain on option or disposition of mineral property.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and 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 and non-compliance with regulatory requirements.



3. Significant Accounting Policies (continued)

d) Impairment of Non-current Assets

The Company's tangible and intangible assets are reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. The recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

e) Provision for Closure and Reclamation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of resource properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred.

Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

f) Income Taxes

The Company uses the balance sheet method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

3. Significant Accounting Policies (continued)

g) Share-based Payments

The Company has a stock option plan that is described in Note 6c. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to stock options reserve. Consideration received on the exercise of stock options is recorded as share capital and the related stock options reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from stock options reserve.

h) Loss per Share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding in the year. For all years presented, the loss available to common shareholders equals the reported loss. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share is the same as basic loss per share, as the effects of including all outstanding options and warrants would be anti-dilutive.

i) Advances from Joint Venture Partner

When acting as operator of a particular project, the Company typically receives funds in advance of performing exploration work. The Company records such advances as a deferred liability until such time as the applicable costs are incurred, at which point these advances are offset against the costs.

j) Financial Instruments and Comprehensive Income

i) Financial Assets

The Company classifies its financial assets in the following categories: held-to-maturity, fair value through profit or loss ("FVTPL"), loans and receivables, and available-for-sale ("AFS"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Held-to-maturity

Held-to-maturity financial assets are recognized on a trade-date basis and are initially measured at fair value using the effective interest rate method. The Company has no assets classified as held-to-maturity.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL are initially recognized at fair value with changes in fair value recorded through profit or loss. Cash is included in this category of financial assets.

3. Significant Accounting Policies (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost less any impairment. Loans and receivables comprise amounts receivable.

Available-for-sale financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of AFS financial assets are recognized as other comprehensive income and classified as a component of equity. AFS assets include investments in marketable securities.

Management assesses the carrying value of AFS financial assets at least annually and any impairment charges are also recognized in profit or loss. When financial assets classified as AFS are sold, the accumulated fair value adjustments recognized in other comprehensive income are included in profit or loss.

ii) Financial Liabilities

The Company classifies its financial liabilities in the following categories:

Borrowings and other financial liabilities

Borrowings and other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the statement of loss and comprehensive loss over the period to maturity using the effective interest method.

Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include trade payables and accrued liabilities, amounts due to joint venture partner and amounts due to related parties.

iii) Fair Value Hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

3. Significant Accounting Policies (continued)

k) Share Capital

The Company records proceeds from share issuances, net of issue costs. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded.

l) Valuation of Equity Units Issued in Private Placements

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

m) Accounting standards adopted, or issued but not yet effective

The Company adopted no material new accounting standards during its current fiscal year, and is unaware of any applicable, but not-yet-adopted standards that are expected to materially affect the financial statements of future periods.

4. Available-for-Sale Investments

In August 2016, the Company sold all of its available-for-sale investment for cash proceeds of \$131,204 and recognized a gain of \$4,178 (2015-Nil) on the sale.



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

5. Exploration and Evaluation Properties

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

	Balance October 31 2014	Fiscal 2015 Expenditures	Balance October 31 2015	Fiscal 2016 Expenditures	Balance October 31 2016
Palmer Property, Alaska, USA					
Acquisition costs	\$ 878,712	\$ -	\$ 878,712	\$ -	\$ 878,712
Less: Recovery of acquisition costs	(656,841)	(213,589)	(870,430)	(269,795)	(1,140,225)
Advance royalty payments	383,474	52,952	436,426	56,368	492,794
Assaying and testing	325,080	59,286	384,366	26,715	411,081
Field transportation	4,150,860	812,870	4,963,730	269,906	5,233,636
Geophysics	512,764	237,573	750,337	40,361	790,698
Drilling	8,959,855	3,338,002	12,297,857	671,373	12,969,230
Property maintenance	522,565	88,569	611,134	95,447	706,581
Geology and field support	3,596,518	1,555,167	5,151,685	2,512,435	7,664,120
Environmental	331,198	415,013	746,211	486,690	1,232,901
Technical consulting	1,160,974	-	1,160,974	-	1,160,974
Travel	265,202	126,006	391,208	97,755	488,963
Cost recoveries	(10,033,923)	(6,992,040)	(17,025,963)	(4,420,507)	(21,446,470)
	10,396,438	(520,191)	9,876,247	(433,252)	9,442,995
Haines Block					
Acquisition costs	\$ 32,893	\$ 63,114	\$ 96,007	\$ 33,158	\$ 129,165
Assaying and testing	-	-	-	5,261	5,261
Field transportation	-	161,139	161,139	181,541	342,680
Geophysics	-	34,356	34,356	17,440	51,796
Drilling	-	240,136	240,136	326,240	566,376
Geology and field support	-	92,738	92,738	82,055	174,793
Environmental	-	22,986	22,986	-	22,986
Travel	-	5,781	5,781	-	5,781
Cost recoveries	-	(565,148)	(565,148)	(444,213)	(1,009,361)
	\$ 32,893	\$ 55,102	\$ 87,995	\$ 201,482	\$ 289,477
Total Alaska Properties	\$ 10,429,331	\$ (465,089)	\$ 9,964,242	\$ (231,770)	\$ 9,732,472

