



Consolidated Financial Statements of

CONSTANTINE METAL RESOURCES LTD.

(Expressed in Canadian Dollars)

For the years ended October 31, 2018 and 2017

INDEPENDENT AUDITOR'S 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, 2018 and 2017 and the consolidated statements of income (loss) and comprehensive income (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.

Auditor's 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, 2018 and 2017 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 20, 2019



Consolidated Statements of Financial Position

As at October 31, 2018 and 2017

(Expressed in Canadian dollars)

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,307,962	\$ 1,780,392
Amounts receivable (Note 7)	322,442	203,232
Advances and prepaid expenses	12,230	44,193
Investments (Note 4)	22,500	-
	4,665,134	2,027,817
Exploration and evaluation properties (Note 5)	20,577,787	14,456,587
Performance bonds	137,013	32,465
	\$ 25,379,934	\$ 16,516,869
Liabilities		
Current liabilities:		
Trade payables and accrued liabilities	\$ 443,203	\$ 553,519
Amounts due to related parties (Note 7)	17,750	-
	460,953	553,519
Equity		
Share capital (Note 6)	30,055,499	20,360,239
Stock options reserve (Note 6(b))	2,151,843	1,936,756
Warrants reserve	432,941	432,941
Investments reserve (Note 4)	(15,250)	-
Accumulated deficit	(7,706,052)	(6,766,586)
	24,918,981	15,963,350
	\$ 25,379,934	\$ 16,516,869

Nature of Operations (Note 1)

Commitments (Note 12)

Events Subsequent to the End of the Year (Note 13)

On Behalf of the Board of Directors:

"J. Garfield MacVeigh"

Director

"G. Ross McDonald"

Director

See accompanying notes to the consolidated financial statements.



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

For the years ended October 31, 2018 and 2017

(Expressed in Canadian dollars)

	2018	2017
Expenses:		
Consulting	\$ 141,063	\$ 55,404
General and administrative	203,149	119,492
Insurance	50,013	92,646
Legal	8,823	422,846
Mineral property costs	17,475	-
Professional fees - audit	46,822	27,675
Rent (net)	3,567	12,962
Salaries, wages and benefits	213,524	53,929
Shareholder communications	49,922	18,303
Share-based payments (Note 6(b))	215,087	214,133
Travel	39,466	10,537
Loss from operations	(988,911)	(1,027,927)
Other Items:		
Interest income	\$ 10,451	\$ 651
Loss on foreign exchange	(28,517)	(46,164)
Gain on sale of exploration and evaluation properties (Note 5(b)(v) and 5(b)(vi))	-	3,455,719
Gain on previously written off properties	75,250	-
Write-off of exploration and evaluation properties (Note 5(b)(v))	(7,739)	(5,101)
Net income (loss) for the year	\$ (939,466)	2,377,178
Other comprehensive income (loss):		
Change in investments (Note 4)	\$ (15,250)	-
Net income (loss) and comprehensive income (loss) for the year	\$ (954,716)	2,377,178
Basic and diluted income (loss) per share	\$ (0.03)	\$ 0.08
Weighted average number of common shares outstanding *	35,216,728	29,335,872

* Restated to reflect share consolidation which took effect on May 18, 2018 (Note 6).

See accompanying notes to the consolidated financial statements.



Consolidated Statements of Cash Flows

For the years ended October 31, 2018 and 2017

(Expressed in Canadian dollars)

	2018	2017
Cash provided by (used in):		
Operations:		
Net income (loss) for the year	\$ (939,466)	\$ 2,377,178
Items not affecting cash:		
Share-based payments	215,087	214,133
Write-off of exploration and evaluation properties (Note 5(b)(v))	7,739	5,101
Gain on sale of exploration and evaluation properties (Note 5(b)(vi))	-	(3,455,719)
Gain on previously written off exploration and evaluation properties (Note 5(b)(v))	(75,250)	-
Changes in non-cash working capital accounts:		
Amounts receivable	(31,166)	(13,476)
Trade payables and accrued liabilities	(275,212)	360,803
Exploration costs recoverable from partner	(88,044)	(256,909)
Performance bonds	(104,548)	1,063
Amounts due to related parties (Note 7)	17,750	(15,072)
Advances and prepaid expenses	31,963	3,477
	(1,241,147)	(779,421)
Investing activities:		
Exploration and evaluation properties (Note 5)	(5,964,043)	(5,444,831)
Proceeds from sale of exploration and evaluation properties (Note 5(b)(v) and Note 5(b)(vi))	37,500	4,500,000
Recovery of exploration and evaluation property expenditures	-	2,936,971
	(5,926,543)	1,992,140
Financing activities:		
Private placement proceeds (Note 6(a))	10,000,000	-
Share issuance costs	(304,740)	-
	9,695,260	-
Increase in cash and cash equivalents	2,527,570	1,212,719
Cash and cash equivalents, beginning of year	1,780,392	567,673
Cash and cash equivalents, end of year	\$ 4,307,962	\$ 1,780,392
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Accounts payable related to exploration and evaluation properties	\$ 164,896	\$ 347,828

See accompanying notes to the consolidated financial statements.



Consolidated Statements of Changes in Equity

For the years ended October 31, 2018 and 2017

(Expressed in Canadian dollars)

	Share Capital		Reserves				Total Equity
	Number of Shares*	Capital Stock	Stock Options	Warrants	Investments	Deficit	
Balance, October 31, 2016	29,335,872	\$ 20,360,239	\$ 1,722,623	\$ 432,941	\$ -	\$ (9,143,764)	\$ 13,372,039
Share-based payments	-	-	214,133	-	-	-	214,133
Net income for the year	-	-	-	-	-	2,377,178	2,377,178
Balance, October 31, 2017	29,335,872	\$ 20,360,239	\$ 1,936,756	\$ 432,941	\$ -	\$ (6,766,586)	\$ 15,963,350
Private placement (Note 6(a))	14,705,881	10,000,000	-	-	-	-	10,000,000
Share issuance costs	-	(304,740)	-	-	-	-	(304,740)
Share-based payments (Note 6(b))	-	-	215,087	-	-	-	215,087
Net loss for the year	-	-	-	-	-	(939,466)	(939,466)
Other comprehensive income (loss) (Note 4)	-	-	-	-	(15,250)	-	(15,250)
Balance, October 31, 2018	44,041,753	\$ 30,055,499	\$ 2,151,843	\$ 432,941	\$ (15,250)	\$ (7,706,052)	\$ 24,918,981

* Restated to reflect share consolidation which took effect on May 18, 2018 (Note 6).

See accompanying notes to the consolidated financial statements.



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

1. Nature of Operations

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

The Company has not generated any revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. With the exception of the prior year, the Company has incurred losses since inception and has an accumulated operating deficit of \$7,706,052. 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) Consolidated Financial Statements

These consolidated financial statements of the Company for the years ended October 31, 2018 and 2017 were approved and authorized for issue by the Board of Directors on February 20, 2019.

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

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

2. Basis of Preparation (continued)

c) Adoption of New and Revised Standards and Interpretations

Effective for annual periods beginning on or after January 1, 2018:

- IFRS 9, Financial Instruments;

Under IFRS 9, financial assets are required to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

IFRS 9 provides a three-stage expected credit loss model for calculating impairment for financial assets. Expected credit losses are required to be recognized when financial instruments are initially recognized, and the amount of expected credit losses recognized are required to be updated at each reporting date to reflect changes in the credit risk of the financial instruments.

On initial recognition, IFRS 9 requires financial liabilities to be classified as subsequently measured at amortized cost except for when one of the specified exceptions applies. In cases where the fair value option is taken for financial liabilities, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income rather than the statement of loss, unless this creates an accounting mismatch.

Effective for annual periods beginning on or after January 1, 2019:

- IFRS 16, Leases

Under IFRS 16, the Company is required to review all its contracts to determine if they contain leases or lease-type arrangements. Virtually all leases are required to be accounted for as finance leases rather than operating leases, where the required lease payments are disclosed as a commitment in the notes to the financial statements (Note 12). As a result, the Company will be required to recognize leased assets ("right-of-use" assets) and the related lease liability on the statement of financial position.

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.



