Condensed Consolidated Interim Financial Statements of

CONSTANTINE METAL RESOURCES LTD.

(Expressed in Canadian Dollars)

For the three months ended January 31, 2021 and 2020

Suite 320 - 800 West Pender St., Vancouver, B.C. Canada V6C 2V6
Phone (604) 629-2348 Fax (604) 608-3878

Notice to Reader:

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

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Condensed Consolidated Interim Statements of Financial Position
As at January 31, 2021 and October 31, 2020
(Expressed in Canadian dollars)

		January 31, 2021		October 31, 2020
Assets				
Current assets:				
Cash	**$**	**191,056**	$	268,101
Amounts receivable		**27,741**		89,046
Advances and prepaid expenses		**18,285**		18,285
		237,082		375,432
Exploration and evaluation properties (Note 5)		**21,392,361**		21,364,628
Land (Note 6)		**27,355**		28,506
Performance bonds		**31,950**		33,295
Right-of-use asset (Note 7)		**160,209**		167,719
	$	**21,848,957**	$	21,969,580
Liabilities				
Current liabilities:				
Trade payables and accrued liabilities	**$**	**260,954**	$	759,829
Current portion of lease liability (Note 7)		**30,039**		30,039
Amounts due to related parties (Note 10)		**761,108**		204,155
		1,052,101		994,023
Long-term liabilities:				
Long-term portion of lease liability (Note 7)		**138,757**		144,486
Loan facility (Note 8)		**898,992**		865,522
		1,037,749		1,010,008
		2,089,850		2,004,031
Equity				
Share capital (Note 9)		**27,445,422**		27,445,422
Stock options reserve (Note 9(b))		**2,630,275**		2,622,810
Warrants reserve		**530,054**		530,054
Accumulated deficit		**(10,846,644)**		(10,632,737)
		19,759,107		19,965,549
	$	**21,848,957**	$	21,969,580

Nature of Operations (Note 1)

On Behalf of the Board of Directors:

"J. Garfield MacVeigh" — Director

"G. Ross McDonald" — Director

See accompanying notes to the condensed consolidated financial statements.

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Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three months ended January 31, 2021 and 2020
(Expressed in Canadian dollars)

		2021		2020
Expenses:				
Amortization (Note 7)	$	7,510	$	-
Consulting		13,143		81,509
Finance expense (Note 8)		3,192		3,899
General and administrative		40,292		60,209
Interest		5,179		-
Legal		77,697		50,000
Loan accretion (Note 8)		4,346		5,158
Loan interest (Note 8)		25,932		25,014
Professional fees - audit		8,000		11,225
Rent (net)		2,732		6,455
Salaries, wages and benefits		34,251		35,916
Shareholder communications		1,463		691
Share-based payments (Note 9(b))		7,465		-
Travel		-		8,486
Loss from operations		(231,202)		(288,562)
Other Items:				
Interest income	$	125	$	358
Gain (loss) on foreign exchange		17,170		(38,510)
Net loss for the period	$	(213,907)	$	(326,714)
Other comprehensive income (loss):				
Change in value of available-for-sale investments (Note 4)		-		4,000
Net and comprehensive loss for the period	$	(213,907)	$	(322,714)
Basic and diluted loss per share	$	(0.00)	$	(0.01)
Weighted average number of common shares outstanding		48,695,918		45,108,253

See accompanying notes to the condensed consolidated financial statements.

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Condensed Consolidated Interim Statements of Cash Flows
For the three months ended January 31, 2021 and 2020
(Expressed in Canadian dollars)

		2021		2020
Cash provided by (used in):				
Operations:				
Net loss for the period	$	**(213,907)**	$	(326,714)
Items not affecting cash:				
Amortization (Note 7)		**7,510**		-
Foreign exchange		**2,496**		-
Share-based payments (Note 9(b))		**7,465**		-
Loan facility interest, finance expense and accretion (Note 8)		**38,649**		34,071
Changes in non-cash working capital accounts:				
Amounts receivable		**20,027**		193,522
Trade payables and accrued liabilities		**275,421**		(58,335)
Exploration costs recoverable from partner		**41,278**		10,004
Amounts due to related parties (Note 10)		**(204,155)**		(14,040)
Advances and prepaid expenses		**-**		16,001
		(25,216)		(145,491)
Investing activities:				
Exploration and evalution properties (Note 5)		**(46,100)**		(362,346)
		(46,100)		(362,346)
Financing activities:				
Principal repayments on lease liability (Note 7)		**(5,729)**		-
		(5,729)		-
Decrease in cash		**(77,045)**		(507,837)
Cash, beginning of period		**268,101**		1,197,216
Cash, end of period	$	**191,056**	$	689,379
Supplemental Disclosure of Non-Cash Investing and Financing Activities:				
Interest income		**125**		358
Interest expense		**24,450**		25,014
Accounts payable related to exploration and evaluation properties	$	**28,843**	$	13,831

See accompanying notes to the condensed consolidated financial statements.

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Condensed Consolidated Interim Statements of Changes in Equity
For the three months ended January 31, 2021 and 2020
(Expressed in Canadian dollars)

	Share Capital		Reserves				
	Number of Shares	Capital Stock	Stock Options	Warrants	Investments	Deficit	Total Equity
Balance, October 31, 2019	**45,354,253**	**$ 26,960,940**	**$ 2,606,273**	**$ 530,054**	**$ (28,500)**	**$ (9,540,344)**	**$ 20,528,423**
Net loss for the period	-	-	-	-	-	(326,714)	(326,714)
Other comprehensive income (Note 4)	-	-	-	-	4,000	-	4,000
Balance, January 31, 2020	**45,354,253**	**$ 26,960,940**	**$ 2,606,273**	**$ 530,054**	**$ (24,500)**	**$ (9,867,058)**	**$ 20,205,709**
Net loss for the period	-	-	-	-	-	$ (765,679)	$ (765,679)
Share-based payments (Note 9(b))	-	-	16,537	-	-	-	16,537
Private placement (Note 9(a))	3,341,665	501,250	-	-	-	-	501,250
Share issue costs (Note 9(a))	-	(16,768)	-	-	-	-	(16,768)
Other comprehensive income (Note 4)	-	-	-	-	24,500	-	24,500
Balance, October 31, 2020	**48,695,918**	**$ 27,445,422**	**$ 2,622,810**	**$ 530,054**	**$ -**	**$ (10,632,737)**	**$ 19,965,549**
Net loss for the period	-	-	-	-	-	(213,907)	(213,907)
Share-based payments (Note 9(b))		-	7,465	-	-	-	7,465
Balance, January 31, 2021	**48,695,918**	**$ 27,445,422**	**$ 2,630,275**	**$ 530,054**	**$ -**	**$ (10,846,644)**	**$ 19,759,107**

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See accompanying notes to the condensed consolidated financial statements.

