

TROYMET EXPLORATION CORP.
UNAUDITED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED JULY 31, 2008

Notice to Reader

The accompanying unaudited interim financial statements of Troymet Exploration Corp. for the quarter ended July 31, 2008 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Corporation. These statements have not been reviewed by the Corporation's external auditors.

Dated September 26, 2008

“Kieran Downes”

Kieran Downes
President and Chief Executive Officer

“Brian Cebryk”

Brian Cebryk
Chief Financial Officer

TROYMET EXPLORATION CORP.
BALANCE SHEET

ASSETS

| | July 31 2008 | October 31 2007 (audited) |
|----------------------------------|-------------------------|--|
| CURRENT | | |
| Cash and cash equivalents | \$ 870,305 | \$ 14,632 |
| Accounts receivable | 60,969 | 7,889 |
| Subscription receivable | 20,000 | - |
| Short term investments | 476,161 | 1,207,989 |
| Drilling advance | 10,000 | - |
| Prepaid expenses | 5,474 | 2,322 |
| | 1,442,910 | 1,232,832 |
| MINERAL PROPERTY (Note 3) | 2,004,053 | 1,101,703 |
| | \$ 3,446,963 | \$ 2,334,535 |

LIABILITIES

| | | |
|--|----------------|----------------|
| CURRENT | | |
| Accounts payable and accrued liabilities | 58,881 | 73,825 |
| FUTURE INCOME TAX LIABILITIES | 190,735 | 242,647 |
| | 249,616 | 316,472 |

SHAREHOLDERS' EQUITY

| | | |
|-------------------------------------|---------------------|---------------------|
| CAPITAL STOCK (Note 4) | 3,386,614 | 2,082,939 |
| CONTRIBUTED CAPITAL (Note 4) | 104,500 | 104,500 |
| (DEFICIT) | (293,767) | (169,376) |
| | 3,197,347 | 2,018,063 |
| | \$ 3,446,963 | \$ 2,334,535 |

**TROYMET EXPLORATION CORP.
STATEMENT OF LOSS AND DEFICIT**

| | Three Months Ended | 57 Days Ended | Nine Months Ended | 57 Days Ended |
|--|-----------------------------|------------------------|-----------------------------|------------------------|
| | July 31 2008 | July 31 2007 | July 31 2008 | July 31 2007 |
| EXPENSES | | | | |
| Management fees | \$ 41,600 | | \$ 114,800 | |
| General and administration | 9,032 | | 26,559 | |
| Interest expense | 1,469 | | 9,663 | |
| Professional fees | 5,495 | | 17,455 | |
| Public company costs | 10,609 | | 14,630 | |
| Travel and related costs | 1,290 | | 9,241 | |
| | <u>\$ 69,495</u> | <u>\$ -</u> | <u>\$ 192,348</u> | <u>\$ -</u> |
| LOSS BEFORE THE FOLLOWING | \$ (69,495) | \$ - | \$ (192,348) | \$ - |
| INTEREST INCOME | <u>1,887</u> | | <u>16,044</u> | |
| LOSS BEFORE INCOME TAXES | \$ (67,609) | \$ - | \$ (176,304) | \$ - |
| Future income tax provision - recovery | 19,900 | | 51,913 | |
| NET LOSS FOR THE PERIOD | \$ (47,709) | | \$ (124,391) | |
| DEFICIT, BEGINNING OF PERIOD | <u>(246,058)</u> | | <u>(169,376)</u> | |
| DEFICIT, END OF PERIOD | <u><u>\$ (293,767)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ (293,767)</u></u> | <u><u>\$ -</u></u> |
| LOSS PER BASIC SHARE | <u><u>\$ (0.00)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ (0.00)</u></u> | <u><u>\$ -</u></u> |