(continued on next page)



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

5. Exploration and Evaluation Properties (continued)

	Balance October 31 2014	Fiscal 2015 Expenditures	Balance October 31 2015	Fiscal 2016 Expenditures	Balance October 31 2016
Ontario Properties:					
Munro-Croesus Property, ON, Canada					
Acquisition costs	483,545	1,627	485,172	2,760	487,932
Assaying and testing	107,655	-	107,655	-	107,655
Drilling	1,127,740	-	1,127,740	-	1,127,740
Field transportation	23,394	284	23,678	-	23,678
Geophysics	149,446	-	149,446	-	149,446
Travel	66,838	288	67,126	7,260	74,386
Geology and field support	182,270	1,660	183,930	18,098	202,028
Technical consulting	340,262	-	340,262	710	340,972
	2,481,150	3,859	2,485,009	28,828	2,513,837
Four Corners Property, ON, Canada					
Acquisition costs	119,681	5,000	124,681	22,000	146,681
Assaying and testing	23,367	1,353	24,720	71	24,791
Drilling	243,471	-	243,471	-	243,471
Geophysics	56,893	-	56,893	-	56,893
Field Transportation	946	-	946	-	946
Travel	7,485	573	8,058	-	8,058
Technical consulting	81,673	-	81,673	-	81,673
Geology and field support	33,107	6,215	39,322	296	39,618
	566,623	13,141	579,764	22,367	602,131
Golden Mile Property, ON, Canada					
Acquisition costs	68,054	48,720	116,774	31,600	148,374
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	508,784	10,232	519,016	3,182	522,198
Technical consulting	90,970	-	90,970	-	90,970
Travel	30,568	-	30,568	565	31,133
Cost recoveries	(1,233,522)	3,054	(1,230,468)	-	(1,230,468)
	85,479	62,006	147,485	35,347	182,832
Sub-total of Ontario Properties	\$ 3,133,252	\$ 79,006	\$ 3,212,258	\$ 86,542	\$ 3,298,800

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Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

5. Exploration and Evaluation Properties (continued)

	Balance October 31 2014	Fiscal Expenditures 2015	Balance October 31 2015	Fiscal Expenditures 2016	Balance October 31 2016
Ontario Properties (Balance forward)	\$ 3,133,252	\$ 79,006	\$ 3,212,258	\$ 86,542	\$ 3,298,800
Yukon, Canada					
Acquisition costs	52,401	-	52,401	-	52,401
Assaying and testing	197,379	-	197,379	-	197,379
Field transportation	476,911	-	476,911	-	476,911
Geology	184,753	-	184,753	-	184,753
Geochemistry	290,093	-	290,093	-	290,093
Technical consulting	61,608	-	61,608	-	61,608
Other	572,595	899	573,494	-	573,494
Cost recoveries	(25,000)	-	(25,000)	-	(25,000)
Writedown of exploration and evaluation properties	(953,420)	(858,218)	(1,811,638)	-	(1,811,638)
	857,320	(857,319)	1	-	1
Total Other Properties	\$ 3,990,572	\$ (778,313)	\$ 3,212,259	\$ 86,542	\$ 3,298,801
Total Alaska and Other Properties	\$ 14,419,903	\$ (1,243,402)	\$ 13,176,501	\$ (145,228)	\$ 13,031,273

a) Palmer Project, Alaska USA

The Palmer property is comprised of 340 federal mining claims subject to a 99 year mining lease, dated December 19, 1997, and 63 state mining claims located near Haines, Alaska. To maintain the lease, the Company is required to make annual advance royalty payments of US\$42,500 and pay Federal claim annual maintenance fees, which were US\$52,700 in 2016.