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 is the inherent nature of mineral exploration. The Company has incurred losses since inception and has an accumulated operating deficit of $10,846,644. As at January 31, 2021, the Company has a $815,019 working capital deficiency (October 31, 2020 – $618,591 working capital deficiency). 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 ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition, exploration and development of its mineral property interests, is dependent on the Company's ability to obtain the necessary financing. The Company will require additional capital to finance future operations and growth. If the Company is unable to obtain additional financing, the Company would be unable to continue. There can be no assurance that management's plans will be successful.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these exploration and evaluation properties, and establish future profitable production, or realize proceeds from the disposition of exploration and evaluation properties. The carrying value of the Company's exploration and evaluation properties does not reflect current or future values.

These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These condensed consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The COVID-19 pandemic creates uncertainty in respect to global economic and market conditions however its specific, identifiable impact on the Company has not, to date, been material. Future developments in the course of the pandemic could negatively impact the Company's operations, however such future outcomes cannot currently be predicted beyond those expected to affect society as a whole.

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) Condensed Consolidated Financial Statements

These condensed consolidated financial statements of the Company for the three months ended January 31, 2021 and 2020 were approved and authorized for issue by the Board of Directors on March 26, 2021.

These condensed consolidated financial statements include the accounts of the Company, its 100% controlled entities, Constantine North Inc. (an Alaska corporation) and its 50.04% interest in Constantine Mining LLC ("CML") (a Delaware corporation, also registered in the state of Alaska). The Company records its proportionate interest in the assets, liabilities and expenses of CML in its condensed consolidated financial statements.

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 condensed 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. During the prior year, a significant estimate was required to determine the current fair value of the debt component of the Company's loan facility.

A significant judgment applicable to the financial statements relates to the determination of the appropriate accounting treatment for the Company's investment in Constantine Mining LLC. Refer to Note 5(a)(iii).

3. Significant Accounting Policies (continued)

b) Foreign Currency Translation

The functional and reporting currency of the Company and its subsidiaries 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) Comparative Figures

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

4. Investments

The Company did not own any investments as of January 31, 2021.

As at January 31, 2020, the Company owned 50,000 shares of Fireweed Zinc Ltd. ("Fireweed"), valued at $30,000. The Company recorded a comprehensive gain of $4,000 for the three months ended January 31, 2020 in connection with the increase in the value of its shares of Fireweed.

5. Exploration and Evaluation Properties

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

	Balance October 31 2019	Fiscal 2020 Expenditures	Balance October 31 2020	Fiscal 2021 Expenditures	Balance January 31 2021
PALMER PROJECT, ALASKA					
Palmer Property					
Acquisition costs	$ 878,712	$ 1,174	$ 879,886	$ -	$ 879,886
Less: Recovery of acquisition costs	(1,140,225)	-	(1,140,225)	-	(1,140,225)
Advance royalty payments	625,536	27,880	653,416	-	653,416
Assaying and testing	741,429	6,487	747,916	-	747,916
Field transportation	6,595,075	16,147	6,611,222	-	6,611,222
Geophysics	919,511	-	919,511	-	919,511
Drilling	17,480,262	67,828	17,548,090	-	17,548,090
Property maintenance	915,525	(774)	914,751	-	914,751
Geology and field support	11,293,521	130,986	11,424,507	-	11,424,507
Environmental	2,726,833	377,432	3,104,265	-	3,104,265
Technical consulting and engineering	667,623	34,228	701,851	-	701,851
Travel	932,338	28,548	960,886	-	960,886
Construction and development	407,228	74,479	481,707	-	481,707
Cost recoveries	(24,383,441)	-	(24,383,441)	(25,807)	(24,409,248)
	$ 18,659,927	$ 764,415	$ 19,424,342	$ (25,807)	$ 19,398,535
Haines Block					
Acquisition costs	$ 129,165	$ -	$ 129,165	$ -	$ 129,165
Assaying and testing	5,261	-	5,261	-	5,261
Field transportation	528,843	-	528,843	-	528,843
Geophysics	113,203	-	113,203	-	113,203
Drilling	974,795	-	974,795	-	974,795
Property maintenance	83,988	19,585	103,573	-	103,573
Geology and field support	374,916	8,418	383,334	-	383,334
Environmental	22,986	(7,936)	15,050	-	15,050
Travel	5,781	-	5,781	-	5,781
Construction and development	236,075	-	236,075	-	236,075
Cost recoveries	(1,009,361)	-	(1,009,361)	-	(1,009,361)
	$ 1,465,652	$ 20,067	$ 1,485,719	$ -	$ 1,485,719
Palmer Project Totals	$ 20,125,579	$ 784,482	$ 20,910,061	$ (25,807)	$ 20,884,254

(continued on next page)

5. Exploration and Evaluation Properties (continued)

	Balance October 31 2019	Fiscal 2020 Expenditures	Balance October 31 2020	Fiscal 2021 Expenditures	Balance January 31 2021
GOLD PROJECTS					
Big Nugget Property, Alaska					
Acquisition costs	$ -	$ 11,723	$ 11,723	$ 96	$ 11,819
Geology and field support	-	134,674	134,674	11,870	146,544
Assaying and testing	-	43,601	43,601	1,905	45,506
Environmental	-	5,870	5,870	-	5,870
Field transportation	-	35,074	35,074	-	35,074
Travel	-	29,292	29,292	-	29,292
	$ -	$ 260,234	$ 260,234	$ 13,871	$ 274,105
Due Diligence Properties (AZ and ID, USA)					
Acquisition costs	$ -	$ 165,256	$ 165,256	$ 22,615	$ 187,871
Assaying and testing	-	-	-	3,301	3,301
Geology and project mgmt	-	23,277	23,277	8,874	32,151
Travel	-	5,800	5,800	4,879	10,679
	$ -	$ 194,333	$ 194,333	$ 39,669	$ 234,002
Total Gold Projects	$ -	$ 454,567	$ 454,567	$ 53,540	$ 508,107
Total	**$ 20,125,579**	**$ 1,239,049**	**$ 21,364,628**	**$ 27,733**	**$ 21,392,361**

a) Palmer Project, Alaska USA

i) Palmer Property Description

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, there is a requirement to make annual advance royalty payments of US$42,500 and pay Federal claim annual maintenance fees, which were US$52,700 in 2020.