**TROYMET EXPLORATION CORP.
STATEMENT OF CASH FLOWS**

| | Three Months Ended | 57 Days Ended | Nine Months Ended | 57 Days Ended |
|--|-----------------------|------------------|----------------------|------------------|
| | July 31 2008 | July 31 2007 | July 31 2008 | July 31 2007 |
| CASH PROVIDED BY OPERATING ACTIVITIES | | | | |
| Net loss | \$ (47,709) | \$ - | \$ (124,391) | \$ - |
| Items not affecting cash | | | | |
| Future income tax recovery | <u>(19,900)</u> | <u>-</u> | <u>(51,913)</u> | <u>-</u> |
| | <u>(67,609)</u> | <u>-</u> | <u>(176,304)</u> | <u>-</u> |
| CHANGES IN NON-CASH WORKING CAPITAL | | | | |
| Increase in accounts receivable | (6,106) | - | (49,403) | - |
| Increase in subscription receivable | (20,000) | - | (20,000) | - |
| Increase in drilling advance | (10,000) | - | (10,000) | - |
| Increase in prepaid expenses | 4,607 | - | (3,152) | - |
| Decrease in accounts payable and accrued liabilities | <u>(26,131)</u> | <u>-</u> | <u>(14,945)</u> | <u>-</u> |
| | <u>(57,630)</u> | <u>-</u> | <u>(97,500)</u> | <u>-</u> |
| | <u>(125,239)</u> | <u>-</u> | <u>(273,805)</u> | <u>-</u> |
| FINANCING ACTIVITIES | | | | |
| Increase (decrease) in short term investments | (354,015) | - | 731,828 | - |
| Issue of common shares | <u>1,300,000</u> | <u>-</u> | <u>1,300,000</u> | <u>-</u> |
| | <u>945,985</u> | <u>-</u> | <u>2,031,828</u> | <u>-</u> |
| INVESTING ACTIVITIES | | | | |
| Mineral properties | <u>(60,382)</u> | <u>-</u> | <u>(902,350)</u> | <u>-</u> |
| INCREASE IN CASH, FOR THE PERIOD | 760,364 | - | 855,673 | - |
| CASH, BEGINNING OF PERIOD | <u>109,941</u> | <u>1</u> | <u>14,632</u> | <u>1</u> |
| CASH, END OF PERIOD | <u>\$ 870,305</u> | <u>\$ 1</u> | <u>\$ 870,305</u> | <u>\$ 1</u> |
| | | | | |
| Interest paid | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| | | | | |
| Income taxes paid | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

TROYMET EXPLORATION CORP.
NOTES TO THE FINANCIAL STATEMENTS

1. INCORPORATION AND NATURE OF OPERATIONS

These unaudited interim consolidated financial statements have been prepared following the same accounting policies and methods of their application as the most recent audited financial statements unless otherwise noted. Disclosures provided below are incremental to those included with the audited financial statements and certain disclosures, which are normally required to be included in the notes to annual financial statements, have been condensed or omitted. The interim financial statements should be read in conjunction with the audited financial statements of Troymet Exploration Corp. as at October 31, 2007.

The unaudited interim financial statements are stated in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles.

Troymet Exploration Corp. (the "Company") was incorporated under the Business Corporations Act (Alberta) on June 4, 2007. A Plan of Arrangement between the Company, Signet Minerals Inc., and Cash Minerals Ltd. was completed on August 7, 2007. The Company was listed on the TSX Venture Exchange on September 20, 2007.

The Company is in the process of exploring and evaluating its mineral properties. On the basis of the information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral properties and related deferred costs is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. The amounts shown as mineral properties and deferred exploration costs represent net costs to date, less any amounts written off, and do not necessarily represent present or future values.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Uncertainty

The preparation of the interim financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. By nature, asset valuations are subjective and do not necessarily result in precise determinations.

Mineral Property

Costs relating to the acquisition, exploration and development of mineral properties are capitalized on an area of interest basis. These expenditures will be charged against income, through a unit-of-production basis depletion, when properties are developed to the commercial production stage. Where the Company's exploration commitments for an area of interest are performed under option agreements with a third party, the proceeds of any option payments under such agreements are applied to the area of interest to the extent costs are incurred. If an area of interest is abandoned or management determines that there is a permanent and significant decline in value, the related costs are charged to operations.

Asset Retirement Obligations

The Company recognizes asset retirement obligations in the period in which they are incurred if a reasonable estimate of a fair value can be determined. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. The liability is increased due to the passage of time, with an offsetting charge to accretion expense in the income statement over the

TROYMET EXPLORATION CORP.
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

estimated time period until settlement of the obligation. The asset is depreciated over the estimated useful life of the asset. The Company's potential asset retirement obligations result from net ownership interests in mineral property assets. As at October 31, 2007, the Company does not have any asset retirement obligations.

Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, income tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the amounts reported in the financial statements and their respective tax bases, using substantially enacted income tax rates. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in earnings in the period that the change occurs.