The lease is subject to a 2.5% net smelter returns ("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.

Option and Joint Venture Agreement

As at October 31, 2016, the Company was in the third year of an option and joint venture agreement (the "Property Agreement") with Dowa Metals & Mining Co., Ltd ("Dowa") relating to the Palmer Property (the "Project"). On December 20, 2016, Dowa completed the earn-in expenditures required under the Property Agreement and exercised its option to participate in the formation of a joint venture (the "Joint Venture") between the Company (51%) and Dowa (49%) (Note 13).

Under the terms of the Property Agreement, Dowa had an option to earn a 49% interest in the Project by making aggregate expenditures of US\$22,000,000 over a four year period. The Company will continue as operator when the joint venture is formed. After formation of the Joint Venture each party shall be responsible for its proportionate share of expenses determined on the basis of ownership or suffer dilution according to standard dilution provisions.

The Property Agreement also includes terms that allow Dowa to acquire certain zinc and copper off-take rights in stages, during and upon completion of the earn-in option period.



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

5. Exploration and Evaluation Properties (continued)

In the year ended October 31, 2016, the final finder's fee due in connection with the Dowa Agreement transaction was paid, totaling US\$44,030, of which \$20,000 was paid in cash and the balance in shares of the Company by the issuance of 437,483 common shares at a deemed value of \$30,824.

Haines Block Lease

In September 2014, the Company signed a formal lease 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"). 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.

Haines Block Selection Agreement

In October 2015, the Company signed a Selection Agreement (the "Selection Agreement") with Dowa on the Haines Block mining lease. 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 Company-owned, subject to a Right of First Offer ("ROFO") by Dowa that expires 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 3483 acres, exclusive of all pre-existing federal claims, to be included as part of the Palmer Property and therefore subject to Dowa's option to earn a 49% joint venture interest.
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. Dowa and the Company to share the annual rental requirements of the Lease of US\$25,000 for the first 3 year lease term, in a proportion of 49:51, which are amounts of US\$12,250 and US\$12,750, respectively, until the Joint Venture ("JV") is formed.



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

5. Exploration and Evaluation Properties (continued)

4. Dowa to meet certain minimum exploration requirements during the Option period and until such time as the JV is formed. These minimum requirements were \$75,000 by September 1, 2015 (paid) and \$125,000 minimum for 2016 (paid)). These expenditures deemed to be part of the earn-in expenditures paid by Dowa.
5. 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, and terminating on September 1, 2017.

b) Ontario Properties

i) Munro-Croesus Property

The Company owns 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.

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.

ii) Golden Mile Property

In March 2012, the Company entered into an option agreement to acquire the Golden Mile property in northern Ontario, Canada. Under the terms of the agreement, in order to maintain the option the Company must make payments of \$175,000 and issue 180,000 of the Company's shares over a four year period commencing on December 10, 2012. As at October 31, 2016, a total of \$105,000 has been paid and 180,000 shares have been issued.

iii) Four Corners Property

As at October 31, 2016, the Company owned a 100% interest in the 63 claim Four Corners property located east of Timmins, Ontario. The Company sold all of its interest in the Four Corners property claims, subsequent to the Company's fiscal year-end (Note 13).

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 2015, subsequent to an impairment review completed in accordance with IFRS, the Company recorded a \$858,218 writedown of the property to a carrying value of \$1.



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

6. Share Capital

a) Common Shares

Authorized: unlimited common shares without par value

Issued and outstanding: 117,373,484 common shares

- i) On May 9, 2016, the Company issued 437,483 shares valued at \$30,624, as part of a final success fee paid in regard to the option and joint venture agreement on the Palmer property (Note 5a).
- ii) On December 10, 2015, the Company issued 60,000 shares valued at \$3,600 related to the Golden Mile property (Note 5b(ii)).
- iii) On March 6, 2015, the Company issued 493,336 shares valued at \$69,067, as part of a success fee payment in regard to the option and joint venture agreement on the Palmer property.
- iv) On December 10, 2014, the Company issued 48,000 shares valued at \$6,720 related to the Golden Mile property (Note 5b(ii)).