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

ii) Haines Block Lease

In 2014, the Company entered into an agreement with the Alaska Mental Health Trust Authority (the "Trust") for the mineral exploration and development of an approximately 42,000 acre package of land (the "Haines Block"). There was a reduction in the size of the land package to 42,237 acres in 2017, in accordance with the terms of the lease agreement.

5. Exploration and Evaluation Properties (continued)

The principal terms of the lease agreement are as follows:

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

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

A portion of the Haines Block land parcel with surface and mineral rights comprising approximately 3,483 acres has been contributed to the Palmer Project.

iii) Limited Liability Company holding Palmer Project

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

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

For accounting purposes, the Company's investment in CML is considered to primarily relate to the continued advancement, with Dowa, of the Palmer property and the related elements of the Haines Block land parcel. Funding of CML by both venturers is on an ongoing cash-call basis, and accordingly the third-party assets, liabilities and expenses of CML, other than its mineral property interest, are expected to be relatively nominal at any point in time. Management's judgement is that the fairest accounting presentation for this arrangement is to provide, as a priority, a clear continuity of the Company's beneficial interest in the underlying property costs incurred. Accordingly, the Company's interest in CML has been considered a joint operation and its proportionate interest in the accounts of CML have been consolidated within its own financial statements on a line-by-line basis. The Company recovers, from CML, a 7% management fee on eligible expenditures incurred. On consolidation, this fee is accounted for as a property cost recovery to the extent of Dowa's proportionate share, and is offset against the Company's recognition of the same amount recorded as a property cost.

During the three months ended January 31, 2021, the Company's interest in the CML joint venture was diluted from 50.34% to 50.04% as a result of cash contributions made by Dowa, during the current fiscal period, which were not matched by the Company. The dilution represents the cumulative cash contributions by both parties such that as at January 31, 2021, the Company's cumulative contribution to CML relative to Dowa was 50.04%.

The Company's net dollar value investment in the joint venture is therefore unchanged during the current year and the exploration costs incurred relate to the spending of its share of the joint venture's net working capital at the outset of the year.

5. Exploration and Evaluation Properties (continued)

b) Gold Projects

i) Big Nugget Property, Alaska USA

In 2020, the Company designated a portion of its Haines Block Lease claims in Alaska, that were never contributed to CML, as the Big Nugget Property, and staked an additional 39 Alaska State claims to be included in the project. No historical property costs were recognized in connection with the presentation of these leased claims as a separate project.

ii) Due Diligence Properties, Arizona and Idaho USA

In August 2020, the Company entered into an option-to-purchase agreement on five mineral properties situated in Idaho and Arizona. Under the terms of the agreement, the Company has the right to lease-to-purchase or purchase any or all of the five projects. The Company paid $165,256 (US$125,000) for the option at the time of signing, and a further US$15,000 since that date, to extend the option period until March 31, 2021. In the three months ended January 31, 2021, the Company incurred aggregate costs of $39,669 towards acquisition and due diligence work on the properties. The US$140,000 payments made to date will be applied to the first year lease or purchase payments on the properties selected.

6. Land

In April 2020, CML acquired a 2.0 hectare real estate property in Haines, Alaska. The Company's 50.04% ($27,355) interest is included in its Statement of Financial Position.

7. Right-of-Use Asset/Lease

As at November 1, 2019, the Company was the lessee to a premise lease. The incremental rate of borrowing for this lease was estimated by management to be 12% per annum.

The reconciliation of the lease liability as at November 1, 2019 is as follows:

		Premise
Future aggregate minimum lease payments	$	285,222
Effect of discounting at the incremental rate of borrowing		(87,463)
Lease liablity as at November 1, 2019	$	197,759

7. Right-of-Use Asset/Lease (continued)

The impact of the adoption of IFRS 16 on the Company's financial statements for the three months ended January 31, 2021 is as follows:

Right-of-use assets

As at January 31, 2021, the right-of-use assets recorded for the Company's premises are as as follows:

		Premise
As at October 31, 2019	$	-
IFRS 16 adoption		197,759
Amortization		(30,040)
As at October 31, 2020	$	167,719
Amortization		(7,510)
As at January 31, 2021	$	160,209

Lease liability

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

		2020
Undiscounted minimum lease payments:		
Less than one year	$	41,643
Two to three years		41,974
Three to four years		42,635
Four to five years		43,957
Five to six years		45,279
Six to seven years		15,203
		230,691
Effect of discounting		(61,895)
Present value of minimum lease payments		168,796
Less current portion		(30,039)
Long-term portion	$	138,757

Lease liability continuity

The net change in the lease liability is as follows:

		Premise
As at October 31, 2019	$	-
IFRS 16 adoption		197,759
Cash flows:		
Principal payments		(23,234)
As at October 31, 2020	$	174,525
Cash flows:		
Principal payments		(5,729)
As at January 31, 2021	$	168,796

During the three months ended January 31, 2021, interest of $5,179 (2020 – $Nil) was paid.