Flow-Through Common Shares

Capital includes flow-through shares issued pursuant to certain provisions of the Income Tax Act (the "Act"). Under the Act, where proceeds are used for eligible expenditures, the related income tax deductions may be renounced to subscribers. The future income tax liabilities are increased and share capital is decreased by the renounced tax deductions when the expenditures are renounced provided there is reasonable assurance that the expenditures will be made.

Financial Instruments

The Company's financial instruments are classified into one of these five categories: held-for-trading, held-to-maturity investments, loans and receivable, available-for-sale financial assets or other financial liabilities. The Company has classified its cash and short term investments as held-for-trading financial instruments. Accounts receivable and warrant proceeds receivable are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities. The Company is not involved in any hedge transactions and did not have any derivatives or embedded derivatives. Management does not believe that the Company is exposed to significant interest, currency or credit risks.

Reclamation Costs

The Company's activities are primarily focused on exploration directed toward the discovery of mineral resources. When it is determined that a future reclamation cost is likely, and the amount can reasonably be estimated, then the costs thereof will be accrued.

Earnings per Share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price

TROYMET EXPLORATION CORP.
NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

during the year. For the years presented the dilutive effect has not been computed as it proved to be anti-dilutive.

Basic earnings per share are calculated using the weighted-average number of common shares outstanding during the year.

3. MINERAL PROPERTY

a) Wheatcroft Lake

The Company owns a 100% interest in the Wheatcroft Lake project in Manitoba.

b) McClarty Lake

Pursuant to an option agreement between the Company and Hudson Bay Exploration and Development Company Limited ("HBED"), dated February 15, 2000 and amended on September 28, 2000, August 31, 2001, August 31, 2005, and June 28, 2007, the Company has an option to acquire a 60% interest in a mineral property located in Manitoba. As consideration, the Company agreed to make option payments totaling \$125,000. To date, \$125,000 has been paid to HBED and no further option payments are required.

As outlined in the option agreement, the Company must incur total expenditures of \$800,000 on or before August 15, 2008. Following exercise of the option HBED may buy back a 20% interest by spending \$750,000 on exploration and development over a three year period. If HBED does not elect to buy back a 20% interest its interest will convert to a 2% net smelter royalty, half of which may be purchased by the Company at any time for \$500,000.

The Company has fulfilled the expenditure requirements and completed the earn-in requirements of the option agreement. Pursuant to the option agreement, HBED has elected to earn back a 20% interest in the McClarty claims.

c) Golden Eagle

Pursuant to an option agreement dated September 24, 2001 the Company may acquire a 100% interest in the Golden Eagle property located in British Columbia. As consideration, the Company agreed to make option payments totaling \$500,000. To date, \$240,000 has been paid and the following additional payments are required:

| | |
|-----------------|-----------|
| October 1, 2008 | \$80,000 |
| October 1, 2009 | \$180,000 |

In addition, the Company has granted the option or a 1% net smelter royalty, half of which may be repurchased for \$500,000 prior to October 1, 2009.

TROYMET EXPLORATION CORP.
NOTES TO THE FINANCIAL STATEMENTS

3. MINERAL PROPERTY - continued

At July 31, 2008, expenditures incurred on mineral property are as follows:

| | Wheatcroft Lake | McClarty Lake | Golden Eagle | Key | Total |
|------------------------------|----------------------------|--------------------------|-------------------------|------------|--------------|
| Balance, October 31, 2007 | 5,078 | 291,005 | 794,455 | 11,165 | 1,101,703 |
| Additions during the year | | | | | |
| Acquisition Costs | - | 12,500 | - | 31,988 | 44,488 |
| Exploration | - | 833,835 | 23,642 | 385 | 857,862 |
| Total Additions | - | 846,335 | 23,642 | 32,373 | 902,350 |
| Balance, July 31, 2008 | \$5,078 | \$1,137,340 | \$818,097 | \$43,538 | \$2,004,053 |

4. CAPITAL STOCK

a) Authorized:

Unlimited number of Common Shares without nominal or par value
Unlimited number of Preferred Shares

The Preferred Shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series.

b) Issued:

| Outstanding | # of Common Shares | \$ Amount |
|--|--------------------|--------------|
| Outstanding, October 31, 2007 | 23,612,944 | \$ 2,082,939 |
| Common shares issued upon exercise of warrants | 30,170 | 3,675 |
| Common shares issued (private placement) | 16,250,000 | 1,300,000 |
| Outstanding, July 31, 2008 | 39,893,114 | \$ 3,386,614 |

c) Per Share Data

Basic earnings per share are calculated based on the weighted average number of 25,060,974 shares outstanding during the year. The effect of the exercise of stock options and warrants would be anti-dilutive for the purposes of calculating the fully diluted earnings per share.