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

3. Significant Accounting Policies (continued)

a) Judgments and Estimates (continued)

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

A significant judgment applicable to the financial statements of the current year relates to the determination of the appropriate accounting treatment for the Company's investment in Constantine Mining LLC. Refer to Notes 3(m) and 5(a).

b) Cash and Cash Equivalents

Cash in the statement of financial position comprises cash at banks and on hand. Cash equivalents is comprised of highly liquid investments held at major financial institutions, having maturity dates of three months or less from the date of purchase, which are readily convertible into known amounts of cash.

c) 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.

d) 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)

e) 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.

f) 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.

g) 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.

3. Significant Accounting Policies (continued)

h) Share-based Payments

The Company has a stock option plan that is described in Note 6(c). 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.

i) 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.

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.

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.

3. Significant Accounting Policies (continued)

j) Financial Instruments and Comprehensive Income

Available-for-sale ("AFS") 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 category:

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.

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.



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

3. Significant Accounting Policies (continued)

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.

n) Joint Arrangements

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

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

n) Comparative Figures

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

4. Investments

In May 2018, the Company received 25,000 shares of Fireweed Zinc Ltd. ("Fireweed") in connection with a mineral property option payment received for some of the Company's Yukon mineral claims (Note 5b(v)). The Fireweed shares were valued at \$37,750 at the time of acquisition and had a fair value of \$22,500 as of October 31, 2018. Due to a decrease in the fair value of the Fireweed shares, the Company recorded an other comprehensive loss of \$15,250 for the year ended October 31, 2018.



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

5. Exploration and Evaluation Properties

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

	Balance October 31 2016	Fiscal 2017 Expenditures	Balance October 31 2017	Fiscal 2018 Expenditures	Balance October 31 2018
PALMER PROJECT, ALASKA					
Palmer Property		<i>See (i)</i>		<i>See (ii) and (iii)</i>	
Acquisition costs	\$ 878,712	\$ -	\$ 878,712	\$ -	\$ 878,712
Less: Recovery of acquisition costs	(1,140,225)	-	(1,140,225)	-	(1,140,225)
Advance royalty payments	492,794	48,082	540,876	27,898	568,774
Assaying and testing	411,081	117,222	528,303	105,477	633,780
Field transportation	5,233,636	634,155	5,867,791	472,702	6,340,493
Geophysics	790,698	101,554	892,252	4,827	897,079
Drilling	12,969,230	2,179,223	15,148,453	1,708,344	16,856,797
Property maintenance	706,581	85,900	792,481	71,492	863,973
Geology and field support	8,825,094	1,515,267	10,340,361	642,925	10,983,286
Environmental	1,232,901	355,082	1,587,983	435,321	2,023,304
Technical consulting and engineering	-	-	-	470,869	470,869
Travel	488,963	142,557	631,520	218,693	850,213
Construction and development	-	-	-	105,531	105,531
Cost recoveries	(21,446,470)	(2,936,971)	(24,383,441)	-	(24,383,441)
	\$ 9,442,995	\$ 2,242,071	\$ 11,685,066	\$ 4,264,079	\$ 15,949,145
Haines Block					
		<i>See (i)</i>		<i>See (ii) and (iii)</i>	
Acquisition costs	\$ 129,165	\$ -	\$ 129,165	\$ -	\$ 129,165
Assaying and testing	5,261	-	5,261	-	5,261
Field transportation	342,680	85,139	427,819	101,024	528,843
Geophysics	51,796	47,323	99,119	14,084	113,203
Drilling	566,376	(2,982)	563,394	382,635	946,029
Property maintenance	-	-	-	68,045	68,045
Geology and field support	174,793	5,199	179,992	194,924	374,916
Environmental	22,986	-	22,986	-	22,986
Travel	5,781	-	5,781	-	5,781
Construction and development	-	-	-	236,075	236,075
Cost recoveries	(1,009,361)	-	(1,009,361)	-	(1,009,361)
	\$ 289,477	\$ 134,679	\$ 424,156	\$ 996,787	\$ 1,420,943
Palmer Project Totals	\$ 9,732,472	\$ 2,376,750	\$ 12,109,222	\$ 5,260,866	\$ 17,370,088

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

(ii) These amounts include 51% of the expenditures of Constantine Mining LLC for the year November 1, 2017 - October 31, 2018.

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

(continued on next page)



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

5. Exploration and Evaluation Properties (continued)

	Balance October 31 2016	Fiscal 2017 Expenditures	Balance October 31 2017	Fiscal 2018 Expenditures	Balance October 31 2018
GOLD PROJECTS					
Johnson Tract Property, Alaska					
Acquisition costs	\$ -	\$ -	\$ -	\$ 93,991	\$ 93,991
Community relations & advocacy	-	-	-	261	261
Administration	-	-	-	6,469	6,469
Camp costs and field support	-	-	-	202,626	202,626
Field transportation	-	-	-	136,747	136,747
Geology and project mgmt	-	-	-	312,963	312,963
Environmental	-	-	-	1,192	1,192
Travel	-	-	-	6,210	6,210
	\$ -	\$ -	\$ -	\$ 760,459	\$ 760,459
Munro-Croesus Property, Ontario, Canada					
Acquisition costs	\$ 487,932	\$ 6,944	\$ 494,876	\$ 1,266	\$ 496,142
Assaying and testing	107,655	-	107,655	10	107,665
Drilling	1,127,740	-	1,127,740	-	1,127,740
Field transportation	23,678	-	23,678	-	23,678
Geophysics	149,446	-	149,446	-	149,446
Travel	74,386	-	74,386	-	74,386
Geology and field support	543,000	11,395	554,395	4,027	558,422
Proceeds allocated on sale of mineral claims (Note 5b(ii))	-	(440,512)	(440,512)	-	(440,512)
	\$ 2,513,837	\$ (422,173)	\$ 2,091,664	\$ 5,303	\$ 2,096,967
Four Corners Property, Ontario, Canada					
Acquisition costs	\$ 146,681	\$ -	\$ 146,681	\$ -	\$ 146,681
Assaying and testing	24,791	-	24,791	-	24,791
Drilling	243,471	-	243,471	-	243,471
Geophysics	56,893	-	56,893	-	56,893
Field Transportation	946	-	946	-	946
Travel	8,058	-	8,058	-	8,058
Technical consulting	81,673	-	81,673	-	81,673
Geology and field support	39,618	1,638	41,256	-	41,256
Proceeds allocated on sale of mineral claims	-	(603,769)	(603,769)	-	(603,769)
	\$ 602,131	\$ (602,131)	\$ -	\$ -	\$ -
Gold Projects (Sub-Total)	\$ 3,115,968	\$ (1,024,304)	\$ 2,091,664	\$ 765,762	\$ 2,857,426

(continued on next page)



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

5. Exploration and Evaluation Properties (continued)

	Balance October 31 2016	Fiscal Expenditures 2017	Balance October 31 2017	Fiscal Expenditures 2018	Balance October 31 2018
Gold Projects (Balance forward)	\$ 3,115,968	\$ (1,024,304)	\$ 2,091,664	\$ 765,762	\$ 2,857,426
Golden Mile Property, Ontario, Canada					
Acquisition costs	148,374	70,000	218,374	-	\$ 218,374
Advance royalty payments	-	-	-	10,000	10,000
Assaying and testing	40,829	-	40,829	-	40,829
Drilling	396,613	-	396,613	-	396,613
Field transportation	22,514	-	22,514	-	22,514
Geophysics	160,669	-	160,669	-	160,669
Geology and field support	522,198	2,868	525,066	22,619	547,685
Technical consulting	90,970	-	90,970	-	90,970
Travel	31,133	-	31,133	3,201	34,334
Cost recoveries	(1,230,468)	-	(1,230,468)	-	(1,230,468)
	\$ 182,832	\$ 72,868	\$ 255,700	\$ 35,820	\$ 291,520
Golden Perimeter Property, Ontario, Canada					
Acquisition costs	-	-	-	17,900	17,900
Geophysics	-	-	-	40,000	40,000
Geology and field support	-	-	-	852	852
	\$ -	\$ -	\$ -	\$ 58,752	\$ 58,752
Yukon, Canada					
Acquisition costs	52,401	4,620	57,021	4,620	\$ 61,641
Assaying and testing	197,379	-	197,379	-	197,379
Field transportation	476,911	-	476,911	-	476,911
Geology	184,753	481	185,234	1,679	186,913
Geochemistry	290,093	-	290,093	-	290,093
Technical consulting	61,608	-	61,608	-	61,608
Other	573,494	-	573,494	1,440	574,934
Cost recoveries	(25,000)	-	(25,000)	-	(25,000)
Writedown of exploration and evaluation properties	(1,811,638)	(5,101)	(1,816,739)	(7,739)	(1,824,478)
	\$ 1	\$ -	\$ 1	\$ -	\$ 1
Total Gold Projects	\$ 3,298,801	\$ (951,436)	\$ 2,347,365	\$ 860,334	\$ 3,207,699
Total Palmer and Gold Projects	\$ 13,031,273	\$ 1,425,314	\$ 14,456,587	\$ 6,121,200	\$ 20,577,787

