

TROYMET EXPLORATION CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

**THREE MONTHS ENDED JANUARY 31, 2014
(UNAUDITED)**

EXPRESSED IN CANADIAN DOLLARS

Notice to Reader

The accompanying unaudited condensed interim financial statements of Troymet Exploration Corp. for the quarter ended January 31, 2014 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 March 21, 2014

“Kieran Downes”

Kieran Downes
President and Chief Executive Officer

“Brian Cebryk”

Brian Cebryk
Chief Financial Officer

TROYMET EXPLORATION CORP.
Condensed Interim Statements of Financial Position
(Unaudited – Expressed in Canadian Dollars)

	January 31 2014	October 31 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 178,562	\$ 171,301
Accounts receivable	35,880	33,934
Short term investments	1,902,804	-
Prepaid expenses	<u>10,226</u>	<u>3,860</u>
	2,127,472	209,095
MINERAL EXPLORATION AND EVALUATION ASSETS (Note 3)		
	2,867,657	4,901,904
INVESTMENT IN MCCLARTY LAKE (Note 4)	<u>1,564,328</u>	<u>1,564,328</u>
	<u>\$ 6,559,457</u>	<u>\$ 6,675,327</u>
LIABILITIES		
CURRENT LIABILITY		
Accounts payable and accrued liabilities	45,346	68,332
DEFERRED INCOME TAX		
	<u>57,231</u>	<u>57,231</u>
	<u>102,577</u>	<u>125,563</u>
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 5)	9,159,714	9,159,714
RESERVE (Note 6)	991,181	991,181
DEFICIT	<u>(3,694,015)</u>	<u>(3,601,131)</u>
	<u>6,456,880</u>	<u>6,549,764</u>
	<u>\$ 6,559,457</u>	<u>\$ 6,675,327</u>

See accompanying notes to financial statements.

TROYMET EXPLORATION CORP.
Condensed Interim Statement of Net and Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

	3 Months January 31 2014	3 Months January 31 2013
EXPENSES		
Management fees	\$ 43,388	\$ 19,345
General and administration	4,238	14,187
Professional fees	35,633	10,402
Public company costs	7,734	32,474
Share based compensation (compensation)	-	(2,065)
Travel and related costs	<u>4,696</u>	<u>3,211</u>
	<u>95,689</u>	<u>77,554</u>
LOSS BEFORE FINANCE INCOME AND INCOME TAXES	(95,689)	(77,554)
FINANCE INCOME	<u>2,805</u>	<u>488</u>
LOSS BEFORE INCOME TAXES	(92,884)	(77,066)
DEFERRED INCOME TAX RECOVERY	<u>-</u>	<u>-</u>
NET AND COMPREHENSIVE LOSS	<u>\$ (92,884)</u>	<u>\$ (77,066)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>

See accompanying notes to financial statements.

TROYMET EXPLORATION CORP.
Condensed Interim Statements of Changes in Equity
(Unaudited – Expressed in Canadian Dollars)

Equity Attributable to Common Shareholders

	Number of common shares	Share capital	Reserve	Deficit	Total equity
Balance, November 1, 2012	121,856,225	\$ 9,159,714	\$ 991,181	\$ 2,780,023	\$ 7,370,872
Loss for the year	-	-	-	821,108	(821,108)
Balance, October 31, 2013	121,856,225	\$ 9,159,714	\$ 991,181	\$ 3,601,131	\$ 6,549,764
Balance, November 1, 2013	121,856,225	\$ 9,159,714	\$ 991,181	\$ 3,601,131	\$ 6,549,764
Loss for the period	-	-	-	92,884	(92,884)
Balance, January 31, 2014	121,856,225	\$ 9,159,714	\$ 991,181	\$ 3,694,015	\$ 6,456,880

See accompanying notes to financial statements.

TROYMET EXPLORATION CORP.
Condensed Interim Statements of Cash Flow
(Unaudited – Expressed in Canadian Dollars)