TROYMET EXPLORATION CORP.
NOTES TO THE FINANCIAL STATEMENTS

4. CAPITAL STOCK - continued

d) Stock Options

The Company has a Stock Option Plan where the Company may grant options to its directors, officers, key employees and consultants for up to 10% of the outstanding common shares of the Company. The Company has issued stock options to acquire common shares as follows:

| | Options Outstanding | Weighted Average Exercise Price | Expiry Date |
|-----------------------------|------------------------|------------------------------------|-------------|
| Balance at October 31, 2007 | 2,250,000 | \$ 0.10 | 2012 |
| Issued in period | - | - | |
| Granted in period | - | - | |
| | 2,250,000 | \$ 0.10 | |
| Balance at July 31, 2008 | 2,250,000 | \$ 0.10 | |

The fair value of common share options granted to date was estimated to be \$104,500 as at the date of grant using the Black Scholes options pricing model. This amount was recognized as stock based compensation expense and contributed capital in the previous year.

e) Share Purchase Warrants

The following table presents information with respect to share purchase warrants issued and outstanding as at July 31, 2008:

| | Warrants (Arrangement) (1) | Warrants (Arrangement) (2) | Warrants @ \$0.15 (3) | Warrants @ \$0.20 (5) | Agent Options (3) (6) | Total |
|----------------------------|----------------------------------|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-------------|
| Outstanding, June 4, 2007 | - | - | - | | - | - |
| Issued in Period | - | - | - | | | - |
| Plan of Arrangement | 310,830 | 647,618 | - | | 153,352 | 1,111,800 |
| Financing | - | - | 2,500,000 | 16,250,000 | 869,983 | 19,619,983 |
| Exercised in Period | - | - | - | | (30,179) | (30,179) |
| Expired, unexercised | (310,830) | (647,618) | - | | (123,173) | (1,081,621) |
| Outstanding, July 31, 2008 | - | - | 2,500,000 | 16,250,000 | 869,983 | 19,619,983 |

(1) Pursuant to terms of the Plan of Arrangement, the Company is required to issue .25 common shares on the exercise of one Signet Minerals Inc. share purchase warrants (\$0.75 per Signet share exercise price) that was outstanding at the date of the Plan of Arrangement. Entitles the holders, at their election, to acquire 310,830 common shares of the Company; expire on November 29, 2007. The proceeds of the exercise price is to be split with Cash Minerals Ltd. During the period, 310,830 warrants expired unexercised.

TROYMET EXPLORATION CORP.
NOTES TO THE FINANCIAL STATEMENTS

4. CAPITAL STOCK - continued

- (2) Pursuant to terms of the Plan of Arrangement, the Company is required to issue .25 common shares on the exercise of one Signet Minerals Inc. share purchase warrants (\$0.85 per Signet share exercise price) that was outstanding at the date of the Plan of Arrangement. Entitles the holders, at their election, to acquire 647,618 common shares of the Company; expire on November 29, 2007. The proceeds of the exercise price is to be split with Cash Minerals Ltd. During the period, 647,618 warrants expired unexercised.
- (3) Pursuant to terms of the Plan of Arrangement, the Company is required to issue .25 common shares on the exercise of one Signet Minerals Inc. agent options (\$0.50 per Signet share exercise price) that was outstanding at the date of the Plan of Arrangement. Entitles the holders, at their election, to acquire 153,352 common shares of the Company; expire on November 29, 2007. The proceeds of the exercise price is to be split with Cash Minerals Ltd. During the period, 30,179 warrants were exercised; 123,173 warrants expired unexercised.
- (4) Comprised of 2,500,000 share purchase warrants issued in conjunction with a brokered private placement that was completed by the Company on August 30, 2007. Entitles the holders, at their election, to acquire 2,500,000 common shares of the Company; expire on August 29, 2009.
- (5) Comprised of 16,250,000 share purchase warrants issued in conjunction with a non-brokered private placement that was completed by the Company on July 8, 2008. Entitles the holders, at their election, to acquire 16,250,000 common shares of the Company; expire on July 8, 2010.
- (6) Comprised of 869,983 agent options issued to Toll Cross Securities Inc., the agent in connection with a private placement that was completed on August 30, 2007. Entitles the holder, at their election, to acquire 869,983 regular common shares of the Company at \$0.15 per share; expire on August 29, 2009.