5. Exploration and Evaluation Properties (continued)

a) Palmer Project, Alaska USA

i) Limited Liability Company Formed for Palmer Project

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

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

For accounting purposes, the Company’s investment in CML is considered to primarily relate to the continued advancement, with Dowa, of the Palmer property and the related elements of the Haines Block land parcel. Funding of CML by both venturers is on an ongoing cash-call basis, and accordingly the third-party assets, liabilities and expenses of CML, other than its mineral property interest, are expected to be relatively nominal at any point in time. Management’s judgement is that the fairest accounting presentation for this arrangement is to provide, as a priority, a clear continuity of the Company’s beneficial interest in the underlying property costs incurred. Accordingly, the Company’s interest in CML has been considered a joint operation and its 51% interest in the accounts of CML have been consolidated within its own financial statements on a line by line basis. 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 49% share, and is offset against the Company’s recognition of the same amount recorded as a property cost.

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

ii) Palmer Project

The Palmer Project is comprised of 340 federal mining claims subject to a 99 year mining lease, dated December 19, 1997, and 63 state mining claims located near Haines, Alaska. To maintain the lease, there is a requirement to make annual advance royalty payments of US\$42,500 and pay Federal claim annual maintenance fees, which were US\$52,700 in 2018.

The lease is subject to a 2.5% net smelter returns (“NSR”) royalty. CML has a right of first refusal to purchase the NSR or any portion thereof at any time during the term of the lease. The advance royalty payments are deductible from the NSR royalty.

5. Exploration and Evaluation Properties (continued)

a) Palmer Project, Alaska USA (continued)

iii) Haines Block Lease

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

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

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

A portion of the Haines Block land parcel with surface and mineral rights comprising approximately 3,483 acres, has been contributed to CML (Note 5a(i) and (iv)).

iv) Haines Block Selection Agreement

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

The main elements of the Selection Agreement were as follows:

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

5. Exploration and Evaluation Properties (continued)

b) Gold Projects

i) Johnson Tract Property, Alaska

In June 2018, the Company signed a letter agreement (“Letter Agreement”) with Cook Inlet Region, Inc. (“CIRI”) for the lease rights to the 20,942 acre Johnson Tract property (the “Property”) located 200 kilometers southwest of Anchorage, in Southcentral Alaska. Commercial terms outlined in the non-binding Letter Agreement signed by the Company and CIRI include a 10-year lease with a renewal option, and annual lease payments of US\$75,000 for years one through five, escalating to \$150,000 from year six onwards, until production is achieved. Under the terms of the Letter Agreement, the Company may exercise its option to maintain the lease rights by incurring US\$10 million in expenditures over the first 10 years, inclusive of at least US\$7.5 million within the first 6 years. Upon completing such expenditure requirements and satisfying other lease conditions, the Company may renew the lease for an additional 5 years (11 through 15) by making annual lease payments of \$150,000 per year (inflation adjusted) and completing an additional US\$10 million in expenditures. The lease rights would be subject to CIRI’s “back-in” right to acquire a 15-25% interest in the lease rights, as well as an NSR on the base metals of 2-3% and a gold NSR ranging from 2.5% to 4.0%, depending on the price of gold at the time. The Company paid a US\$25,000 non-refundable deposit upon signing of the Letter Agreement. As at October 31, 2018, a definitive agreement between the Company and CIRI has not been completed.

ii) Munro-Croesus Property

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

Under the terms of the original acquisition agreement, there is a 2% NSR production royalty payable on the property, of which 0.5% can be purchased by the Company for \$1,000,000, with a right of first refusal on the remaining 1.5% NSR royalty.

The Company transferred a portion of its Munro-Croesus claims to Lake Shore in connection with the sale of the Four Corners property to Lake Shore (Note 5b(v)), and allocated \$440,512 of the proceeds on the transaction to the sale of Munro-Croesus mineral claims.

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

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

iii) Golden Mile Property

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



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

5. Exploration and Evaluation Properties (continued)

b) Gold Projects (continued)

iv) Golden Perimeter Property

During 2018, the Company entered into a verbal agreement to acquire the Golden Perimeter property, comprised of 561 claims located in the Porcupine Mining Division in northern Ontario, Canada. Subsequent to the fiscal year-end a formal option agreement was signed, with an effective date of December 15, 2018. Under the terms of the agreement, in order to maintain its option and acquire the property the Company must make cash payments totaling \$75,000 and issue 100,000 of its shares over a four year period. Upon completion of the full purchase price of cash and shares, the Company will make annual advance royalty payments of \$10,000, commencing on December 15, 2024 and each year thereafter, until commercial productions commences. Under the terms of the agreement, the Company has also granted the vendor a 2.5% NSR, of which, 1.0% can be purchased by the Company at any time for \$750,000. The Company will retain the right of first refusal on the remaining 1.5% NSR.

v) Yukon Land Position and Joint Venture

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

In April 2016, the Company recorded a \$858,218 writedown of the property to a carrying value of \$1, based on an impairment review of the property for accounting purposes. In the fiscal year ended October 31, 2017, the Company recorded a write-off of \$5,101 for expenditures incurred on its Yukon land position. In the year ended October 31, 2018, the Company recorded a write-off of \$7,739 for expenditures incurred on its Yukon land position (2017-\$5,101).

Mineral Property Option Agreement with Fireweed Zinc Ltd. (“Fireweed”)

In April 2018, the Company entered into a mineral property option agreement granting Fireweed an option to purchase a 100% interest in three properties totaling 624 claims in the Mac Pass area, Yukon. Total consideration for Fireweed to acquire a 100% interest in the properties includes the payment of an aggregate of \$500,000 in cash and the issuance of 300,000 common shares in the capital of Fireweed, over three years. The subject claims were staked under the Constantine Carlin Joint Venture (“CCJV”), and all option payments and royalties will be split as to 50% payable to the Company and 50% payable to Carlin Gold Corporation. Under the terms of the Agreement, NSR rights will be retained by Constantine and Carlin Gold Corporation, consisting of a 0.5% NSR on base metals and silver and a 2.0% NSR on all other metals. An additional payment of \$750,000 will be payable upon Fireweed producing an indicated resource of 2.0 million tonnes on the optioned properties. In May 2018, the Company received the first payment of cash and shares from Fireweed, consisting of \$37,500 cash and 25,000 shares of Fireweed valued at \$37,750 (Note 4).



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

5. Exploration and Evaluation Properties (continued)

b) Gold Projects (continued)

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

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

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

During the year ended October 31, 2017, the Company allocated \$603,769 of the Lake Shore proceeds to the cost of the Four Corners property and recorded a gain of \$3,455,719 on the sale of the property.

6. Share Capital

a) Common Shares

Authorized: unlimited common shares without par value

Issued and outstanding: 44,041,753 common shares

- i) On May 18, 2018, the Company consolidated the outstanding share capital of the Company on the basis of four pre-consolidated shares for one post-consolidated share.
- ii) On May 30, 2018, the Company completed the first tranche of a \$10,000,000 private placement, for proceeds of \$8,392,570. The Company issued 12,342,013 units, with each unit consisting of one common share and one transferable share purchase warrant. Each warrant from the first tranche entitles the holder to purchase one common share at a price of \$1.00 per share until May 29, 2023.
- iii) On July 19, 2018, the Company issued 2,363,868 units for the second tranche of the above private placement, for proceeds of \$1,607,430. Each warrant from the second tranche entitles the holder to purchase one common share at a price of \$1.00 per share until July 19, 2023.

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.



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

6. Share Capital (continued)

b) Stock Options (continued)

On June 6, 2018, the Company issued 225,000 incentive share options, exercisable at a price of \$0.68, expiring June 5, 2023. The stock options were issued to a director, an officer and an employee of the Company.

On February 5, 2018, the Company issued 75,000 incentive share options, exercisable at a price of \$0.74, expiring February 5, 2023. The stock options were issued to an officer of the Company.