	3 Months January 31 2014	3 Months January 31 2013
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net and comprehensive loss	\$ (92,884)	\$ (77,066)
Items not affecting cash and cash equivalents		
Deferred income tax recovery	-	-
Share based compensation	-	(2,065)
Changes in non-cash working capital (Note 9)	<u>(31,298)</u>	<u>26,372</u>
	<u>(124,181)</u>	<u>(52,759)</u>
 CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Increase in short term investments	(1,902,804)	249,513
Investment in mineral exploration and evaluation assets	(5,753)	(67,740)
Investment in McClarty Lake	-	(1,500)
Refund of reclamation deposit	40,000	-
Sale of Key Property	2,000,000	-
Changes in non-cash working capital (Note 9)	-	(117,863)
	<u>131,443</u>	<u>62,410</u>
 CASH PROVIDED BY FINANCING ACTIVITIES		
Issuance of common shares	-	-
	<u>-</u>	<u>-</u>
 NET INCREASE (DECREASE) IN CASH	7,261	9,651
 CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>171,301</u>	<u>110,562</u>
 CASH AND CASH EQUIVALENTS, END OF PERIOD	<u><u>\$ 178,562</u></u>	<u><u>\$ 120,213</u></u>
 Supplemental cash flow disclosure		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

See accompanying notes to financial statements.

TROYMET EXPLORATION CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
Three Months Ended January 31, 2014
(Unaudited – Expressed in Canadian Dollars)

1. INCORPORATION AND NATURE OF OPERATIONS

Troymet Exploration Corp. (the "Company"), of Box 1511, Comox, British Columbia, 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 exploration and evaluation assets. On the basis of the information to date, it has not yet determined whether these assets contain economically recoverable ore reserves. The underlying value of the mineral exploration and evaluation assets 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 exploration and evaluation assets and deferred exploration costs represent net costs to date, less any amounts written off, and do not necessarily represent present or future values.

Statement of compliance and International Financial Reporting Standards

These financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. The Company has not realized a profit from operations since inception and there can be no assurance that it will either achieve or maintain profitability in the future.

The Company's ability to continue as a going concern is dependent on accessing capital markets, or entering into collaborative agreements that would provide additional financing. The outcome of these matters is materially uncertain at this time.

Realization values may be substantially different from carrying values as shown and these financial statements do not include any adjustments that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Approval of the financial statements

The condensed interim financial statements of the Company for the three months ended January 31, 2014, were authorized for issue on March 21, 2014 by the Board of Directors of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 2 to the audited financial statements for the year ended October 31, 2013 except for income tax expense which is recognized in each interim period based on the best estimate of the weighted average annual income tax rate for the full financial year.

The significant accounting policies of the Company include the following:

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
Three Months Ended January 31, 2014
(Unaudited – Expressed in Canadian Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of presentation

These financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standard (“IAS”). The Company has consistently applied the same accounting policies throughout all periods presented. The Company’s functional and reporting currency is the Canadian dollar.

Measurement basis

These condensed interim financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policy set out in this note.

Significant accounting judgments, estimates and assumptions

The preparation of these condensed interim financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant areas requiring the use of management estimates include the determination of impairment of mineral exploration and evaluation assets (including the Company’s investment in McClarty Lake), the recoverability and measurement of deferred income tax assets and liabilities, the recognition and valuation of provisions for restoration and environmental liabilities and assumptions used in valuing options and warrants in share-based compensation calculations. Management believes the estimates are reasonable; however, actual results may differ from those estimates.

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee (“IFRIC”) that are mandatory for accounting periods beginning after November 1, 2011 or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* (“IFRS 9”) was issued as part of the IASB’s ongoing project to replace IAS 39 *Financial Instruments – Recognition and Measurement* (“IAS 39”). IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. Classification under IFRS 9 is driven by the entity’s business model for managing the financial assets and the contractual characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities. Modifications made to the requirements for transition from IAS

TROYMET EXPLORATION CORP.
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

39 to IFRS 9 introduce new disclosure requirements and eliminate the requirement to restate prior periods to reflect the new presentation.

As part of the announcement for the limited amendments to IFRS 9, the IASB tentatively decided to defer the mandatory effective date pending the finalization of the impairment and classification requirements.

IFRS 11 Joint Arrangements

IFRS 11 *Joint Arrangements* (“IFRS 11”) replaces IAS 31 *Interests in Joint Ventures* (“IAS 31”) and requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations. Unlike IAS 31, the use of proportionate consolidation to account for joint ventures is not permitted. Under IFRS 11 equity accounting is mandatory for participants in joint ventures.

IFRS 11 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. Management has not yet determined the potential impact the adoption of IFRS 11 will have on the Company’s financial statements.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 *Disclosure of Interests in Other Entities* (“IFRS 12”) requires extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

IFRS 12 is to be applied retrospectively and is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. Management has not yet determined the potential impact that the adoption of IFRS 12 will have on the Company’s financial statement

IFRS 13 Fair Value Measurement

IFRS 13 *Fair Value Measurement* (“IFRS 13”) replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements. Entities are required to make various disclosures depending upon the nature of the fair value measurement and the level within the fair value hierarchy in which it is classified.