5. RELATED PARTY TRANSACTIONS

During the nine months ended July 31, 2008, the Company paid fees of \$80,200 to companies in which Directors hold an interest for management, administrative, accounting and technical services. This amount is included in general and administration expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (“MD&A”) for the three month period ended July 31, 2008 was prepared with information available up to September 25, 2008 and should be read in conjunction with the Company’s audited financial statements and the accompanying notes for 149 day period ended October 31, 2007.

The financial statements referenced above are stated in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”).

This Management Discussion and Analysis has been reviewed and approved by Dr. Kieran Downes, P.Geo., President and Chief Executive Officer of Troymet Exploration Corp.

Company Overview

Troymet Exploration Corp. (the "Company") was incorporated under the Business Corporations Act (Alberta) on June 4, 2007. A Plan of Arrangement between the Company, Signet Minerals Inc. (“Signet”), and Cash Minerals Ltd. (“Cash Minerals”) was completed on August 7, 2007 and the Company became a reporting issuer at that time. The Company was listed on the TSX Venture Exchange on September 20, 2007. The trading symbol is “TYE”.

The Company is involved in gold, and base metal exploration. Troymet’s corporate strategy is to acquire interests in projects that have the potential to host large, high grade gold, and base metal deposits. Currently, all of the Company’s projects are located in Manitoba and British Columbia.

As of the date of this MD&A, Troymet has not earned any production revenue, nor found any proved resources on any of its properties. The Company is a reporting issuer in British Columbia and Alberta.

Forward-Looking Statements

This Management’s Discussion and Analysis may contain “forward-looking information” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein may be forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. This forward-looking information reflects the Company’s current beliefs and is based on information currently available to the Company and on assumptions the Company believes are reasonable. These assumptions include, but are not limited to, the actual results of exploration projects being equivalent to or better than estimated results in technical reports and future costs and expenses being based on historical costs and expenses, adjusted for inflation. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such

risks and other factors may include, but are not limited to: the early stage development of the Company and its projects; general business, economic, competitive, political and social uncertainties; commodity prices; the actual results of current exploration and development or operational activities; competition; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Critical Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By nature, asset valuations are subjective and do not necessarily result in precise determinations.

Exploration Projects

Troymet currently holds four mineral projects in its property portfolio. Vice-President Exploration, Tracy Hurley, P.Geol., is the qualified person under NI 43-101 who has reviewed the technical disclosure provided below.

Golden Eagle Project – Gold and Silver

The 8,178-hectare Golden Eagle project is located just south of the Yukon-British Columbia border, 70 km west-northwest of Atlin, BC. The Company controls a 100% interest in the project through a mix of 100% owned claims and optioned claims. Remaining payments for the optioned claims are as follows:

| Date | Option Payment |
|-----------------|----------------|
| October 1, 2008 | \$80,000 |
| October 1, 2009 | \$180,000 |

In addition, the optionor holds a 1% net smelter royalty, half of which may be repurchased for \$500,000 prior to October 1, 2009.

The Golden Eagle property is located within the Tintina Gold Belt and has potential for several deposit types, including high-grade gold-silver vein-hosted deposits, bulk tonnage copper/gold

porphyries with associated skarn deposits and volcanic massive sulphide (VMS) deposits. To date, eleven separate mineralized zones have been identified over the 25-kilometre length of the property.

The most significant mineralization discovered to date on the property occurs in the Middle Ridge (Tannis) area, where high-grade gold-silver mineralization is hosted in pyrite and arsenopyrite bearing quartz veins/structures within rhyolitic intrusive.

In August 2008, 12 diamond drill holes totalling 2,406 metres were completed on the Tannis zone over a 250-metre strike length to follow up high-grade gold-silver mineralization previously intersected in four holes drilled in 2005-2006 (Reference: Sept. 24, 2007 news release). One hole was abandoned prior to reaching target depth due to broken and faulted ground conditions. Assay results are pending and will be released once received and compiled.