On June 2, 2017, the Company issued 581,250 incentive share options, exercisable at a price of \$0.64, expiring June 2, 2022. The stock options were issued to directors, officers and employees of the Company.

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

	Year ended October 31, 2018		Year ended October 31, 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of year	2,856,250	\$ 0.40	2,781,250	\$ 0.36
Granted	300,000	0.74	581,250	0.64
Expired or cancelled	-	-	(506,250)	0.44
Balance, end of year	3,156,250		2,856,250	

In the year ended October 31, 2018, the Company recorded share-based payment costs of \$215,087 (2017-\$214,133) in regard to stock options vested and issued during the year.

The fair value cost of the stock options granted in June 2018 and February 2018 were calculated using the Black-Scholes Pricing Model using the following range of assumptions:

	June 2018	February 2018
Risk-free interest rate	1.93%	2.04%
Expected life (in days)	1,825	1,825
Annualized volatility	137.93%	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.



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

6. Share Capital (continued)

b) Stock Options (continued)

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

Expiry Date	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Number of Options Exercisable
January 17, 2019	\$ 0.28	1,312,500	0.21	1,312,500
March 6, 2020	0.56	350,000	1.35	350,000
June 30, 2021	0.40	612,500	2.67	612,500
June 2, 2022	0.64	581,250	3.59	456,250
February 5, 2023	0.74	75,000	4.27	75,000
June 6, 2023	0.68	225,000	4.60	225,000
	\$ 0.44	3,156,250	1.85	3,031,250

c) Warrants

During the year ended October 31, 2018, the Company issued 14,705,881 warrants (2017 – Nil), exercisable at a price of \$1.00, for a period of five years from the date of issue.

A summary of the Company warrants outstanding as of October 31, 2018 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
	\$ 1.00	14,705,881



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

7. Related Party Transactions

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

For the year ended October 31,	2018	2017
Consulting, administrative and technical fees paid or accrued to companies owned by directors	\$ 82,150	\$ 38,039
Consulting fees paid to officers	205,975	187,013
Directors fees	93,000	-
Accounting and administration fees paid or accrued to a company 50% owned by an officer	101,681	73,789
Share-based payments to key management	159,996	139,210
	\$ 642,802	\$ 438,051

The Company paid or accrued to NS Star Enterprises Ltd., a company controlled by Mr. Wayne Livingstone, \$71,940 for consulting, management and administration services during the years ended October 31, 2018 (2017-\$38,039). The Company paid or accrued to Morfopoulos Consulting Associates Ltd., a company controlled by the CFO, \$101,679 for accounting, and management and administration services during the year ended October 31, 2018 (2017-\$73,789). The Company paid D. Green Geoscience Inc., a company controlled by the vice-president of exploration, \$204,750 for technical consulting and management and administration services during the year ended October 31, 2018 (2017-\$187,013).

For the year ended October 31, 2018, the Company paid wages totaling \$141,000 (2017-\$132,000) to Mr. J. Garfield MacVeigh in his capacity as President of the Company. For the years ended October 31, 2018, the Company paid wages totaling: \$181,228 (2017-\$180,463) to Elizabeth Cornejo in her capacity as Vice-President, Community and External Affairs of the Company; \$186,322 to Mr. Ian Cunningham-Dunlop in his capacity as Vice-President, Advanced Projects; and \$25,286 (2017-Nil) to Naomi Nemeth in her capacity as Vice-President, Investor Relations.

In the year ended October 31, 2018, the Company paid an aggregate of \$93,000 (2017-Nil) in directors fees to the non-executive directors of the Company.

At October 31, 2018, the Company had accounts payable of \$17,750 due to related parties for outstanding expense reimbursements, which were all paid subsequent to the year-end.

At October 31, 2018, the Company's amounts receivable balance includes \$253,681, representing the 49% non-consolidated portion of the amount receivable from CML (2017-\$165,357), \$17,264 from Carlin Gold Corporation representing amounts receivable for rent and joint venture expenses and \$6,900 from New Oroperu Resources Inc. representing amounts receivable for rent.

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.



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

8. Management of Capital (continued)

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

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

b) Financial Instrument Risk Exposure

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

Credit Risk

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

Liquidity Risk

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

Market Risk

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its marketable securities portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates and fluctuations, however management does not consider this risk to be significant.

Exchange Risk

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.



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

9. Financial Instruments (continued)

c) Fair Value Measurements

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

	2018	2017
Financial Assets		
<i>FVTPL, measured at fair value</i>		
Cash and cash equivalents	\$ 4,307,962	\$ 1,780,392
<i>Loans and receivables, measured at amortized cost</i>		
Amounts receivable	322,442	203,232
<i>Investments, measured at fair value</i>		
Investments	22,500	-
Financial Liabilities		
<i>Other liabilities, measured at amortized cost</i>		
Trade payables and accrued liabilities	\$ 443,203	\$ 553,519
Amounts due to related parties	17,750	-

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

As at	2018	2017
	Level 1	Level 1
Cash and cash equivalents	\$ 4,307,962	\$ 1,780,392

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



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

10. Segmented Information

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

At October 31, 2018, 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 October 31 2018	\$ 2,388,488	\$ 18,130,547	\$ 20,519,035
As at October 31, 2017	2,347,365	12,131,009	14,478,374
Performance Bonds			
As at October 31, 2018	-	137,013	137,013
As at October 31, 2017	-	32,465	32,465

11. Income Taxes

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

	2018	2017
Net income (loss) for the year	\$ (939,466)	\$ 2,377,178
Expected income tax expense (recovery)	(265,465)	618,246
Net adjustment for amortization and other non-deductible amounts	(21,859)	121,856
Unrecognized benefit of DIT assets	-	8,362
Recognition of prior year non-capital losses	287,324	(748,464)
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:

	2018	2017
Deferred income tax assets (liabilities):		
Net mineral property carrying amounts in excess of tax pools	\$ (2,063,000)	\$ (2,071,000)
Equipment	59,000	59,000
Share issue costs	244,000	-
Non-capital loss carryforwards	4,668,000	7,068,000
	\$ 2,908,000	\$ 5,056,000



Notes to the Consolidated Financial Statements
For the year ended October 31, 2018

11. Income Taxes (continued)

The Company has Canadian non-capital losses of approximately \$3,596,000 (2017 - \$2,964,000) and US non-capital losses of US \$816,000 (2016–US \$970,000), 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:

2031	804,000
2032	790,000
2033	540,000
2034	203,000
2035	154,000
2036	429,000
2037	-
2038	676,000
	<u>\$ 3,596,000</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
2019 fiscal year	\$ 42,469
2020 fiscal year	43,626
2021 fiscal year	25,449
	<u>\$ 111,544</u>

The Company currently rents out a portion of its office space on a month-to-month basis for \$1,000 per month (Note 2(c)).

13. Events Subsequent to the End of the Year

In December 2018, the Company granted 225,000 options to a director and an officer of the Company, exercisable at a price of \$0.44 each for a period of five years from the date of issue.

During the months of December 2018 and January 2018, an aggregate of 1,312,500 stock options of the Company were exercised at a price of \$0.28 each, resulting in the issuance of 1,312,500 shares of the Company and cash proceeds to the Company of \$367,500.



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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, 2018 and 2017, 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, 2018 and 2017 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 20, 2019.

Constantine is an exploration company engaged in the exploration and development of several mineral 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 has gold exploration properties in Ontario and the Yukon and a letter agreement to acquire the high-grade Johnson Tract gold deposit in Alaska (see Highlights and Outlook below). The Company's principal Ontario gold projects are the Golden Mile project in the Timmins, Ontario 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 and is quoted on the US Over-the-counter trading platform, OTCQB, moving to the OTCQX platform in Q2 2019.

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 and Outlook

- **Palmer Project Expanded South Wall-RW Zones Resource and the First AG Zone Mineral Resource** - An updated South Wall and RW mineral resource estimate for the Palmer Copper-Zinc-Gold-Silver Project was released on September 27, 2018. Subsequent to that, a December 2018 announcement included a maiden AG Zone discovery Inferred Resource consisting of 4.24 million tonnes of 4.64% zinc, 0.12% copper, 0.96% lead, 119.5g/t silver, 0.53 g/t gold and 34.8% barite. The Palmer project resource now contains **4.68 million tonnes Indicated** grading 5.23% zinc, 1.49% copper, 30.8g/t silver, 0.30g/t gold, 23.9% barite plus the expanded **Inferred Resource of 9.6 million tonnes** at 4.95% zinc, 0.59% copper, 0.43 % lead, 69.3 g/t silver, 0.39g/t gold, 27.7% barite.