8. Loan Facility Agreement - Inter World Investments (Canada) Ltd.

On October 10, 2019, the Company entered into a loan facility agreement with Inter-World Investments (Canada) Ltd. (the "Lender") under which it obtained a US$630,000 loan (the "Loan") from the Lender on an unsecured basis. The principal terms of the loan facility are:

The Loan has a term of five years, subject to acceleration upon the occurrence of certain events, and accrues simple interest at a rate of 12% per annum. As consideration for the Loan, in October 2019 the Company issued 2,701,683 warrants ("Bonus Warrants") to the Lender, with each Bonus Warrant exercisable to purchase one common share of the Company at a price of $0.31 for a period of five years.

For accounting purposes the Loan is classified as a compound financial instrument with a debt element as a financial liability and recorded initially at fair value, and the warrants treated as equity. The current fair value of the debt component of the Loan was determined based on an interest rate of 16%, which the Company considered to be a reasonable estimate for a comparable instrument and circumstance. On issuance the equity conversion feature was valued at $97,113, net of transaction costs of $11,712 which were expensed.

Changes to the Loan balance from the date of issuance to January 31, 2021 are comprised of the following:

Receipt of US$630,000 loan, net of transaction costs of $77,710	$	830,907
Transaction costs attributable to equity conversion component		(11,712)
Equity conversion component		(97,113)
Accreted interest		21,735
Finance expense		102,302
Interest expense		19,403
Carrying amount of debt component, October 31, 2020	$	865,522
Accreted interest		5,199
Interest expense		24,450
Finance expense		3,821
Carrying amount of debt component, January 31, 2021	$	898,992

The $97,113 discount in the carrying amount of the debt component relative to its face value, equivalent also to the equity component, is being accreted to operations over the term of the debt on a straight-line basis. Transaction costs of $77,710 applicable to the debt component are being amortized over the five year period on the same basis.

9. Share Capital

a) Common Shares

Authorized: unlimited common shares without par value

Issued and outstanding: 48,695,918 common shares

On August 7, 2020, the Company completed a non-brokered private placement, consisting of 3,341,665 units at a price of $0.15 per unit for aggregate proceeds of $501,250. Each unit consisted of one common share of the Issuer and one-half of one transferable share purchase warrant of the Issuer. Each warrant is exercisable to acquire one common share at an exercise price of $0.20 for a period of two years from the date of closing of the private placement. The Company recorded $16,768 in share issue costs with respect to this financing.

9. Share Capital (continued)

b) Stock Options

On August 1, 2020, the Company issued 250,000 incentive share options, exercisable at a price of $0.17, expiring August 1, 2025. The stock options were issued to an officer of the Company.

The Company has an established 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.

A summary of the status of the Company's stock options at January 31, 2021 and October 31, 2019 and changes during the periods therein is as follows:

	Three months ended January 31, 2021		Year ended October 31, 2020	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance, beginning of year	**3,178,750**	**$ 0.48**	3,278,750	$ 0.48
Granted	**-**	**0.17**	250,000	0.17
Expired	**-**	**0.56**	(350,000)	0.56
Balance, end of period	**3,178,750**	**$ 0.45**	3,178,750	$ 0.48

In the three months ended January 31, 2021, the Company recorded share-based payments of $7,465 (2019-$Nil) in regard to stock options vested during the period.

The fair value cost of the stock options granted in August 2020 and June 2019 were calculated using the Black-Scholes Pricing Model using the following range of assumptions:

	August 2020	**June 2019**
Risk-free interest rate	**0.54%**	**1.33%**
Expected life (in days)	**1,825**	**1,825**
Annualized volatility	**82.51%**	**79.19%**
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.

9. Share Capital (continued)

b) Stock Options (continued)

A summary of the Company's stock options outstanding as at January 31, 2021 is as follows:

Expiry Date		Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Exercisable
June 30, 2021		0.40	612,500	0.41	612,500
June 2, 2022		0.64	581,250	1.34	581,250
February 5, 2023		0.74	75,000	2.02	75,000
June 6, 2023		0.68	225,000	2.34	225,000
December 24, 2023		0.44	225,000	2.90	225,000
June 14, 2024		0.54	1,210,000	3.37	1,210,000
August 1, 2025		0.17	250,000	4.50	125,000
	$	0.50	3,178,750	2.38	3,053,750

c) Warrants

The Company issued 1,670,833 warrants on August 7, 2020, in connection with a non-brokered private placement of that date. Each warrant is exercisable to purchase one common share of the Company at a price of $0.20 for a period of two years.

The Company issued 2,071,683 warrants on October 22, 2019 as part of the consideration paid for the establishment of a loan facility agreement (Note 8), with each warrant exercisable to purchase one common share of the Company at a price of $0.31 for a period of five years.

A summary of the status of the Company's warrants at January 31, 2021 and October 31, 2020, and changes during the periods therein are as follows:

	January 31, 2021		October 31, 2020	
	Number of warrants	**Weighted-average exercise price**	Number of warrants	Weighted-average exercise price
Outstanding, beginning of year	**19,078,397**	$0.89	17,407,564	$0.89
Issued	**-**	$0.20	1,670,833	$0.20
Balance, January 31, 2021	**19,078,397**	**$0.83**	19,078,397	$0.83

9. Share Capital (continued)

c) Warrants (continued)

A summary of the Company warrants outstanding as of January 31, 2021 is as follows:

Expiry Date		Exercise Price	Number of Warrants
May 29, 2023	$	1.00	12,342,013
July 19, 2023	$	1.00	2,363,868
October 10, 2024	$	0.31	2,701,683
August 7, 2022	$	0.20	1,670,833
			19,078,397

10. Related Party Transactions

The following represents the details of related party transactions paid or accrued for the three months ended January 31, 2021 and 2020:

For the three months ended January 31,	2021	2020
Accounting and administration fees paid or accrued to a company 50% owned by an officer	**$ 23,367**	$ 23,367
Consulting, administrative and technical fees paid or accrued to companies owned by directors	**15,650**	11,865
Salaries, wages and benefits	**75,925**	103,495
Legal fees, accrued to a law firm of which a director is a partner	**75,000**	-
Share-based payments to key management	**7,465**	-
	$ 197,407	$ 138,727

At January 31, 2021, the Company had accounts payable of $686,108 (October 31, 2020 - $204,155) due to related parties for outstanding director fees, legal fees, consulting fees and expense reimbursements as follows:

	January 31, 2021	October 31, 2020
Accrued director fees payable (to non-executive directors)	**$ 171,000**	$ 171,000
Accrued legal fees (to a firm in which a director is a partner)	**550,000**	-
Consulting fees payable (to a company owned by a director)	**39,480**	23,048
Expense reports payable (to an officer of the Company)	**628**	10,107
	$ 761,108	$ 204,155

11. 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.