Arsenopyrite (+pyrite) as disseminated, replacement-type and stringer mineralization within quartz veins was encountered in all eleven of the holes that reached target depth. The mineralized vein system was intersected in rhyolitic intrusive as well as in mafic volcanics of the Boundary Range Metamorphic Suite, and in granitic intrusive rocks at depth beneath the rhyolite. The presence of granitic intrusive at depth indicates a composite, volatile-rich intrusive system in this locale, which to-date has only been tested by shallow drilling. The aerial extent of the rock types in which the mineralized vein system occurs has greatly increased the potential for further discoveries.

In addition to drilling, a mapping and prospecting program was conducted on the Tannis zone and over the Jurassic volcanics and sediments that flank the Tannis zone to the west. Assay results are pending and will be released once received and compiled.

The 2008 drilling and prospecting program was managed by Equity Exploration Consultants Ltd. of Vancouver BC. All samples were prepped at the ALS Chemex sample preparation facility in Terrace, BC and sent to the ALS Chemex laboratory in Vancouver BC for analysis.

McClarty Lake Project - Copper, Zinc and Gold

The 596-hectare McClarty Lake property is located 47 kilometres south-southwest of Snow Lake, Manitoba. Troymet owns 100% of three claims (344 hectares) staked in 2000. In June 2008, Troymet completed its earn in for a 60% working interest in two claims (252 hectares) under an option agreement with Hudson Bay Exploration and Development (HBED). HBED subsequently provided notification that it intends to earn back a 20% interest in the McClarty Lake claims, requiring exploration expenditures of \$750,000. Following earn-in, the two claims will be held in a joint venture between HBED (60%) and Troymet (40%).

HBED's decision to earn back in to the property lends strong support to management's belief that McClarty Lake is a property of substantial merit with excellent potential to host a precious metal rich VMS deposit(s). The sulphide mineralization and associated alteration system at McClarty Lake is very similar to that associated with the Chisel Lake and the newly discovered Lalor Lake VMS deposits of the Snow Lake area.

No exploration work was conducted on the McCarty Lake property during the three month period ended July 31, 2008. Planning and permitting for the winter 2009 drilling program is in progress.

Key Project – Copper, Zinc and Gold

The 2,911-hectare Key property is located 125 km southwest of Vanderhoof, British Columbia. Troymet has a 100% interest in the property. There is an underlying 3% NSR, 2% of which may be bought for \$1,000,000 in cash or stock at any time.

The exploration target on the Key project is a precious metals-rich VMS deposit. The 7,882-hectare property covers an area of anomalous lake sediment geochemistry centered on a sequence of basaltic to rhyolitic volcanics, possibly preserved within a graben structure. The geological setting has strong parallels to that of the gold- and silver-rich Eskay Creek deposit in northwestern British Columbia.

In August 2008, the Company engaged GEOTECH Ltd. to conduct a helicopter-borne VTEM survey over the central portion of the property. The VTEM time domain EM system is excellent for locating discrete conductive anomalies as well as mapping lateral and vertical variations in resistivity. It also includes a magnetometer for mapping of geologic structure and variation in lithology. Results of the survey will be released once evaluated. A property-wide prospecting and lithogeochemical sampling program to follow up on the results of the survey is under consideration for the 2009 field season.

Wheatcroft Lake Project – Gold

Troymet holds 100% interest the 1,373-hectare Wheatcroft Lake property located 50 kilometres southwest of Leaf Rapids, Manitoba. The property hosts a large, low-grade gold mineralized system of approximately 2 kilometres lineal extent. Previous diamond drilling on the fold nose intersected widespread low-grade gold mineralization. Large areas of the horizon remain to be drill tested. No work was conducted on the property during the three month period ended July 31, 2008. Troymet is seeking a partner to further advance the project.

Selected Annual Information

| Year Ended | Year Ended October 31, 2007 |
|------------------------------------|--------------------------------|
| Operating Expenses | \$207,865 |
| Other Income (Expense) Interest | \$7,989 |
| Net Loss Per Share - Basic | (\$169,376) (\$0.01) |
| Capital Expenditures Minerals | \$99,203 |
| Total Assets | \$2,334,535 |
| Total Liabilities | \$316,472 |

Results of Operations

In the quarter ended July 31, 2008, Troymet realized a net loss of \$47,700 after operating expenses of \$69,500 for the period, interest income of approximately \$1,900, and a provision for income tax recovery of \$19,900. The operating expenses included management fees of \$41,600, general and administration expenses of \$9,000, professional fees of \$5,500, and public company costs of about \$10,600.