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- **2018 Palmer Exploration Program** – Constantine completed a 10,094 meter drill program with two drill rigs in 2018. Seven holes tested and expanded the South Wall Zone and 16 holes tested and expanded the AG Zone, a new silver-gold-zinc rich discovery made in 2017. The 2018 AG Zone drill results were incorporated into the maiden AG Zone resource estimate reported in December 2018. Four holes that tested the Boundary prospect intersected the targeted horizon with promising geology, alteration and low-grade mineralization.

Road access to the site of a proposed exploration portal on the Haines Block Mental Health Trust lease was also completed as part of the 2018 work program.
- **Palmer Metallurgical Improvements** – 2018 metallurgical test results demonstrated that a premium-quality barite concentrate could be produced as a co-product at the Palmer Copper-Zinc-Gold-Silver Project. The results also indicated improved zinc recoveries from 84.5% to 93% with a concentrate grade of 61.3%, and confirmed previous good recoveries of 89% for copper to good quality marketable zinc and copper concentrates. Combined total silver and gold recovery to copper and zinc concentrates are 90.6% and 69.6%, respectively, the large majority of which reports to the copper concentrate. These metallurgical results were used to update the Palmer Net Smelter Return (“NSR”) formula and validate inclusion of barite in the new 2018 resource estimates.
- **2018 Palmer Preliminary Economic Study (“PEA”)** - JDS Energy & Mining Inc. (“JDS”) was engaged in late August 2018 to prepare a PEA of the potential viability of the mineral resources at the Palmer Copper-Zinc-Gold-Silver Project. The Company has also engaged Klohn Crippen Berger Ltd. (“KCB”) to complete the water and waste management design components for the PEA. The study will be based on the new resource estimates completed in September and December 2018.
- **Letter Agreement for Johnson Tract Gold Property in Alaska** – In June 2018, the Company announced it had signed a non-binding Letter Agreement with Cook Inlet Region, Inc. (“CIRI”), an Alaskan Native Corporation, for the lease rights to the 20,942 acre high grade Johnson Tract gold-zinc property located near tidewater, 200 kilometers southwest of Anchorage, Southcentral Alaska. This property includes the very high-grade Johnson Tract Au-Ag-Zn-Cu-Pb deposit along with excellent exploration potential indicated by several other prospects over a 12 km strike length. The Johnson Tract drill discovery made by Anaconda in 1982 (pre NI 43-101) reported **102.6 meters grading 10.94 g/t gold, 8.01% zinc, 0.75% copper, 2.13% lead and 8.5 g/t silver**, including **50 meters grading 20.0 g/t gold, 9.4% zinc, 1.0% copper, 2.8% lead and 12.7 g/t silver**. The Johnson Tract acquisition will be a “flagship” addition to the Company’s gold portfolio and has the potential to add fundamental value to a planned spinout of the Company’s gold assets. The Lease Agreement is being finalized and a NI 43-101 report is being prepared on the pre-1995 historic assay result data.
- **\$10,000,000 Private Placement** – A \$10,000,000 private placement was completed in July 2018. The financing was preceded by a 4:1 share consolidation on May 18, 2018.



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Expanded South Wall-RW Zones Resource and the first AG Zone Mineral Resource on Palmer Project

In the September 2018 South Wall – RW Zone resource estimate (Table 1, below), the previous Inferred Resource was expanded and upgraded to an Indicated Resource of 4.68 million tonnes grading 5.23% zinc, 1.49% copper, 30.8g/t silver, 0.30g/t gold, 23.9% barite plus an expanded Inferred Resource of 5.34 million tonnes at 5.20% zinc, 0.96% copper, 29.2 g/t silver, 0.28g/t gold, 22.0% barite.

Subsequent to the September release, a December 2018 resource included a maiden AG Zone discovery Inferred Resource (Table 2, below) consisting of 4.24 million tonnes of 4.64% zinc, 0.12% copper, 0.96% lead, 119.5g/t silver, 0.53 g/t gold and 34.8% barite. The total Palmer project resource now stands at **4.68 million tonnes Indicated** grading 5.23% zinc, 1.49% copper, 30.8g/t silver, 0.30g/t gold, 23.9% barite and **9.6 million tonnes Inferred** at 4.95% zinc, 0.59% copper, 0.43 % lead, 69.3 g/t silver, 0.39g/t gold, 27.7% barite.

The resource now reports barite mineralization for the Palmer deposit, that based on metallurgical and market studies, highlights the opportunity for barite to contribute value as an industrial mineral co-product.

Table 1. Total Mineral Resource for the Palmer Project (all deposits)

Zone	Cut-off	Resource Category	Tonnes (1,000s)	Zn (%)	Cu (%)	Pb (%)	Ag (g/t)	Au (g/t)	Barite (BaSO ₄ %)	ZnEq (%)	CuEq (%)
RW and South Wall	\$75/t NSR	Indicated	4,677	5.23	1.49	-	30.8	0.30	23.9	10.21	3.92
	\$75/t NSR	Inferred	5,338	5.20	0.96	-	29.2	0.28	22.0	8.74	3.35
AG Zone	5.0% ZnEq	Inferred	4,256	4.64	0.12	0.96	119.5	0.53	34.8	9.04	3.46
Total:		Indicated	4,677	5.23	1.49	-	30.8	0.30	23.9	10.21	3.92
		Inferred	9,594	4.95	0.59	0.43	69.3	0.39	27.7	8.87	3.40
CONTAINED METAL											
		Resource Category		Zn (Mlb)	Cu (Mlb)	Pb (Mlb)	Ag (M oz)	Au (K oz)	Barite (K tonnes)	ZnEq (M lbs)	CuEq (M lbs)
Total:		Indicated		539	154	-	4.6	45.1	1,116	1,053	404
		Inferred		1,047	124	90	21.4	120.6	2,654	1,876	719

Notes:

1. See NI 43-101 technical report filed on SEDAR dated January 31, 2019.
2. Net Smelter Return ("NSR") equals (US\$16.01 x Zn% + US\$48.67 x Cu% + US\$23.45 x Au g/t + US\$0.32 x Ag g/t). NSR formula is based on estimated metallurgical recoveries, assumed metal prices, and assumed offsite costs that include transportation of concentrate, smelter treatment charges, and refining charges.
3. ZnEq equals = (\$66 x Cu% + \$25.3 x Zn% + \$22 x Pb% + \$0.51 x Ag g/t + \$40.19 x Au g/t) / 25.3.
4. Assumed metal prices for NSR and ZnEq formulas are US\$3.00/lb. for copper (Cu), US\$1.15/lb. for zinc (Zn), US\$ \$1.00/lb. for lead, US\$1,250/oz for gold (Au), US\$16/oz for silver (Ag).
5. Estimated metal recoveries for Palmer Deposit are 93.1% for zinc, 88.9% for copper, 90.9% for silver (70.8% to the Cu concentrate and 20.1% to the Zn concentrate) and 69.6% for gold (49.5% to the Cu concentrate and 20.1% to the Zn concentrate) as determined from metallurgical locked cycle flotation tests completed in 2018. No recovery data is available for AG Zone deposit.
6. Barite (BaSO₄) not included in the Cut-off determination or reported ZnEq and CuEq.