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.

12. 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 is 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.

12. Financial Instruments (continued)

b) Financial Instrument Risk Exposure (continued)

Exchange Risk

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

c) Fair Value Measurements

The carrying value of financial assets and financial liabilities at January 31, 2021 and 2020 are as follows:

		January 31, 2021		October 31, 2020
Financial Assets				
Assets measured at amortized cost				
Cash	**$**	**191,056**	$	268,101
Amounts receivable, excluding GST		**80,120**		80,120
Advances and prepaid expenses		**18,285**		18,285
Financial Liabilities				
Liabilities at amortized cost				
Trade payables and accrued liabilities	**$**	**260,954**	$	759,829
Loan facility		**898,992**		865,522
Lease liability		**168,796**		174,525
Amounts due to related parties		**761,108**		204,155

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

As at		January 31, 2021		October 31, 2020
		Level 1		Level 1
Cash	**$**	**191,056**	$	268,101

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

13. Segmented Information

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

At January 31, 2021, the Company operates in two geographic areas, being Canada and the United States. The following is an analysis of the non-current assets by geographical area:

	Canada	United States	Total
Non-Current Assets			
Exploration and Evaluation Properties			
As at January 31 2021	**$ -**	**$ 21,392,361**	**$ 21,392,361**
As at October 31, 2020	-	21,364,628	21,364,628
Land			
As at January 31 2021	**-**	**29,579**	**29,579**
As at October 31, 2020	-	29,579	29,579
Performance Bonds			
As at January 31 2021	**-**	**31,950**	**31,950**
As at October 31, 2020	-	33,295	33,295
Right-of-use asset			
As at January 31 2021	**160,209**	**-**	**160,209**
As at October 31, 2020	167,719	-	167,719

Management's Discussion and Analysis
For the three months ended January 31, 2021
(Expressed in Canadian dollars)

General

The information in this Management's Discussion and Analysis, or MD&A, is intended to assist the reader in the understanding and assessment of the trends and significant changes in the results of operations and financial conditions of Constantine Metal Resources Ltd. (the "Company" or "Constantine"). This MD&A should be read in conjunction with the unaudited interim financial statements of the Company, including the notes thereto, for the three months ended January 31, 2021 and 2020, the audited consolidated financial statements of the Company, including the notes thereto, for the years ended October 31, 2020 and 2019, 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, 2020 and 2019 were prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has taken into account information available up to and including March 26, 2021.

Constantine is a junior mining company engaged in the exploration and development of North American mineral properties. Its principal project is the Palmer Project, an advanced polymetallic (zinc-copper-silver-gold) volcanogenic massive sulphide exploration project in a very accessible part southeast Alaska. In 2020, the early stage Big Nugget gold project, only 8 kilometers east of the Palmer project has developed into a promising gold target that is 100% controlled by the Company.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on the TSX Venture Exchange under the symbol CEM, and is quoted on the US over-the-counter trading platform, OTCQX platform.

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.

2021 Palmer Budget

Constantine and its joint venture partner Dowa Metal and Mining (Alaska), Ltd. ("Dowa"), are currently in the process of finalizing the plan and budget for the 2021 Palmer Zinc-Copper-Silver-Gold Project, the Company's flagship project in Southeast Alaska.

High-Grade Gold Identified on Southeast Alaska Property – Big Nugget Project

In August 2020, the Company announced that it identified a potential source area for the historic Porcupine gold placer mining operation (see news release August 13, 2020). The gold prospects with high-grade gold sampling results, described in historical government reports are located on Constantine's 100% leased lands, about 8 kilometers east of the Company's advanced stage Palmer Cu-Zn-Ag-Au project.

Big Nugget 2020 fieldwork was carried out in 2 separate programs that included resampling of the Golden Eagle prospect area (118 samples), an orientation soil survey (544 samples) and reconnaissance geology. The work program confirmed the historical reported high grade gold mineralization and has provided new information to develop targets for follow up drilling. Highlights include:

- Confirmation of high grade gold mineralization at the Golden Eagle prospect (Vug vein zone) with outcrop grab samples ranging from trace to 44.7 g/t gold. The Vug vein zone is characterized by quartz-pyrite-pyrrhotite-sphalerite veins that cut through a 4 meter wide, tan coloured, silica-carbonate altered mafic dyke hosted in metasediments (Porcupine Slate). Chip samples across the Vug vein zone returned 9.8 g/t gold over 2.3 meters and 3.6 g/t gold over 1.0 meter.

- Pyritic-quartz vein grab samples from outcrops located 140, 160 and 185 meters downstream (northwest) of the Golden Eagle prospect returned 22.4 g/t gold, 53.7 g/t gold and 38.9 g/t gold, respectively. Upstream of the Golden Eagle prospect, at about 400 meters, quartz-pyrite-sphalerite boulder samples returned 8.0 g/t gold (34.5% Zn) and at about 800 meters, quartz-pyrite veins in altered mafic dyke boulders returned 8.1 g/t gold.

- Soil sampling outlined a broad, 250 to 300 meter wide >50ppb gold-in-soil anomaly at the McKinley Creek Falls prospect with results ranging up to 970 ppb gold. The gold-in-soil anomaly extends approximately 650 meters to the east along a previously interpreted fault zone. Soils appear to be an effective exploration tool and additional sampling is required to determine the full-extent of the anomaly.

- The McKinley Creek gold mineralization is associated with quartz-carbonate-muscovite ± sulphide (pyrite-sphalerite-pyrrhotite-chalcopyrite) veining within altered mafic dykes and to a lesser extent within the Porcupine slates. The altered mafic dykes range in thickness from a few centimeters to upwards of 10 meters in width and crosscut and parallel the slate stratigraphy. The Porcupine slates and altered mafic dykes are moderate to tightly folded about east-west trending fold axes with an overall shallow to moderate westerly plunge. Mineralized gold bearing veins appear to be controlled in part by extension linked to the folding.