IFRS 13 is to be applied prospectively and is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. Management has not yet determined the potential impact that the adoption of IFRS 13 will have on the Company’s financial statements.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

IFRS 13 Fair Value Measurement

IFRS 13 Fair Value Measurement (“IFRS 13”) replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements. Entities are required to make various disclosures depending upon the nature of the fair value measurement and the level within the fair value hierarchy in which it is classified.

IFRS 13 is to be applied prospectively and is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. Management has not yet determined the potential impact that the adoption of IFRS 13 will have on the Company’s financial statements.

3. MINERAL EXPLORATION AND EVALUATION ASSETS

a) McClarty Lake

The McClarty Lake property is comprised of five contiguous mineral claims totaling 596 hectares. The Company owns 100% of three of the claims that were staked in 2000 and 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 had an option to acquire a 60% interest in two claims comprising 252 hectares. As consideration, the Company made option payments totaling \$125,000 to HBED. No further option payments are required.

The Company has fulfilled the expenditure requirements and completed the earn-in requirements of the option agreement by incurring \$800,000 of exploration expenditures on or before August 15, 2008. Pursuant to the option agreement, HBED incurred sufficient expenditures to earn back a 20% interest in the two claims covered by the option agreement by spending \$750,000 on exploration and development. This earn-back was completed in June 2011 and on July 30, 2012 an agreement was signed to jointly continue exploration on the property (see note 4).

b) Golden Eagle

Pursuant to an option agreement dated September 24, 2001 the Company acquired a 100% interest in the Golden Eagle property located in British Columbia. The Company has granted the optionor a 1% net smelter royalty.

c) Key

On November 19, 2013, the Company announced that it had entered into an asset sale agreement (the “Sale Agreement”) with respect to the sale of Troymet’s 100% interest in the Key Property in British Columbia to New Gold Inc. (“New Gold”) (the “Transaction”).

Pursuant to the Transaction, Troymet sold its 100% interest in the Key Property, along with associated technical information and permits, for a purchase price of \$2,000,000 cash. Troymet

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3. MINERAL EXPLORATION AND EVALUATION ASSETS - continued

was also be granted a 2% net smelter returns royalty ("NSR Royalty") on the Key Property, of which 1% (reducing the NSR Royalty from 2% to 1%) can be purchased by New Gold for \$2,000,000 cash. In addition, pursuant to the Sale Agreement, New Gold has committed to spend \$1,500,000 on the Key Property, with a minimum of \$500,000 of expenditures on or before December 31, 2014 and the balance of \$1,000,000 of expenditures on or before December 31, 2018, subject to certain conditions.

The closing of the sale occurred on December 10, 2013.

d) Thelon

On March 29, 2012, the Company announced that it had signed an option agreement to acquire a 100% interest in the Thelon project located in Nunavut Territory. Under terms of the option agreement, the Company will pay the optionor \$5,000 upon signing and \$5,000 on each anniversary date while the option is valid and in good standing. In addition, the Company will pay 2% of all exploration expenditures until a production decision is reached. Under terms of the option agreement, there is also a 2% gross royalty payable to the optionor. One half (1/2) of 1% of the royalty can be purchased for \$1,000,000 at any time while one-third of the remaining royalty can be purchased for an additional \$2,000,000 at any time.

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Three Months Ended January 31, 2014
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3. MINERAL AND EXPLORATION ASSETS – continued

At January 31, 2014, expenditures incurred on mineral exploration and evaluation assets are as follows:

	McClarty Lake	Golden Eagle	Key	Thelon	Exploration Advances	Total
Balance, October 31, 2012	\$ -	\$ 2,761,215	\$ 2,517,184	\$ 68,343	\$ 40,500	\$ 5,387,242
Additions during the period						
Acquisition Costs	-	240	390	31,755	-	32,384
Geophysics	-	-	4,697	-	-	4,697
Geochemistry / Assays	-	-	31,922	-	-	31,922
Drilling Costs	6,600	400	47,849	-	-	54,848
Geological	300	-	-	-	-	300
Total Additions	6,900	640	84,858	31,755	-	124,152
Share Based Compensation	-	-	-	-	-	-
Transferred to Investment in McClarty Lake	(6,900)	-	-	-	-	(6,900)
Mineral Exploration Tax Credit	-	(48)	(25,340)	-	-	(25,388)
Exploration Advances	-	-	-	-	(500)	(500)
Impairment	-	-	(576,702)	-	-	(576,702)
Balance, October 31, 2013	\$ -	\$ 2,761,807	\$ 2,000,000	\$ 100,098	\$ 40,000	\$ 4,901,904
Additions During the Period						
Acquisition Costs	-	-	-	1,773	-	1,773
Geophysics	-	-	-	-	-	-
Geochemistry / Assays	-	132	-	-	-	132
Drilling Costs	-	1,200	-	-	-	1,200
Geological	-	2,648	-	-	-	2,648
Total Additions	-	3,980	-	1,773	-	5,753
Share Based Compensation	-	-	-	-	-	-
Transferred to investment in McClarty Lake	-	-	-	-	-	-
Mineral Exploration Tax Credit	-	-	-	-	-	-
Exploration Advances	-	-	-	-	(40,000)	(40,000)
Sale of Key Property	-	-	(2,000,000)	-	-	(2,000,000)
Impairment	-	-	-	-	-	-
Balance, January 31, 2014	\$ -	\$ 2,765,787	\$ -	\$ 101,871	\$ -	\$ 2,867,657

TROYMET EXPLORATION CORP.
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4. INVESTMENT IN MCCLARTY LAKE

On July 30, 2012, the Company signed an agreement with HBED for joint exploration of the McClarty Lake property. Both companies, having previously incurred expenditures on the McClarty Lake property, agreed to combine their interests and jointly explore the property going forward, with the Company incurring 40% of the expenditures and HBED incurring 60% of the expenditures. No new entity was created upon signing of the agreement. The Company's contribution to the McClarty Lake agreement was its exploration expenditures on the McClarty Lake property of \$1,557,428. Under terms of the agreement, HBED must contribute \$1,151,052 in joint venture expenditures before the Company is required to fund its participating interest.

All decisions regarding exploration of the property will be made by a management committee consisting of two appointees by each of the Company and HBED. Voting is based on the relative contributions by each company. Accordingly the Company has 40% of the voting power, while HBED has 60% of the voting power. Only very specific circumstances require the unanimous consent of the Company and HBED. Management believes that these circumstances are unlikely to occur. Based on the preceding, there is no joint control of the McClarty Lake property. Accordingly, the Company has applied the equity method in accounting for the McClarty Lake property from July 30, 2012 onwards as it has significant influence.

During the period ended January 31, 2014, the Company incurred additional expenditures of \$Nil (2013 - \$1,500) related to the investment in McClarty Lake. There was no profit or loss related to the investment in McClarty Lake for the period.

5. SHARE CAPITAL

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:

See Statement of Changes in Equity

The Company did not issue shares in the year ended October 31, 2013 or the three month period ended January 31, 2014.

c) Per Share Data

Basic earnings per share are calculated based on the weighted average number of 121,856,225 (2013 – 121,856,225) shares outstanding during the period. The effect of the exercise of stock options would be anti-dilutive for the purposes of calculating the fully diluted earnings per share.

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5. SHARE CAPITAL - 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
Balance at October 31, 2012	7,950,000	\$ 0.12
Expired on August 1, 2013	(125,000)	\$ 0.15
Expired on September 26, 2013	(1,000,000)	\$ 0.10
Balance at October 31, 2013 and January 31, 2014	<u>6,825,000</u>	<u>\$ 0.13</u>

Options Outstanding:

A summary of options outstanding at January 31, 2014 and October 31, 2013 is as follows:

	Number of Shares Under Option	Number of Options Exercisable	Exercise Price	Expiry Date
	225,000	225,000	\$ 0.10	August 14, 2014
	1,700,000	1,700,000	\$ 0.12	January 11, 2015
	700,000	700,000	\$ 0.21	November 22, 2015
	2,000,000	2,000,000	\$ 0.10	September 26, 2016
	1,150,000	1,150,000	\$ 0.10	July 9, 2017
Employee	<u>5,775,000</u>	<u>5,775,000</u>		
	750,000	750,000	\$ 0.21	November 22, 2015
	300,000	300,000	\$ 0.10	July 9, 2014
	-	-	\$	
Consultants	<u>1,050,000</u>	<u>1,050,000</u>		

Share based compensation

During the three months ended January 31, 2014, the Company recognized a share based compensation recovery of \$Nil (2013 - \$2,065) on the vesting of options previously granted to non-employees. No options were granted during the three months ended January 31, 2014.