In the nine months ended July 31, 2008, Troymet realized a net loss of \$124,400 after operating expenses of \$192,300, interest income of \$16,000, and a provision for income tax recovery of \$51,900. The operating expenses included management fees of \$114,800, general and administration expenses of \$26,600, professional fees of nearly \$17,500, and public company costs of \$14,600.

During the quarter ended July 31, 2008, Troymet incurred capital expenditures of \$60,400. A majority of the expenditures or \$32,400 was spent on the Key property option payment. In the nine months ended July 31, 2008, the Company has incurred total capital expenditures of \$903,400 including \$846,300 at McClarty Lake.

During the nine month period ended July 31, 2008, there were 30,170 agent options exercised for total proceeds of approximately \$3,700. In addition, the Company completed a non-brokered private placement on July 8, 2008 issuing 16,250,000 common shares at a price of \$0.08 per common share to raise gross proceeds of \$1,300,000

The fully diluted number of common shares outstanding at July 31, 2008 was 61,763,097 shares including 39,893,114 basic common shares, 2,250,000 options, and 19,619,983 share purchase warrants.

Capital Expenditures

| | Wheatcroft Lake | McClarty Lake | Golden Eagle | Key | Total |
|------------------------------|----------------------------|--------------------------|-------------------------|------------|--------------|
| Balance, October 31, 2007 | 5,078 | 291,005 | 794,455 | 11,165 | 1,101,703 |
| Additions during the year | | | | | |
| Acquisition Costs | - | 12,500 | - | 31,988 | 44,488 |
| Exploration | - | 833,835 | 23,642 | 385 | 857,862 |
| Total Additions | - | 846,335 | 23,642 | 32,373 | 902,350 |
| Balance, July 31, 2008 | \$5,078 | \$1,137,340 | \$818,097 | \$43,538 | \$2,004,053 |

As shown on the balance sheet dated July 31, 2008, the Company's mineral property balance was \$2,004,053. This is an increase of \$902,350 from the year end balance of \$1,101,703.

Liquidity and Capital Resources

The Company's practice is to proceed with staged exploration where each stage is dependent on successful results of the preceding stage. Troymet relies on proceeds of equity financings to fund its exploration commitments and discharge its liabilities as they come due. As of July 31, 2008, the Company had working capital of approximately \$1,384,000. The Company is well-funded to aggressively pursue its planned exploration work for the rest of fiscal 2008.

Total capital expenditures of \$902,350 during the period ended July 31, 2008 were funded by cash on hand and investments. Management anticipates that future capital expenditures and operations will be funded by the current working capital and future equity offerings.

Results from its exploration programs and / or additional mineral property acquisitions may result in additional financial requirements. If needed, Troymet will be required to raise additional financing. However, there is no assurance that funding will be available on terms acceptable to the Company or at all. If such funds cannot be secured, the Company may be forced to curtail additional exploration and / or property acquisition efforts.

Share Information

During the nine month period ended July 31, 2008, 30,170 agent options were exercised for total proceeds of \$3,676. In addition, the Company completed a non-brokered private placement raising gross proceeds of \$1,300,000; this financing consisted of 16,250,000 units being issued at a price of \$0.08 per share. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable into one common share at \$0.20 per share

until July 8, 2010. A summary of the Company's outstanding securities at July 31, 2008 is provided in the table below:

| Outstanding | # of Common Shares | \$ Amount |
|--|--------------------|--------------|
| Outstanding, October 31, 2007 | 23,612,944 | \$ 2,082,939 |
| Common shares issued upon exercise of warrants | 30,170 | 3,676 |
| Common shares issued (private placement) | 16,250,000 | 1,300,000 |
| Outstanding, July 31, 2008 | 39,893,114 | \$ 3,386,615 |

Summary of Quarterly Results

A summary of quarterly results for the last three quarters is provided in the table below. As the Company was not incorporated until June 4, 2007, no comparative figures exist for prior periods.