Forty-one State claims were staked to cover subsurface gold potential adjacent to Constantine's 100% TLO lease lands and the Porcupine placer area.

Summary of 2020 Palmer Project Program

The 2020 Palmer field work was planned and carried out from mid-to-late summer to reduce the concerns of COVID-19 exposure and transmission, with an emphasis on using local Haines employees for as much of the work as possible. The program was successfully completed in compliance with strict Alaska State COVID-19 protocols and Company camp procedures. Environmental and project permitting work is ongoing for future underground exploration development and continued outreach to keep the Haines Borough and State of Alaska informed on project activities.

Surface geological work focused on upgrading geological and prospect information to assist in advancing drill targets and resolving the offset on the Kudo fault that displaces the thickest part of the downdip South Wall deposit (CMR14-65 - **89.0 meters grading 0.79% copper and 5.03% zinc including 7.4 meters grading 2.05% copper and 10.23% zinc)**. Some of this work was carried out from the new road that has been established to an underground exploration portal site. A highlight of the geological work is the identification of rocks on the offset side of the Kudo fault with a geochemical signature similar to the immediate hanging rocks of the South Wall deposit in addition to critical stratigraphic tops information. The location of these rocks stratigraphically below the high grade untested HG prospect (grab samples up to 0.36% Cu, 14.1% Zn 2.3% Pb, 198.9 g/t Ag) suggests the potential for two mineralized stratigraphic horizons (see news release September 29, 2014, NR #115-14).

Additional work is also in progress on the AG deposit (**4.3 million tonnes at 4.64% zinc, 0.12% Copper, 119.5 g/t silver, 0.53 g/t gold, 34.8% barite**)* that is the subject of a Master of Science dissertation.

** For details of the mineral resource estimate for the Palmer Project including the quality assurance program and quality control measures applied and key assumptions, parameters and methods used to estimate the mineral resource, please refer to the technical report entitled "NI 43-101 Technical Report and Updated Resource Estimate to include the AG Zone for the Palmer Exploration Project" dated effective December 18, 2018 (the "**Palmer Technical Report**"). The Palmer Technical Report is available on the Company's issuer profile on SEDAR at www.sedar.com."*

Clean-up work was completed on a five acre land purchase in the project area that will be used for expanded drill core storage and for a future underground exploration base.

2020 Environmental Studies and Permitting Update

The Company continues to build and expand the baseline environmental science database, fulfill environmental monitoring requirements and advance project permitting for future underground exploration.

In July 2019, the Company received all the necessary approvals to proceed with an underground exploration plan for the Palmer Zinc-Copper-Silver-Gold Project, Southeast Alaska. Subsequent to approval, the Waste Management Permit ("WMP") to manage wastewater and waste rock issued by the Alaska Department of Environmental Conservation ("ADEC") was remanded to ADEC staff for further review due to a 9th Circuit Court Decision in the *County of Maui vs. Hawaii Wildlife Fund*. That review is continuing so that the Company can comply with the new interpretation of the Clean Water Act that arose out of the Supreme Court's April 23, 2020 Opinion in the *County of Maui vs. Hawaii Wildlife Fund* case. The Company, in consultation with ADEC, has been collecting additional hydrologic information and plans to submit an updated Wastewater Discharge System Design and supporting data to ADEC for final discharge authorization in the future. More recently the United States Environmental Protection Agency (EPA) has provided some useful guidance to assist in the interpretation of the Clean Water Act as a result of Supreme Court Decision.

Positive Preliminary Economic Assessment ("PEA") for Palmer Zinc-Copper-Silver-Gold Project, Post-Tax NPV of US$266 million (see June 3, 2019 news release NR #164 – 19)

Highlights of the PEA, assuming base case metal price of $1.22 per pound zinc, $2.82 per pound copper, $16.26 per ounce silver, $1,296 per ounce gold and $220 per metric tonne barite, include:

- $354M pre-tax Net Present Value ("NPV") at 7% discount rate
- $266M after-tax NPV at 7% discount rate
- 24% pre-tax Internal Rate of Return ("IRR") and 21% post-tax IRR
- Mine life of 11 years after 24-months pre-production (based on current mineral resource)

- Two-year ramp up to 3,500 tonnes-per-day steady state mining and processing rate
- Operating cost is $54.2/tonne (mining, processing, general & administrative)
- Operating costs, including sustaining capital cost for mining only, are $65.4/tonne
- Net operating income is $92.6/tonne ($81.4/tonne including sustaining capital costs)
- Zinc cash cost including sustaining capital is $0.11 per lb net of by-product credits
- Pre-production development capital cost of $278 million
- Sustaining capital and closure cost of $140 million; total Life of Mine ("LOM") capital cost of $418 million
- Post-tax payback period of 3.3 years
- 12.48 million tonnes ("Mt") mined at a diluted head grade of 4.24% zinc, 0.81% copper, 49.6 grams per tonne ("g/t") silver, 0.33 g/t gold and 22.6% barite
- LOM recovered metal production of 1,068 M lbs of zinc, 196 M lbs of copper, 18 M oz of silver, 91 K oz of gold and 2.89 M tonnes of barite

The PEA is preliminary in nature and includes inferred mineral resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that PEA results will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

For more details please refer to June 3, 2019 news release NR #164-19. The NI 43-101 PEA report was filed on Sedar.com on July 18, 2019 (news release NR #168-19).

Summary of the Palmer Zinc-Copper-Silver-Gold Metal Project

Palmer is an advanced stage, high-grade Volcanogenic Massive Sulfide (VMS) project, with an **Indicated Resource of 4,677,000 tonnes** grading 5.23% zinc, 1.49% copper, 30.8 g/t silver, 0.30 g/t gold, 23.9% barite and **9,594,000 million tonnes Inferred** at 4.95% zinc, 0.59% copper, 0.43% lead, 69.3 g/t silver, 0.39 g/t gold, 27.7% barite. The project is being advanced in partnership with Dowa Metals & Mining Alaska, Ltd. ("Dowa"), who earned 49% in the project at the end of 2016 by completing aggregate expenditures of US$22 million over four years. During the year ended October 31, 2020, the Company's interest in the Palmer project was diluted from 51.00% to 50.34%. As of the date of this report, the Company's interest in the Palmer project is 50.04% due to further dilution. The Palmer project is located in an easily accessed part of coastal southeast Alaska, with road access on the property to the immediate South Wall deposit area. Palmer sits within 60 kilometers of the year-round deep-sea port of Haines. Mineralization at Palmer occurs within the same belt of rocks which hosts 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.