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 30, 2016, the Company issued 2,450,000 incentive share options to management and employees, exercisable at a price of \$0.10, expiring June 30, 2021. The stock options were issued to directors, officers and employees of the Company.

On March 6, 2015, the Company issued 1,400,000 incentive share options to management and employees, exercisable at a price of \$0.14, expiring March 6, 2020. The stock options were issued to directors, officers and employees of the Company.



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

6. Share Capital (continued)

b) Stock Options (continued)

A summary of the status of the Company's stock options at October 31, 2016 and 2015 and changes during the years therein is as follows:

	Year ended October 31, 2016		Year ended October 31, 2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	8,675,000	\$ 0.09	7,325,000	\$ 0.08
Granted	2,450,000	0.10	1,400,000	0.14
Expired or cancelled	-	-	(50,000)	0.11
Balance, end of year	11,125,000	\$ 0.09	8,675,000	\$ 0.09

The fair value cost of the stock options granted during the year ended October 31, 2016 was calculated using the Black-Scholes Pricing Model using the following range of assumptions:

	October 31, 2016	October 31, 2015
Risk-free interest rate	0.56%	0.59%
Expected life (in days)	1,825	1,825
Annualized volatility	82.51%	82.51%
Dividend rate	n/a	n/a

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. An amount of \$187,191 was charged to share-based payments expense for the year ended October 31, 2016 (2015-\$126,258).

A summary of the Company's stock options outstanding as at October 31, 2016 is as follows:

Expiry Date	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Exercisable
March 5, 2017	0.11	1,875,000	0.06	1,875,000
January 17, 2019	0.07	5,400,000	1.07	4,900,000
March 6, 2020	0.14	1,400,000	0.42	1,300,000
June 30, 2021	0.10	2,450,000	1.03	2,450,000
	\$ 0.09	11,125,000	2.58	10,525,000



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

6. Share Capital (continued)

b) Stock Options (continued)

A summary of the Company's stock options outstanding as at October 31, 2015 is as follows:

Expiry Date	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Exercisable
March 5, 2017	0.11	1,875,000	0.29	1,875,000
January 17, 2019	0.07	5,400,000	2.00	4,400,000
March 6, 2020	0.14	1,400,000	0.70	1,200,000
	\$ 0.09	8,675,000	3.00	7,475,000

7. Related Party Transactions

The following represents the details of related party transactions paid or accrued for the years ended October 31, 2016 and 2015:

For the years ended October 31,	2016	2015
Consulting, administrative and technical fees paid or accrued to companies owned by directors	\$ 30,096	\$ 43,178
Consulting fees paid to officers	181,676	178,426
Accounting and administration fees paid or accrued to a company 50% owned by an officer	72,000	72,000
Share-based payments to key management	64,871	71,745
	\$ 348,643	\$ 365,349

The Company paid NS Star Enterprises Ltd., a company controlled by a director, \$30,096 for management and administration services during the year ended October 31, 2016 (2015-\$43,178). The Company paid Morfopoulos Consulting Associates Ltd., a company controlled by the CFO, \$72,000 for accounting, and management and administration services during the year ended October 31, 2016 (2015-\$72,000). The Company paid D. Green Geoscience Inc., a company controlled by the vice-president of exploration, \$181,676 for technical consulting and management and administration services during the year ended October 31, 2016 (2015-\$178,426).

The Company paid wages totaling \$132,000 (2015-\$132,000) to Mr. J. Garfield MacVeigh, in his capacity as President of the Company.

Related party amounts are unsecured, non-interest bearing and due on demand. As at October 31, 2016, \$15,071 (2015 - \$3,199) is due to related parties of the Company.



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

8. 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.

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

The fair values of cash, 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. Cash 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.

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.