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5. SHARE CAPITAL - continued

e) Share Purchase Warrants

The following table presents information with respect to share purchase warrants issued and outstanding:

	Warrants (1)	Warrants (2)	Finders' Warrants (3)	Total
Outstanding, November 1, 2012	2,693,750	3,207,350	80,000	5,981,100
Issued during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired, unexercised during the year	(2,693,750)	(3,207,350)	(80,000)	(5,981,100)
Outstanding, October 31, 2013 and January 21, 2014	-	-	-	-

- (1) Originally comprised of 2,858,750 share purchase warrants issued in conjunction with a non-brokered private placement that was completed by the Company on November 1, 2010 and November 10, 2010. Entitles the holders at their election, to acquire 2,858,750 common shares of the Company at \$0.25 per share for the first year after closing and at \$0.35 per share for the second year after closing of the financing; 2,783,750 share purchase warrants expire on November 1, 2012 and 75,000 share purchase warrants expire on November 10, 2012. During the period ended January 31, 2013, the remaining 2,693,750 share purchase warrants expired unexercised.
- (2) Comprised of 3,207,350 share purchase warrants issued in conjunction with a non-brokered private placement that was completed by the Company on December 23, 2011. Entitles the holders, at their election, to acquire 3,207,350 common shares of the Company at \$0.15 per share for the first year after closing of the financing. During the period ended January 31, 2013, the 3,207,350 share purchase warrants expired unexercised.
- (3) A total of 80,000 finder's warrants were issued conjunction with a non-brokered private placement completed by the Company on December 23, 2011. Entitles the holder, at their election, to acquire 80,000 common shares of the Company at \$0.055 per share until December 23, 2012. During the period ended January 31, 2013, the 80,000 finder's warrants from this financing expired unexercised.

At January 31, 2013, there are no share purchase warrants outstanding.

6. RESERVE

The share-based payment reserve records stock options recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. Upon cancellation, expiry or forfeiture, the amount is transferred to deficit.

TROYMET EXPLORATION CORP.
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7. RELATED PARTY TRANSACTIONS

On March 29, 2012, the Company announced that it had negotiated an option to acquire a 100% interest in the Thelon project, which is located in Nunavut Territory from a Director of the Company. The transaction was recorded at the exchange amount. An option payment of \$5,000 was made to this director in fiscal 2013.

The Company has paid fees of \$42,000 (2013 - \$38,400) to companies in which Directors held an interest for management, administrative, accounting and technical services. These amounts are included in general and administration expenses and / or exploration and evaluation assets as outlined below:

	January 31, 2014			January 31, 2013		
	Short-term employee benefits	Share based payments (iii)	Total	Short-term employee benefits	Share based payments (iii)	Total
Tristia Ventures Corp. (i)	\$ 24,000	\$ -	\$ 24,000	\$ 24,000	\$ -	\$ 24,000
Scimitar Ventures Corporation (ii)	\$ 18,000	\$ -	\$ 18,000	\$ 14,400	\$ -	\$ 14,400
Directors and other key management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

- (i) Tristia Ventures Corp. (“Tristia”) is a private company controlled by Dr. Kieran Downes, President & CEO, and a director of the Company. Short-term employee benefits paid or payable to Tristia are included as management fees and / or exploration and evaluation assets for the three months ended January 31, 2014 and January 31, 2013.
- (ii) Scimitar Ventures Corporation (“Scimitar”) is a private company controlled by Mr. Brian Cebryk, Chief Financial Officer, and a director of the Company. Short-term employee benefits paid or payable to Scimitar are included as management fees in the statement of net and comprehensive loss for the three months ended January 31, 2014 and January 31, 2013.

8. FINANCIAL RISK MANAGEMENT:

(a) Overview:

The Company’s activities expose it to a variety of financial risks that arise as a result of its exploration, development, and financing activities such as credit risk, liquidity risk and market risk.

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Three Months Ended January 31, 2014
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8. FINANCIAL RISK MANAGEMENT – continued

The Board of Directors oversees managements’ establishment and execution of the Company’s risk management framework. Management has implemented and monitors compliance with risk management guidelines. The Company’s risk management guidelines are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company’s activities.

(b) Credit risk:

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

The maximum exposure to credit risk at period-end is as follows:

	January 31, 2014	October 31, 2013
Cash and cash equivalents	\$ 178,562	\$ 171,301
Accounts receivable	35,880	33,934
Short-term investments	1,902,804	-
	<u>\$ 2,117,246</u>	<u>\$ 205,235</u>

All of the Company’s operations are conducted in Canada. The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Company limits its exposure to credit risk on cash and cash equivalents by only investing in liquid securities offered by Chartered Banks. Given the credit rating of the bank and the securities owned, management does not expect significant credit losses on cash and cash equivalents.