The Company reported a positive Preliminary Economic Assessment ("PEA") for the Project in June 2019 and outlined the potential for a low capex, low operating cost, high margin underground mining operation with attractive environmental attributes. Summary details of the PEA are provided above.

The opportunity to add to the existing mineral resource base and enhance the robust economics of the Project, and to discover new resources to potentially significantly extend the PEA mine life, is considered excellent. The Project benefits from structural folding which has resulted in +10 km of the key mineralized horizon stratigraphy being compressed into a relatively compact area such that multiple deposits can potentially be accessed by a single, centrally-located portal. Exploration to locate the faulted offset of the thickest down-dip part of the South Wall Zone has the potential to significantly increase the project resources in the immediate South Wall Zone area.

The Joint Venture will continue to carry out environmental/hydrological work required to advance the Palmer project and to fulfill the requirements of existing permits. The Company will also continue to work with and keep the local communities informed on project developments and continue to maximize local purchasing and hiring of workers.

The Company's long-term vision is to define a multi-decade mining operation at Palmer.

Changes to the Board of Directors

At the Company annual general meeting of shareholders held on December 9, 2020, two directors retired from the board and a new director was added. Mr. David Adamson and Mr. Stuart Harshaw did not stand for re-election and retired as directors. The Company gratefully acknowledges and thanks both of them for their significant service and contributions to the board.

At the December 9, 2020 shareholders meeting, Mr. David Reid, LL.B., was elected to the board of directors. Mr. Reid is the Global Co-Chair, Mining of DLA Piper, one of the world's biggest law firms. As a recognized leading Canadian lawyer in global mining and a former board member of TSX and NYSE listed companies, Mr. Reid brings his extensive experience, practical approach and industry expertise to the Company.

Results of Operations

The Company recorded a net loss of $213,907 for the three months ended January 31, 2021 (2020- $322,714).

Exploration and Evaluation Expenditures

In the three months ended January 31, 2021, the Company recorded cost recoveries of $25,806 on the Palmer project, in regard to project management fees and corporate cost recoveries.

In the three months ended January 31, 2021, the Company recorded expenditures of $39,668 on due diligence properties, as it continued to analyze and evaluate a group of five properties in Arizona and Idaho, USA for acquisition. In the fiscal year ended October 31, 2020, the Company recorded expenditures of $194,333 to secure an option right and conduct due diligence on the five properties for the purpose of acquiring some or all of them.

In the three months ended January 31, 2021, the Company recorded expenditures of $13,871 on its new Big Nugget project in Alaska.

Palmer Project Joint Venture Accounting

The Company accounts for the Palmer Project as a joint operation for accounting purposes. In the three months ended January 31, 2021, the Company ownership of the project was reduced from 50.34% to 50.04% as a result of financial dilution. Accordingly, 50.04% of the Palmer Project joint venture is included in the Company's financial statements at January 31, 2021.

(Expressed in Canadian dollars)

Operating Costs

The Company had a net loss from operations of $231,202 for the three months ended January 31, 2021, compared to $288,562 for the same period last year. The decrease was primarily due to lower consulting fees, as a result of reduction in financial advisory services costs in the current period.

In the three months ended January 31, 2021, the Company recorded finance, interest and accretion expenses totaling $33,470 (2020-$34,071) in regard to the US$630,000 loan facility arranged with Inter World Investments (Canada) Ltd. in October 2019.

The Company recorded significantly lower general and administrative costs during the three months ended January 31, 2021, thanks to reductions in conference, trade show and advertising expenditures. A breakdown of total general and administrative costs for the three months ended January 31, 2021 is shown below:

General and Administrative expenses for the three months ended January 31, 2021		Amount
Conferences, trade shows and advertising	$	558
Accounting and administration		6,000
Office expenses		4,176
Transfer agent, listing and filing fees		29,559
Total	$	40,292

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

For Quarter Ended		Total Assets		Income (Loss)		Income (Loss) per share
January 31, 2021	$	21,848,957	$	(213,907)	$	(0.01)
October 31, 2020		21,969,580		(449,388)		(0.01)
July 31, 2020		21,459,308		(329,390)		(0.01)
April 30, 2020		21,405,085		(115,401)		(0.01)
January 31, 2020		21,423,160		(326,714)		(0.01)
October 31, 2019		21,812,554		(391,383)		(0.01)
July 31, 2019		25,763,494		(821,856)		(0.01)
April 30, 2019		23,464,433		(322,787)		(0.01)

Quarterly Result General Trends

The Company's quarterly operating losses over the past two years have been in the order of $250,000-300,000 per quarter, before non-cash items such as stock based compensation. The Company is projecting that general operating expenses will continue in the same range during the current fiscal year.

(Expressed in Canadian dollars)

Financial Condition, Liquidity and Capital Resources

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

During the three months ended January 31, 2021, the Company's interest in the Palmer Project was diluted from 50.34% to 50.04% as a result of cash contributions made by Dowa which were not matched by the Company. The dilution represents the cumulative cash contributions by both parties, such that as at January 31, 2021 and as of the date of this report, the Company's cumulative contribution to the Palmer Project relative to Dowa was 50.04%.

The Company's cash position at January 31, 2021 was $191,056 (October 31, 2020-$268,101) and it had a working capital deficiency $815,019 (October 31, 2020-$618,591).

The Company is dependent on equity capital to fund exploration and development of exploration properties and its on-going operations. The Company will require additional capital in 2021. If the Company is unwilling or unable to participate in funding its part of future Palmer Project funding it will be subject to further dilution, in accordance with the provision of the LLC joint venture agreement.