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

9. Financial Instruments (continued)

Exchange Risk

As at October 31, 2016, 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 October 31, 2016 and 2015 is as follows:

As at October 31,	2016	2015
Financial Assets		
<i>FVTPL, measured at fair value</i>		
Cash	\$ 567,673	\$ 396,069
<i>Loans and receivables, measured at amortized cost</i>		
Amounts receivable	24,119	39,965
Exploration costs recoverable from joint venture partner	-	283,334
<i>Available-for-sale, measured at fair value</i>		
Available-for-sale investments	-	31,074
Financial Liabilities		
<i>Other liabilities, measured at amortized cost</i>		
Trade payables and accrued liabilities	\$ 225,880	\$ 282,643
Amounts due to related parties	15,072	3,199

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

As at	2016	2015
	Level 1	Level 1
Cash	\$ 567,673	\$ 396,069
Available-for-sale investments	-	31,074

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



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

10. Segmented Information

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

At October 31, 2016, the Company operates in two geographic areas, being Canada and the United States. The following is a breakdown of the non-current assets by geographical area:

	Canada	United States	Total
Non-Current Assets			
Exploration and Evaluation Properties			
As at October 31, 2016	3,298,801	9,732,472	13,031,273
As at October 31, 2015	3,212,259	9,964,242	13,176,501
Performance Bonds			
As at October 31, 2016	-	33,528	33,528
As at October 31, 2015	-	26,178	26,178
Equipment			
As at October 31, 2016	-	-	-
As at October 31, 2015	2,968	-	2,968

11. Income Taxes

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

	2016	2015
Net loss for the year	\$ (618,003)	\$ (1,414,641)
Expected income tax expense	(158,343)	(421,413)
Net adjustment for amortization and other non-deductible amounts	51,325	257,654
Unrecognized benefit of DIT assets	107,018	163,759
Total income tax recovery	\$ -	\$ -

There are no deferred tax assets presented in the statement of financial position.

Subject to confirmation with regulatory authorities, deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

	2016	2015
Deferred income tax assets (liabilities):		
Net mineral property carrying amounts in excess of tax pools	\$ (1,294,000)	\$ (2,319,000)
Equipment	59,000	51,000
Share issue costs	-	3,000
Non-capital loss carryforwards	7,082,000	6,606,000
	\$ 5,847,000	\$ 4,341,000



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

11. Income Taxes (continued)

The Company has Canadian non-capital losses of approximately \$5,809,000 (2015 - \$5,360,000) and US non-capital losses of US \$949,000 (2015–US \$954,000), which will be available to reduce future taxable income in Canada and the US, respectively. The respective non-capital losses will begin to expire in 2017 until 2036.

The Canadian non-capital losses, if not utilized, will expire in the years presented below:

2016	\$	161,000
2027		447,000
2028		594,000
2029		656,000
2030		820,000
2031		995,000
2032		790,000
2033		540,000
2034		203,000
2035		154,000
2036		449,000
		<u>\$ 5,809,000</u>

12. 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
2017 fiscal year	\$ 39,660
2018 fiscal year	40,486
2019 fiscal year	42,469
2020 fiscal year	43,626
2021 fiscal year	25,449
	<u>\$ 191,690</u>

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



Notes to Consolidated Financial Statements
For the years ended October 31, 2016 and 2015

13. Events Subsequent to the end of the Period

a) **Sale of Four Corners Property**

On November 7, 2016, the Company announced that it had entered into a Property Purchase Agreement (“Agreement”) with Lake Shore Gold Corp. (“Lake Shore”) a wholly owned division of Tahoe Resources Inc. to sell certain of its Four Corners mineral property claims. Details of the Agreement, which closed in January 2017, include:

- i) a \$4,500,000 cash payment received for sale of 100% interest in its mineral claims known as the Horseshoe, Four Corners and the Meunier Add-on claims.
- ii) Company will retain a 1% Net Smelter Return royalty (“NSR”) on the Horseshoe claims, as well as the right of first refusal on the NSR associated with the underlying property agreement.
- iii) Lake Shore transferred to Company a 100% interest in patented mining claim L39421 that is contiguous to Company’s Munro-Croesus claims; while Lake Shore will retain a 1.5% NSR.
- iv) Company will retain the rights to the NSR buy-down provisions associated with the underlying property agreements on all of the properties sold to Lake Shore,

b) **Completion of Dowa Earn-in on Palmer Project – Joint Venture Formed**

On December 20, 2016, Dowa completed the \$22,000,000 US earn-in expenditures required under the Property Agreement and exercised its option to participate in the formation of a 51:49 joint venture between the Company (51%) and Dowa (49%).