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Table 2. AG Zone Deposit Only: Sensitivity by Cut-off Grade
INFERRED MINERAL RESOURCE ESTIMATE (effective date December 18, 2018)

Cut-off Grade (% ZnEq)	Tonnes (1,000s)	Zn (%)	Cu (%)	Pb (%)	Ag (g/t)	Au (g/t)	Barite (BaSO₄%)	ZnEq (%)
4.5	4,648	4.48	0.12	0.90	114.2	0.50	34.1	8.68
5.0	4,256	4.64	0.12	0.96	119.5	0.53	34.8	9.04
5.5	3,975	4.78	0.13	1.00	122.2	0.54	34.7	9.31

Contained Metal								
Cut-off Grade (% ZnEq)	Zn (M lb)	Cu (M lb)	Pb (M lb)	Ag (M oz)	Au (K oz)	Barite (K tonnes)	ZnEq (M lbs)	
4.5	459	12	92	17.1	74.7	1,583	889	
5.0	435	11	90	16.4	72.5	1,480	848	
5.5	419	11	88	15.6	69.0	1,379	816	

Notes:

1. Includes all drill holes completed at AG Zone; drilling completed between June 2017 and September 2018.
2. Zinc Equivalent ("ZnEq") based on assumed metal prices and 100% recovery and payable for Cu, Zn, Pb, Ag and Au.
3. ZnEq equals = $(\$66 \times \text{Cu}\% + \$25.3 \times \text{Zn}\% + \$22 \times \text{Pb}\% + \$0.51 \times \text{Ag g/t} + \$40.19 \times \text{Au g/t}) / 25.3$.
4. Assumed metal prices are US\$3.00/lb. for copper (Cu), US\$1.15/lb. for zinc (Zn), US\$ 1.00/lb. for lead, US\$1,250/oz for gold (Au), US\$16/oz for silver (Ag).
5. Barite (BaSO₄) not included in the Cut-off determination or reported ZnEq.
6. Mineral resources as reported are undiluted.
7. Mineral resource tonnages have been rounded to reflect the precision of the estimate.
8. Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

2018 Palmer Exploration Program

The very successful 2018 exploration program completed on the Company's flagship Palmer project included a drilling program focused on advancing and expanding on the main South Wall-RW deposit area and the new 2017 AG zone discovery and tested one regional prospect, the Boundary prospect. The 2018 program saw the completion of the road access to a proposed future portal site on the Haines Block Mental Health Trust lease land. The 10,094 meter drill program was completed by the latter part of September 2018.

South Wall Drilling

Three South Wall drill holes tested the western extension of the zone, following-up on the positive results of last season. Hole CMR18-108 intersected 15.5 meters grading 1.6% copper and 4.8% zinc approximately 50 meters west and 50 meters down-dip of CMR17-97, which intersected 14.5 meters of 1.9% copper and 7.5% zinc (see Constantine news release dated October 2, 2017). The results expand the zone to the west and confirm continuity of grade and width to the west and down-plunge toward the deeper South Wall EM zone. One hole tested for the fault offset of the down dip South Wall and three holes tested for the shallow up-dip northeast edge of Zone 2.



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AG Zone Drilling

The AG Zone is a new deposit discovered in 2017 located three kilometers southwest from the main South Wall mineral resource, and relatively close to existing road infrastructure. The significant precious metal mineralization observed at AG Zone is characteristic of other Late Triassic volcanogenic massive sulphide ("VMS") deposits in the region such as Greens Creek, one of the largest and lowest cost primary silver mines in the world. A total of 16 holes targeted the AG Zone in 2018. The large step-outs very quickly expanded the total known extent of the mineralization and the results have been incorporated into the maiden AG Zone Inferred Resource released in December 2018. A highlight AG zone step-out hole of the 2018 season was CMR18-110 with 43.3 meters grading 143 g/t silver, 0.5 g/t gold, 6.5% zinc, 2.5% lead that includes 28.8 meters grading 141 g/t silver, 0.5 g/t gold, 9.0% zinc, 3.5% lead. The zone remains open to further expansion along strike and to depth.

New Prospects Drilling

The 2018 drilling program included testing one of several previously untested property-wide exploration targets. The Boundary Prospect that hosts numerous surface occurrences of high-grade mineralization was tested with four holes from one drill pad location. The Company is encouraged by the promising geological setting, alteration and low-grade mineralization encountered in this initial exploration drilling that shares similarities with the AG Zone and RW Zone.

Palmer Metallurgical Improvements

The test work quantified the recovery of barite, a mineral that is abundant within the high-grade copper-zinc resource at Palmer. This was important to determine because the barite would otherwise become waste generated in the production of copper and zinc concentrates. However, if commercially viable, removal would significantly reduce the quantity of tailings. Results were also reported for copper-zinc flotation work and grindability tests that confirm and enhance the attractive mineral processing characteristics produced by previous metallurgical test work. This includes a significant improvement in zinc recoveries to 93.1% to a concentrate grading 61.3% zinc, and high recoveries for copper with silver and gold reporting mainly to the copper concentrate.

Highlights of Barite Test Results:

- Barite recovery of 91.1% to a clean, high-grade barite concentrate with a high Specific Gravity (SG) of 4.44,
- Produced barite concentrate meets all specifications for oilfield drilling grade barite, including specific gravity, particle size, and purity, and appears to be a market-ready product, and
- Simple flowsheet with barite recovered by flotation from the tails of copper and zinc flotation.

Highlights of Copper-Zinc Test Results:

- Very high zinc recovery of 93.1% to a concentrate grading 61.3% zinc; an improvement in recovery of 8.2% and an increase in zinc concentrate grade over previous locked cycle tests,
- High copper recoveries of 88.9% to a concentrate grading 24.5% copper; reproducing similar results to previous locked cycle tests
- Combined total silver and gold recovery to copper and zinc concentrates of 90.6% and 69.6% respectively, the large majority of which reports to the copper concentrate, and



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- Grindability tests indicate a low Bond Work Index of 6.3 kWh/tonne, which is considered very soft, and therefore will have low grinding cost and power consumption.

Barite Market Study

A barite market study has been completed for the Palmer Project that supports the potential economics of recovering barite as a saleable commodity. In addition to estimating wholesale price and size of North American drilling-grade barite markets, the study also assessed the logistics and cost of transportation. The majority of the estimated 3 million tonnes of barite consumed each year in the United States is imported from overseas. The Palmer Project is expected to have a significant competitive advantage due to its location in North America, proximity to deep tidewater and highway systems, and low production costs because the barite would be a co-product of copper and zinc production that would already be mined and milled.

Barite content within the 2018 resources averages 22 to 35% by weight within the sulphide mineralization and may have some economic enhancement for the Project. With the new metallurgical data demonstrating that barite is recoverable in a saleable form, barite is now modelled and reported along with copper, zinc, silver and gold in the new September 27, 2018 and December 18, 2018 mineral resource estimates.

2018 Palmer Preliminary Economic Study

In August 2018, the Company announced that it selected JDS Energy & Mining Inc. ("JDS") to prepare a preliminary economic assessment of the potential viability of the mineral resources at the Palmer Copper-Zinc-Gold-Silver Project and engaged Klohn Crippen Berger Ltd. ("KCB") to complete the water and waste management design components. JDS and KCB are both highly skilled and reputable companies, and their work is supported by Company personnel and other key technical consultants.

Johnson Tract Gold Deposit, Alaska

The Johnson Tract deposit is a gold and base metal rich quartz vein stockwork in Jurassic-aged volcanoclastic rocks. Mineralization is interpreted to have formed in a sub-sea floor setting contemporaneous with the host stratigraphy – a similar age and environment to the well-known precious and base metal-rich Eskay Creek deposit. Past work includes eighty-eight (88) drill holes for a total of 26,840 meters, and major engineering and mining related studies by Westmin Resources Ltd. that evaluated direct shipping ore to their Premier mill in Stewart, BC. The Project reverted back to the Cook Inlet Region, Incorporated ("CIRI") in the late 1990's and has seen no work in over 20 years.

Historical metallurgical testing (pre NI 43-101) on drill core samples have generally indicated that good recoveries can be expected and predicted marketable concentrates with very good gold recoveries.

The Johnson Tract quartz stockwork deposit is dominated by zinc mineralization with exceptional gold values. One of the discovery holes drilled in 1982 has a mineralized interval of 102.6 meters, assaying 10.94 g/t gold, 8.01% zinc, 0.75% copper, 2.13% lead and 8.49 g/t silver, including a subinterval of 14.0 meters assaying 59.09 g/t gold, 9.81% zinc, 0.88% copper, 3.12% lead and 18.23 g/t silver. This drill hole and selected others in the Johnson Tract deposit is provided in Table 3 below.