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 three months ended January 31, 2021 and 2020:

For the three months ended January 31,		**2021**		2020
Accounting and administration fees paid or accrued to a company 50% owned by an officer	**$**	**23,367**	$	23,367
Consulting, administrative and technical fees paid or accrued to companies owned by directors		**15,650**		11,865
Salaries, wages and benefits		**75,925**		103,495
Legal fees, accrued to a law firm of which a director is a partner		**75,000**		-
Share-based payments to key management		**7,465**		-
	$	**197,407**	$	138,727

The Company paid or accrued to NS Star Enterprises Ltd., a company controlled by Mr. Wayne Livingstone, $15,650 for consulting, management and administration services for the three months ended January 31, 2021 (2020 - $11,865). The Company paid or accrued to Morfopoulos Consulting Associates Ltd., a company controlled by the CFO, $23,367 for accounting, and management and administration services for the three months ended January 31, 2021 (2020 - $23,367). The Company accrued an amount payable to DLA Piper (Canada) LLP, a law firm in which a director of the Company is a partner, $75,000 for legal services for the three months ended January 31, 2021.

(Expressed in Canadian dollars)

For the three months ended January 31, 2021, the Company paid wages totaling $37,500 (2020 - $37,500) to Mr. J. Garfield MacVeigh in his capacity as President of the Company. For the three months ended January 31, 2021, the Company paid wages totaling $38,425 (2020 -$Nil) to Michael Vande Guchte in his capacity as Vice-President, Exploration of the Company.

At January 31, 2021, the Company had accounts payable of $761,108 (October 31, 2020 - $204,155) due to related parties for outstanding director fees, legal fees, consulting fees and expense reimbursements as follows:

		January 31, 2021		October 31, 2020
Accrued director fees payable (to non-executive directors)	**$**	**171,000**	$	171,000
Accrued legal fees (to a firm in which a director is a partner)		**550,000**		-
Consulting fees payable (to a company owned by a director)		**39,480**		23,048
Expense reports payable		**628**		10,107
	$	**761,108**	$	204,155

Management of Capital

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

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

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

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

(Expressed in Canadian dollars)

Summary of Outstanding Shares Data

The Company had 48,695,918 shares outstanding on January 31, 2021 and as of the date of this report.

The following stock options were outstanding on January 31, 2021:

No. of Stock Options	Price per Share	Expiry Date
612,500	$0.40	June 30, 2021
581,250	$0.64	June 2, 2022
75,000	$0.74	February 5, 2023
225,000	$0.68	June 6, 2023
225,000	$0.44	December 24, 2023
1,210,000	$0.54	June 14, 2024
250,000	$0.17	August 1, 2025
3,178,750		

The following warrants were outstanding on January 31, 2021 and as of the date of this report:

Expiry Date	Exercise Price	Number of Warrants
May 29, 2023	$1.00	12,342,013
July 19, 2023	$1.00	2,363,868
October 22, 2024	$0.31	2,701,683
August 7, 2022	$0.20	1,670,833
		19,078,397

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, all of whom are independent of management. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

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

Risk Factors

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

Financial

The Company has not generated any revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. As at January 31, 2021, the Company has incurred significant losses since inception and has an accumulated operating deficit of $10,846,644. 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.

Going Concern

The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition, exploration and development of its mineral property interests, is dependent on the Company's ability to obtain the necessary financing. The Company will require additional capital to finance future operations and growth. If the Company is unable to obtain additional financing, the Company would be unable to continue. There can be no assurance that management's plans will be successful.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these exploration and evaluation properties, and establish future profitable production, or realize proceeds from the disposition of exploration and evaluation properties. The carrying value of the Company's exploration and evaluation properties does not reflect current or future values.

These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

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. While the political climate in Alaska 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 the Palmer Project.

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. 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.

Operational

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

Cyber security risk

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

Credit risk

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

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

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At January 31, 2020, the Company had a total cash balance of $196,056 to settle current liabilities of $1,052,101.

Trade payables and amounts due to related parties have maturities of 30 days or are due on demand and are subject to normal trade terms. The loan facility from Inter-World is in the second year of a five year term, and is subject certain acceleration provisions.

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 variable 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.

Coronavirus global pandemic risk

In March 2020, the world Health organization declared a global pandemic related to the virus known as Covid-19. The expected impacts on global commerce are anticipated to be far reaching. There have been significant fluctuations in equity markets, and the movement of people and goods has become restricted.

The Company's ability to fund ongoing operations and exploration is affected by the availability of financing. Due to market uncertainty the Company may be restricted in its ability to raise additional funding.

The impact of these factors on the Company has not been significant to date; however, they may have a material impact on the Company's financial position, results of operations and cash flows in future periods. In particular, there may be heightened risk of mineral property impairment and going concern uncertainty.

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 timelines, currency fluctuations, environmental risks, unanticipated reclamation expenses, and title disputes or claims.

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

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These statements are based on a number of assumptions and factors, including assumptions regarding general market conditions; future prices of gold and other metals; possible variations in ore resources, grade or recovery rates; actual results of current exploration activities; actual results of current reclamation activities; conclusions of future economic evaluations; changes in project parameters as plans continue to be refined; failure of plant, equipment, or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; risks related to joint venture operations; timing and receipt of regulatory approvals of operations; the ability of the Company and other relevant parties to satisfy regulatory requirements; the availability of financing for proposed transactions and programs on reasonable terms; the ability of third-party service providers to deliver services on reasonable terms and in a timely manner; and delays in the completion of development or construction activities. Other factors that could cause the actual results to differ include market prices, results of exploration, availability of capital and financing on acceptable terms, inability to obtain required regulatory approvals, unanticipated difficulties or costs in any rehabilitation which may be necessary, market conditions and general business, economic, competitive, political and social conditions. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, there may be other factors, such as the coronavirus global pandemic, which could cause actual results to differ. Significant additional drilling is required by the Company at its Palmer property to fully understand the system size. 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 rest of the 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

Michael J. Vande Guchte, P. Geo., a qualified person as defined by Canadian National Instrument 43-101, has reviewed the technical information contained in this MD&A.

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

Additional Information

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