Management's Discussion and Analysis
For the year ended October 31, 2016
(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 audited consolidated financial statements of the Company, including the notes thereto, for the years ended October 31, 2016 and 2015, 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, 2016 and 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has taken into account information available up to and including February 23, 2017.

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.

Highlights

- **Ontario Mineral Claims Sold for \$4.5 Million Plus Royalties** – In January 2017, the Company completed the sale of some of its Ontario exploration properties for \$4.5 million cash, plus royalties.
- **Dowa Exercises Option to Form Joint Venture on Palmer Project** - In December 2016, Dowa Metals & Mining Alaska Ltd. ("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 the Palmer project, with Constantine owning a 51% participating interest and Dowa owning a 49% participating interest. Approximately US\$2 million in unspent option earn-in funds will form the starting cash balance of the joint venture.



Management's Discussion and Analysis
For the year ended October 31, 2016
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- **2016 Palmer Project Summer Work Program Completed** – The Company completed a US\$3.7 exploration program on the Palmer Project. Drilling included four reconnaissance exploration holes (1,465 m) and three geotechnical holes (502 m) for a combined total of 1,967 meters.
- **CAP Prospect Highlight** - a 20.5 meter thick zone of chert and semi-massive pyrite intersected at the CAP prospect provides an important vector to the potential massive sulphide component of the CAP prospect for follow-up drilling.
- **South Wall Zone Fault Offset Interpretation** - Analysis by a recognized, independent structural geologist was completed, which provided new insight into the direction and sense of displacement of fault structures identified in the 2015 down-dip resource drilling. This targets the offset to two of the better grade and thick intervals encountered in the EM zone.
- **Road Construction Started** – In August 2016, a permit was granted to the Company to build an access road to Palmer Project deposit area, and construction of the road commenced.
- **Environmental Studies and Engineering** – Over \$1,250,000 has been spent to date on environmental and engineering studies to support permitting. These studies are on-going and include surface and groundwater hydrology, geotechnical, water quality, wildlife and plant surveys, rock quality characterization, meteorology, natural hazard assessment, and terrain and surficial geology analysis.

Sale of Ontario Mineral Claims for \$4.5 Million Cash

In January 2017, the Company completed the sale of certain mineral claims in Ontario to Lake Shore Gold Corp ("Lake Shore")(see News Release dated November 7, 2016). Constantine received \$4.5 million cash from Lake Shore and a 100% interest in Lake Shore's "Munro" claim, which is contiguous to Constantine's existing Munro-Croesus claims.

The mineral claims that have been sold, 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. The sale does not include Constantine's neighboring Munro Croesus Gold Property that is renowned for its exceptionally high-grade past production, or the Golden Mile Property, which collectively represent a rare opportunity to control an extensive, high potential land position in the prolific Timmins gold camp. Under the terms of the agreement with Lake Shore, Constantine retains a 1% Net Smelter Return Royalty ("NSR") on the Horseshoe claims, which are located a few hundred meters west-northwest of the Fenn-Gib gold resource. Constantine also retains the rights to certain NSR buy-down provisions associated with the underlying property agreements on all of the properties sold to Lake Shore.

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

Dowa Exercise 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. Approximately US\$2 million in unspent option earn-in funds will form



Management's Discussion and Analysis
For the year ended October 31, 2016
(Expressed in Canadian dollars)

the starting cash balance of the joint venture, and the partners will thereafter co-fund the JV's expenditures according to their interests in the project. The joint venture is currently being formalized as a LLC entity.

Palmer Project Description

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 in partnership with Dowa Metals & Mining Co., Ltd. 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.*

2016 Work Program Summary

The 2016 summer drill program included four reconnaissance exploration holes (1,465 m) and three geotechnical holes (502 m) for a combined total of 1,967 meters.

Highlights include a 20.5 meter (estimated true thickness) zone of chert and semi-massive pyrite intersected at the CAP prospect. The intersection, which is anomalous in silver and other pathfinder elements, is geologically significant. At the South Wall and RW zones, located 2,500 meters to the northeast, chert grades laterally into high-grade massive sulphide, and similar zoning is predicted at CAP. The thickness of the chert horizon at CAP, which occurs at the contact between overlying argillite and altered footwall volcanics, suggests good potential for a well-developed massive sulphide system within the immediate area. The limited 2016 drilling provides an important vector to the potential massive sulphide component of the CAP prospect for follow-up drilling.