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Table 3: Some Selected Johnson Tract Deposit Intersections**

<i>Hole No.</i>	<i>from(m)</i>	<i>to(m)</i>	<i>L(m)</i>	<i>Au(g/t)</i>	<i>Zn(%)</i>	<i>Cu(%)</i>	<i>Pb(%)</i>	<i>Ag(g/t)</i>
JR82-3	194.0	244.0	50.0	2.14	10.23	0.56	1.18	7.01
JR82-4	155.4	258.0	102.6	10.94	8.01	0.75	2.13	8.49
<i>includes</i>	<i>190.0</i>	<i>240.0</i>	<i>50.0</i>	<i>20.01</i>	<i>9.43</i>	<i>1.01</i>	<i>2.78</i>	<i>12.66</i>
<i>includes</i>	<i>198.0</i>	<i>212.0</i>	<i>14.0</i>	<i>59.09</i>	<i>9.81</i>	<i>0.88</i>	<i>3.12</i>	<i>18.23</i>
JR82-7	182.0	218.0	36.0	13.41	2.01	0.41	0.20	3.57
JR83-12	178.5	224.3	45.8	9.07	7.54	0.90	0.20	6.72
<i>includes</i>	<i>178.5</i>	<i>188.4</i>	<i>9.9</i>	<i>40.65</i>	<i>24.76</i>	<i>1.80</i>	<i>0.01</i>	<i>11.52</i>
JR84-28	228.0	246.6	18.6	6.32	19.60	0.47	0.24	10.12
JR88-34	246.7	318.1	71.4	20.94	5.21	1.23	1.51	9.81
<i>includes</i>	<i>257.6</i>	<i>266.5</i>	<i>8.9</i>	<i>88.48</i>	<i>9.21</i>	<i>5.61</i>	<i>0.12</i>	<i>22.12</i>
<i>includes</i>	<i>277.5</i>	<i>290.6</i>	<i>13.1</i>	<i>19.10</i>	<i>7.16</i>	<i>1.36</i>	<i>4.07</i>	<i>11.07</i>
<i>includes</i>	<i>303.2</i>	<i>314.4</i>	<i>11.2</i>	<i>29.15</i>	<i>3.69</i>	<i>0.52</i>	<i>1.61</i>	<i>8.66</i>
JR90-42	294.4	318.4	24.0	7.26	2.15	0.28	0.36	3.29
JR93-65	150.0	249.7	99.7	10.07	6.34	0.90	1.27	6.68
<i>includes</i>	<i>155.0</i>	<i>168.0</i>	<i>13.0</i>	<i>28.05</i>	<i>3.68</i>	<i>1.50</i>	<i>1.39</i>	<i>10.81</i>
<i>includes</i>	<i>155.0</i>	<i>158.0</i>	<i>3.0</i>	<i>78.16</i>	<i>3.10</i>	<i>1.10</i>	<i>0.44</i>	<i>13.83</i>
JR93-68	140.8	253.0	112.2	10.34	5.01	0.66	1.48	6.35
<i>includes</i>	<i>187.0</i>	<i>195.0</i>	<i>8.0</i>	<i>39.22</i>	<i>9.61</i>	<i>1.10</i>	<i>2.45</i>	<i>12.73</i>
JR93-69	143.9	236.5	92.6	9.17	3.03	0.71	1.44	6.63
<i>includes</i>	<i>179.0</i>	<i>188.0</i>	<i>9.0</i>	<i>51.60</i>	<i>6.94</i>	<i>3.04</i>	<i>0.88</i>	<i>22.21</i>

There are at least nine other prospect areas of alteration and mineralization to the southeast and north of the Johnson Tract deposit over an approximate 12 kilometer strike length, most of which have seen little or no drilling. Best known is the Difficult Creek prospect area that consists of several surface showings about 4.5 kilometers northeast of the Johnson Tract deposit. One of the Difficult Creek prospects that was previously drill tested returned significant values in 2 holes: DC-001 returned **3 meters of 7.54 g/t gold, 3.72% zinc, 0.11% copper, 1.15% lead and 27.4 g/t silver**; DC-02 returned **13.0 meters of 8.57 g/t gold, 4.7% zinc, 0.5% copper, 0.9% lead and 37.7 g/t silver**.

***Drill results have been compiled from historical reports, drill logs, and databases from previous work on the property by Anaconda Minerals Company, Westmin Resources Ltd. and others. The work was completed prior to the introduction of NI 43-101 regulations; quality assurance and quality control procedures are unknown. Reported intersections are drilled width; information on true width is currently unavailable.*

About the Johnson Tract Property

The 20,942 acre Property consists of two parts: (1) a 11,342 acre fee simple land package (South Tract) that hosts the known deposit and (2) the 9,600 acre North Tract consisting of mineral rights only with several known high grade prospects. The Johnson Tract property is an inholding in Lake Clark National Park and the property was conveyed to CIRI under the terms of the Alaskan Native Claims Settlement Act (ANSCA) and the Cook Inlet Land Exchange. Ratified by an act of Congress and approved by the Alaska



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Legislature in 1976, CIRI is entitled to mutually agreed upon transportation and port easements through Park lands for mineral extraction.

Letter Agreement Terms

Constantine and CIRI aim to finalize terms of a 10-year lease with a renewal option as soon as practicable. Commercial terms outlined in the non-binding letter agreement signed by Constantine and CIRI include annual lease payments of \$75,000 for years one through five, escalating to \$150,000 from year six onwards, until production is achieved. Constantine may exercise its option to maintain the lease rights by incurring US\$10.0 million in expenditures over the first 10 years with at least US\$7.5 million within the first 6 years. Upon completing these expenditure requirements and satisfying other lease conditions, Constantine may renew the lease for an additional 5 years (11 through 15) by making annual lease payments of \$150,000/year (inflation adjusted) and completing an additional US\$10 million in expenditures.

Upon completion of a feasibility study and a decision to construct a mine, CIRI has the one-time right to back-in to the project and participate to a maximum 25% interest. CIRI will also receive NSR royalties of 2% to 3% on base metals and a gold price adjusted NSR royalty of 2.5% to 4%.

2018 Project Activity

All the historic work on the project pre-dates NI 43-101 reporting requirements. Initial work is being directed to compiling this data into digital format and producing a NI 43-101 report that will document the historical exploration and provide recommendations to guide future exploration. 2018 activity included:

- 1) Initiating the collection and compiling of all the historic technical hard copy data into a functional digital format.
- 2) Upgrading the condition of the existing camp, equipment and airstrip in preparation for a 2019 exploration program.
- 3) Completing a high precision GPS survey control check on drill hole collar locations and historic survey control stations.
- 4) Re-logging and re-sampling portions of selected drill holes to confirm previous sampling results. All the historic drill cores are stored in secure containers at the camp site.
- 5) Initial scoping of the surface geology and access routes.

\$10,000,000 Private Placement

In July 2018, the Company closed a \$10,000,000 private placement. The financing was completed in two tranches, totaling of 14,705,881 units (the "Units") at a price of \$0.68 per Unit for aggregate gross proceeds of \$10,000,000 that was preceded by a 4:1 share consolidation that became effective on May 18, 2018. The Units were placed with strategic investors, existing shareholders and insiders. The financing included significant investment by the Electrum Strategic Opportunities Fund II L.P. ("Electrum"), an investment fund managed by The Electrum Group LLC, and by Altius Minerals Corporation and Mr. John Tognetti, a major shareholder and insider.

Each Unit consisted of one share and one transferable share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$1.00 per share for a period of five years. Under the terms of its unit purchase agreement with the Company, Electrum has certain pre-emptive rights on future



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financings. As well, Electrum was given 2 board seat nominations which were filled by Stuart Harshaw and Richard Williams.

Summary of Base Metal Project (Palmer Property)

Palmer is an advanced stage, high-grade 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, 0.39g/t gold, 27.7% barite. The Project is being advanced in partnership with Dowa, who have earned 49% in the project by completing aggregate expenditures of US\$22 million over four years at the end of 2016. Since that time Dowa and Constantine have advanced the project by funding on a 49%/51% basis respectively. The Palmer project is located in a very accessible part of coastal southeast Alaska, with road access on the property to the immediate South Wall deposit area 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.

Summary of Gold Projects

Constantine controls a 100% interest in the core Munro Croesus gold mine property and the Golden Mile property, that collectively represent a land position with high potential 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. The Company further increased its Ontario portfolio of mineral properties by recently acquiring an option to earn a 100% interest in the Golden Perimeter property, consisting of 561 claims in the Timmins area.

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

The recently announced acquisition of the Johnson Tract high grade gold-zinc property in Southcentral Alaska described in the highlights section above is a "flagship" addition to the Company's gold portfolio and should add fundamental value to a planned spinout of the Company's gold assets once a lease agreement is finalized and NI 43-101 report is completed on the pre-1995 historic data.



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Results of Operations

The Company recorded a net loss of \$939,466 for the year ended October 31, 2018 (2017-\$2,377,178 net income).