| Fiscal 2008 | QIII 31-Jul-08 | QII 30-Apr-08 | QI 31-Jan-08 | QIV 31-Oct-07 | 54 Days 31-Jul-07 |
|----------------------|-------------------|------------------|-----------------|------------------|----------------------|
| Operations | | | | | |
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Loss | (\$47,709) | (\$54,300) | (\$32,862) | (\$169,376) | \$0 |
| Per Share - Basic | (\$0.00) | \$0.00 | (\$0.00) | (\$0.01) | \$0.00 |
| Balance Sheet | | | | | |
| Working Capital | \$1,384,029 | \$212,020 | \$1,048,742 | \$1,159,007 | \$1 |
| Total Assets | \$3,446,963 | \$2,240,702 | \$2,266,051 | \$2,334,500 | \$1 |
| Capital Expenditures | \$60,382 | \$760,888 | \$81,080 | \$99,203 | \$0 |

Transactions with Related Parties

During the period, the Company paid fees of \$80,200 (2007 - NIL) to companies in which Directors held an interest for technical, management, administrative, and accounting services. This amount is included in management fees and mineral properties.

Risks and Uncertainties

Troymet competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral properties, claims, and other interests, as well as for the recruitment and retention of qualified personnel.

All of the properties in which Troymet has an interest, or the right to acquire an interest, are in the early exploration stage and are without a known body of commercial ore. Development of Troymet's mineral properties will only follow upon obtaining satisfactory exploration results. Exploration for and the development of mineral resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that Troymet's exploration and development activities will result in any discoveries of commercial bodies of ore.

The Company is in compliance in all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in government regulations has the potential to reduce the profitability of operations.

Aboriginal peoples have claimed aboriginal title and rights to resources and various properties in western Canada. Such claims, in relation to Troymet's lands, if successful, could have an adverse effect on Troymet or its respective operations.

Troymet will require additional financing to continue its business plan and there is no assurance that financing will be available or, if available, will be on reasonable terms. To the extent that financing is not available, Troymet may have to reduce exploration activities and work commitments may not be satisfied resulting in a loss of property ownership by Troymet.

Investor Relations Activities

The Company did not engage any outside consultants to provide investor relations activities during the period ended July 31, 2008. All investor relations activities during this period were provided by the Company's officers.

Subsequent to period end, on August 1, 2008, the Company engaged Senergy Communications Inc. ("Senergy") to provide investor relations services. An initial six (6) month consulting agreement with Senergy was signed. This agreement, which has an option to renew at terms mutually agreeable to each party, requires the Company to pay Senergy \$7,500 per month for investor relations services, \$1,000 per month for a dedicated surrogate office and related administrative services, and to reimburse Senergy for all pre-approved expenses. In addition, Senergy was granted 125,000 incentive stock options exercisable at \$0.15 per share and Shiro Rae, an employee of Senergy, has been granted 75,000 options. The options shall be exercisable as to 1/4 of the grant every three months from the date of grant in accordance with Policy 4.4 of the TSX Venture Exchange. Senergy and Shiro Rae currently own no shares of Troymet.

Anthony Zelen, owner of Senergy, directly and indirectly owns 325,000 common shares of Troymet.

Vancouver-based Senergy Communications Inc. provides investor relations and marketing services to public companies in the natural resource sectors. Senergy will assist Troymet in fostering productive, continuing dialogues with analysts, brokers, potential investors, current shareholders and other financial professionals.

Outlook

Troymet enters the fourth quarter of 2008 with working capital of approximately \$1,384,000 and significant discoveries at both its McClarty Lake and Golden Eagle projects. HBED's decision to earn back into the two claims at McClarty Lake lends strong support to management's belief that McClarty Lake is a property of substantial merit with excellent potential to host a precious metal rich VMS deposit(s). The sulphide mineralization and associated alteration system at McClarty Lake is very similar to that associated with the Chisel Lake discovery and the newly discovered Lalor Lake volcanogenic massive sulphide deposits of the Snow Lake area. The upcoming 2009 winter drilling program at McClarty Lake should be a significant development of the property.

As described above, Troymet continued its drilling program at Golden Eagle with 12 holes being drilled on the Tannis zone and prospecting/mapping of the Tannis zone and its extensions. The Company is currently awaiting assay results. A 2009 summer exploration program of drilling, prospecting and mapping is planned to further advance the project.

Troymet conducted a helicopter-borne VTEM survey over the central portion of the Key property. Results of this survey will be released once evaluated. A property-wide prospecting and lithogeochemical sampling program to follow up on the results of the survey is under consideration for the 2009 field season.

Other

Additional information relating to Troymet's business and activities can be found on SEDAR at www.sedar.com.

TROYMET EXPLORATION CORP.

CORPORATE INFORMATION

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Share Listing

TSX Venture Exchange
Symbol: "TYE"