Analysis by a recognized, independent structural geologist has provided new insight into the direction and sense of displacement of fault structures identified in the 2015 down-dip resource drilling that intersect and offset the lowermost portion of the South Wall zone. The work included a review of the fault and adjacent rocks in drill core and on surface, and has produced new drill targets. These targets would test the offset to the better grade and thick intervals encountered in the prior drilling of the EM zone (see News Release dated September 29, 2014).



Management's Discussion and Analysis
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Mapping and rock and soil sampling programs were completed at several areas throughout the Property with the objective of advancing prospects to the drill stage. Recommendations to drill test some of these targets in the 2017 budget will be made by the Company.

Significant new environmental and geotechnical data was collected over the course of the summer exploration program. This includes hydrogeology, water quality, aquatic resources, wildlife, rock geochemistry, rock and soil geotechnical engineering, and natural hazard assessments. These studies support the ongoing evaluation of the inferred mineral resource.

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 2016. 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\$811,042 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. 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 89,000 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.



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About the Constantine-Dowa Option and Joint Venture Agreement

Under the terms of an Option and Joint Venture Agreement (the "Agreement") dated February 1, 2013, Dowa had the option to earn a 49% interest in the Palmer project by making aggregate expenditures of US\$22,000,000 over a four year period. Included in the amount of aggregate expenditures were cash payments to Constantine totaling US\$1,250,000 over the four years. Constantine was the operator of the project and received a management fee for work programs during the earn-in period.

Dowa completed its earn-in of US\$22 million at the end of 2016 and a joint venture was formed (51% Constantine, 49% Dowa). The 2016 budget of US\$3.7 million resulted in total aggregate expenditures of approximately US\$20 million at the end of the year. The unspent commitment at the end of 2016 (approximately US\$2 million) has been deposited in the project funding account in December 2016 and will be spent by the Joint Venture before Constantine is required to make any contribution.

Finder's Fees Paid on Dowa Agreement in 2016

In April 2016, the Company paid US\$20,000 in finder's fees related to the Dowa agreement, and in May 2016 the Company issued 437,483 shares of the Company in relation to finder's fees on the Dowa agreement. An aggregate of US\$250,000 (consisting of US\$60,000 cash US\$190,000 in shares) has been paid in finder's fees in connection with the Dowa agreement, which is the total amount payable under the Company's agreement with the finder.

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 >600 sq. km land position in a new Carlin-type gold district in Yukon.



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

Results of Operations

The Company recorded a net loss of \$618,003 for the year ended October 31, 2016, (\$431,109 exclusive of non-cash compensation expense for share-based payments resulting from the issuance and vesting of directors and employee stock options).

Exploration and Evaluation Property Expenditures

In the year ended October 31, 2016, the Company incurred expenditures of \$4,989,287 on exploration and evaluation properties. The Palmer project accounted for \$4,902,745 of those expenditures. In the year ended October 31, 2016, the Company recorded a total of \$5,134,515 in cost recoveries, agreement payments and project management fees for the Palmer project that exceeded the Company's expenditures on the project. For the year ended October 31, 2016, the Company incurred costs totaling \$86,542 on the remainder of its exploration and evaluation properties.

Operating Costs

The Company recorded cash operating expenses of \$447,166 for the year ended October 31, 2016, compared to cash operating costs of \$426,808 for the previous year. A breakdown of total general and administrative costs for the year ended October 31, 2016 is shown in the table below. The Company is projecting such costs to remain in the same range for the next fiscal year.

General and Administrative expenses for the year ended October 31, 2016	Amount
Conferences, trade shows and advertising	\$ 44,954
Accounting and administration	60,000
Office expenses	35,830
Transfer agent, listing and filing fees	16,972
Other	10,384
Total	\$ 168,140

Annual Financial Information

Selected annual financial information for the three years ended October 31, 2016, 2015 and 2014 as follows:

At October 31,	2016	2015	2014
Loss before other items	\$ (637,325)	\$ (558,527)	\$ (657,890)
Net loss for the year	(618,003)	(1,414,641)	(1,087,362)
Loss per share	(0.01)	(0.01)	(0.01)
Total assets	13,704,263	13,958,516	15,216,499
Total liabilities	332,224	285,842	261,313
Total shareholders' equity	13,372,039	13,672,674	14,955,186



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Summary of Quarterly Results

In the three months ended October 31, 2016, the Company incurred aggregate expenditures of \$2,153,154 on exploration and evaluations properties, virtually all of which (\$2,116,304) was incurred on the Palmer project, the Company's main operational focus. The Company recorded cash operating expenses of \$104,012 for the three months ended October 31, 2016, compared to cash operating costs of \$77,928 for the same period last year. The Company recorded a net loss of \$56,671 for the three months ended October 31, 2016.