Exploration and Evaluation Expenditures

In the year ended October 31, 2018, the Company recorded expenditures of \$6,121,200 on exploration and evaluation properties. The Palmer Project accounted for \$5,260,866 of those expenditures. During the year ended October 31, 2018, the Company made cash contributions totaling \$6,518,685 to maintain its 51% interest in the Palmer Project joint venture. During the year, the Company also incurred costs of \$760,459 (2017-Nil) on the acquisition and initial field work of the new Johnson Tract project in Alaska.

Note on Palmer Project Joint Venture Accounting

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

Operating Costs

The Company recorded net cash operating expenses of \$773,824 for the year ended October 31, 2018, compared to cash operating costs of \$813,794 for the previous year. Consulting costs (\$141,063) were higher than the previous year (\$55,404) as a result of increased costs related to new acquisitions. Legal costs for 2018 (\$8,823) showed a marked reduction compared to the previous year (\$422,846), which were high in 2017 due to: (a) one-time transaction costs on the asset sale to Lake Shore Gold Corp.; and, (b) organizational costs incurred on the start of the Palmer Project joint venture.

General and administrative costs were higher in the year ended October 31, 2018 primarily due to increased expenditures on conferences, trade shows and advertising, which doubled from \$48,917 in 2017 to \$100,448 in 2018. The Company is continuing to expand its effort in this area and these costs are expected to continue to increase in the coming year. A breakdown of total general and administrative costs for the year ended October 31, 2018 is shown in the table below:

General and Administrative expenses for the year ended October 31, 2018	Amount
Conferences, trade shows and advertising	\$ 100,448
Accounting and administration	40,317
Office expenses	26,255
Transfer agent, listing and filing fees	36,129
Total	\$ 203,149



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Annual Financial Information

Selected annual financial information for the three years ended October 31, 2018, 2017 and 2016 are as follows:

<i>At October 31,</i>	2018	2017	2016
Loss before other items	\$ (988,911)	\$ (1,027,927)	\$ (637,325)
Net income (loss) for the year	(939,466)	2,377,178	(618,003)
Income (loss) per share	(0.03)	0.08	(0.04)
Total assets	25,379,934	16,516,869	13,704,263
Total liabilities	460,953	553,519	332,224
Total shareholders' equity	24,918,981	15,963,350	13,372,039

Summary of Quarterly Results

In the three months ended October 31, 2018, the Company recorded a net loss of \$116,492 (2017-\$157,083). The Company recorded cash operating costs of \$136,277 for the quarter, compared to cash operating costs of \$256,481 for the same quarter last year. Operating costs were offset by a \$28,026 gain on foreign exchange during the quarter. Prior year operating costs were higher due to transaction and organization costs, as described in the Operating Costs section above. In the three months ended October 31, 2018, the Company incurred aggregate expenditures of \$3,195,108 on exploration and evaluations properties, the majority of which (\$2,518,338) was incurred on the Palmer Project, the Company's main operational focus during the year.

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, 2018	\$ 25,379,934	\$ (116,492)	\$ (0.01)
July 31, 2018	25,852,498	(328,971)	(0.01)
April 30, 2018	15,694,175	(244,992)	(0.01)
January 31, 2018	15,847,100	(249,011)	(0.01)
October 31, 2017	16,516,869	(157,083)	(0.01)
July 31, 2017	16,759,739	(714,145)	(0.02)
April 30, 2017	18,985,980	51,745	0.00
January 31, 2017	19,293,609	3,196,661	0.11

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



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markets, by the sale of mineral property assets, and by option and joint venture agreements that provide cash payments and management fees.

The Company and Dowa are responsible for funding the cash requirements of the Palmer Project joint venture, based on their 51:49 interests. As at October 31, 2018, the Company has made aggregate cash contributions to the Palmer Project joint venture totaling US\$7,311,625.

The Company's cash position at October 31, 2018 was \$4,307,962 (2017-\$1,780,392) and its working capital was \$4,204,181 (2017-\$1,474,298).

In July 2018, the Company completed a \$10,000,000 private placement. The Company incurred cash financing costs of \$304,740 in connection with the private placement. The proceeds of the private placement were originally announced as intended for the Palmer project and general corporate purposes. As a result of signing a letter of intent to acquire a lease interest in the Johnston Tract property, management determined it to be in the best interests of the Company to utilize a portion of the private placement proceeds for continued acquisition and due diligence costs plus camp restoration work. A total of \$760,459 was incurred on the Johnson Tract property in the fiscal year ended October 31, 2018.

The Company is dependent on equity capital to fund exploration and development of exploration properties and its on-going operations. The Company projects that it will require additional equity capital in the coming year to continue to fund its portion of the Palmer Project joint venture and other exploration work as may be determined by the Company's management.

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, 2018 and 2017:

For the year ended October 31,	2018	2017
Consulting, administrative and technical fees paid or accrued to companies owned by directors	\$ 82,150	\$ 38,039
Consulting fees paid to officers	205,975	187,013
Directors fee	93,000	-
Accounting and administration fees paid or accrued to a company 50% owned by an officer	101,682	73,789
Share-based payments to key management	159,996	139,210
	\$ 642,803	\$ 438,051

The Company paid or accrued to NS Star Enterprises Ltd., a company controlled by Mr. Wayne Livingstone, \$71,940 for consulting, management and administration services during the years ended



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October 31, 2018 (2017-\$38,039). The Company paid or accrued to Morfopoulos Consulting Associates Ltd., a company controlled by the CFO, \$101,679 for accounting, and management and administration services during the year ended October 31, 2018 (2017-\$73,789). The Company paid D. Green Geoscience Inc., a company controlled by the vice-president of exploration, \$204,750 for technical consulting and management and administration services during the year ended October 31, 2018 (2017-\$187,013).

For the year ended October 31, 2018, the Company paid wages totaling \$141,000 (2017-\$132,000) to Mr. J. Garfield MacVeigh in his capacity as President of the Company. For the years ended October 31, 2018, the Company paid wages totaling: \$181,228 (2017-\$180,463) to Elizabeth Cornejo in her capacity as Vice-President, Community and External Affairs of the Company; \$186,322 to Mr. Ian Cunningham-Dunlop in his capacity as Vice-President, Advanced Projects; and \$25,286 (2017-Nil) to Naomi Nemeth in her capacity as Vice-President, Investor Relations.

In the year ended October 31, 2018, the Company paid an aggregate of \$93,000 (2017-Nil) in directors fees to the non-executive directors of the Company.

At October 31, 2018, the Company had accounts payable of \$17,750 due to related parties for outstanding expense reimbursements, which were all paid subsequent to the year-end.

At October 31, 2018, the Company's amounts receivable balance includes \$253,681, representing the 49% non-consolidated portion of the amount receivable from CML (2017-\$165,357), \$17,264 from Carlin Gold Corporation representing amounts receivable for rent and joint venture expenses and \$6,900 from New Oroperu Resources Inc. representing amounts receivable for rent.

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.



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Summary of Outstanding Shares Data

On May 18, 2018, the Company consolidated outstanding share capital on the basis of four pre-consolidated shares for one post-consolidated share.

The Company had 44,041,753 shares outstanding on October 31, 2018 and 45,354,253 as of the date of this report.

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

No. of Stock Options	Price per Share	Expiry Date
1,312,500	\$0.28	January 17, 2019
350,000	\$0.56	March 6, 2020
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
3,156,250		

The following stock options are outstanding as of the date of this report:

No. of Stock Options	Price per Share	Expiry Date
350,000	\$0.56	March 6, 2020
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
2,068,750		

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.



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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 October 31, 2018, the Company has incurred significant losses since inception and has an accumulated operating deficit of \$7,706,052. 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.



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Political Risk

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

Environmental

Exploration and development projects are subject to the environmental laws and regulations of the state of Alaska and of the United States of America (Palmer project and Johnson Tract) 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.



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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 October 31, 2018, the Company had a total cash balance of \$4,307,962 to settle current liabilities of \$460,953.

All financial liabilities (except accrued 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



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Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency rate risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is insignificant and therefore does not hedge its foreign exchange risk.

Sensitivity analysis

The carrying value of cash, receivables, accounts payable, and amounts due to related parties closely approximate their fair values in view of the relatively short periods to maturities of these financial instruments.

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

Forward-Looking Statements

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

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

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



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necessary, market conditions and general business, economic, competitive, political and social conditions. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, there may be other factors which cause actual results to differ. Significant additional drilling is required by the Company at its Palmer property to fully understand the system size before a meaningful resource can be calculated and completed. Accordingly, readers should not place undue reliance on forward-looking statements.

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

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

Approval

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

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

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

Additional Information

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