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
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)
January 31, 2016	13,674,186	(108,711)	(0.00)
October 31, 2015	13,958,516	(148,405)	(0.00)
July 31, 2015	14,885,665	(101,128)	(0.00)
April 30, 2015	14,087,749	(1,117,375)	(0.01)
January 31, 2015	15,083,372	(47,733)	(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, option and joint venture agreements that provide cash payments and management fees, and monetization of assets. In the year ended October 31, 2016, the Company recorded an aggregate of \$608,718 (2015-\$630,891) in option payments and management and project fees from operating the Palmer project.

The Company's cash position at October 31, 2016 was \$567,673 (2015-\$396,069) and its working capital at October 31, 2016 was \$307,238 (2015-\$440,630). As of the date of this report, the Company's total cash position is approximately \$7,200,000, including approximately US\$2,000,000 in Palmer joint venture funds. The Company's working capital is currently approximately \$4,500,000.

In August 2016, the Company sold all of its Available-for-Sale investment for net proceeds of \$131,204 cash, which amount was added to general working capital.

In January 2017, the Company received \$4,500,000 cash from the sale of exploration properties in Ontario (Lake Shore Gold Corp. transaction).

The Company is dependent on equity capital to fund exploration and development of exploration



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properties and its on-going operations. Constantine has a joint venture in place which will fund the Palmer project in Alaska in 2017, with Constantine contributing its share of expenditures. Additional working capital will be required in order to finance any significant exploration work on its 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.

Related Party Transactions

The following represents the details of related party transactions paid or accrued for the years ended October 31, 2016 and 2015:

For the years ended October 31,	2016	2015
Consulting, administrative and technical fees paid or accrued to companies owned by directors	\$ 30,096	\$ 43,178
Consulting fees paid to officers	181,676	178,426
Accounting and administration fees paid or accrued to a company 50% owned by an officer	72,000	72,000
Share-based payments to key management	64,871	71,745
	\$ 348,642	\$ 365,349

The Company paid NS Star Enterprises Ltd., a company controlled by a director, \$30,096 for management and administration services during the year ended October 31, 2016 (2015-\$43,178). The Company paid Morfopoulos Consulting Associates Ltd., a company controlled by the CFO, \$72,000 for accounting, and management and administration services during the year ended October 31, 2016 (2015-\$72,000). The Company paid D. Green Geoscience Inc., a company controlled by the vice-president of exploration, \$181,676 for technical consulting and management and administration services during the year ended October 31, 2016 (2015-\$178,426).

The Company paid wages totaling \$132,000 (2015-\$132,000) to Mr. J. Garfield MacVeigh, in his capacity as president of the Company.

Related party amounts are unsecured, non-interest bearing and due on demand. As at October 31, 2016, \$15,071 (2015 - \$3,199) is due to related parties of the Company.

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,



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the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

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

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

Summary of Outstanding Shares Data

The Company had 117,343,484 shares outstanding on October 31, 2016, and as of the date of this report.

The following stock options were outstanding at October 31, 2016 and as of the date of this report:

No. of Stock Options	Price per Share	Expiry Date
1,875,000	\$0.11	March 5, 2017
5,400,000	\$0.07	January 17, 2019
1,400,000	\$0.14	March 6, 2020
2,450,000	\$0.10	June 30, 2021
11,125,000		

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.



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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 October 31, 2016, the Company has incurred losses since inception and has an accumulated operating deficit of \$9,143,764. 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.



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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.

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet 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.



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

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At October 31, 2016, the Company had a cash balance of \$567,673 to settle current liabilities of \$322,224.

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.



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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. and Technical Advisor to Constantine Metal Resources Ltd., 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.



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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.