At January 31, 2014, the Company held three Guaranteed Investment Certificates (“GIC’s”) with a total value of \$1,902,804 (October 31, 2013 - \$Nil). GIC #1, with a principal amount of \$900,000, is a cashable GIC bearing interest at 0.90% and maturing on January 11, 2015. GIC #2 and GIC #3, each with a principal amount of \$500,000, are Special Rate GIC’s bearing interest at 1.35% and maturing on January 20, 2015.

The Company’s accounts receivable are as follows:

	January 31, 2014	October 31, 2013
GST	\$ 8,529	\$ 6,583
Mineral Exploration Tax Credit	25,388	25,388
Vendor Credit	1,963	1,963
Total accounts receivable	<u>\$ 35,880</u>	<u>\$ 33,934</u>

TROYMET EXPLORATION CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
Three Months Ended January 31, 2014
(Unaudited – Expressed in Canadian Dollars)

8. FINANCIAL RISK MANAGEMENT – continued

As at January 31, 2014, the Company's accounts receivable are current (less than 90 days) with the exception of \$25,388 related to the Mineral Exploration Tax Credit receivable from the Government of British Columbia and the Vendor Credit in the amount of \$1,963.

As at October 31, 2013, the Company's accounts receivable are current (less than 90 days) with the exception of \$6,583 related to the GST ITC receivable from the Government of Canada.

The Company believes that all outstanding balances are collectible and therefore there is no allowance for doubtful accounts at January 31, 2014 and October 31, 2013.

(c) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements and the growth and development of its mineral exploration and evaluation assets. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 12. Management has increased its focus on liquidity risk given the impact of the current economic and financial market climate on the availability of equity.

The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The financial liabilities at January 31, 2014 are summarized below:

	Carrying amount	Contractual cash flows	Less than one year	One to two years	Two to five years	More than five years
Non-derivative financial liabilities						
Trade and other payables	\$ 45,346	\$ -	\$ 45,346	\$ -	\$ -	\$ -
	\$ 45,346	\$ -	\$ 45,346	\$ -	\$ -	\$ -

(d) Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company expects the fluctuation in finance income as a result of interest rate fluctuations to be minimal.

TROYMET EXPLORATION CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
Three Months Ended January 31, 2014
(Unaudited – Expressed in Canadian Dollars)

8. FINANCIAL RISK MANAGEMENT – continued

(e) Commodity price risk:

The Company's ability to raise the capital required to fund exploration or development activities is subject to risk associated with the market price of gold and base metals and the outlook for these commodities.

(f) Fair value:

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Due to the short-term maturity of the Company's existing financial assets and liabilities, the carrying value approximates the fair value and no classification in the hierarchy is made.

9. SUPPLEMENTAL CASH FLOW INFORMATION

	January 31, 2014	October 31, 2013
Source / (use) of cash		
Accounts receivable	\$ (1,946)	\$ 291,913
Prepaid expenses	(6,364)	20,970
Accounts payable	(22,988)	(207,684)
	<u>\$ (31,298)</u>	<u>\$ 105,199</u>
Related to operating activities	\$ (31,298)	\$ 20,028
Related to investing activities	-	85,171
	<u>\$ (31,298)</u>	<u>\$ 105,199</u>

10. MANAGEMENT OF CAPITAL

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company manages its capital structure and makes adjustments to it in the light of changes in economic and financial market conditions. The Company considers its capital structure to include shareholders' equity and

TROYMET EXPLORATION CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
Three Months Ended January 31, 2014
(Unaudited – Expressed in Canadian Dollars)

10. MANAGEMENT OF CAPITAL - continued

working capital. In order to maintain or adjust the capital structure, the Company may issue shares and adjust its spending to manage current and projected cash levels.

As the Company is in the exploration stage, it endeavors to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

The Company facilitates the management of capital through preparation of annual expenditure budgets and cash forecasts that are updated as necessary. There were no changes in the Company's approach to capital management during the period.

11. SEGMENTED INFORMATION

The Company currently operates in a single reportable operating segment, mineral exploration and development, and all of its operations are in Canada.

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (“MD&A”) for the three months ended January 31, 2014 was prepared with information available up to March 17, 2014 and should be read in conjunction with the Company’s audited financial statements and accompanying notes for the year ended October 31, 2013.

The financial information presented in this MD&A and referenced above are in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards (“IFRS”). Our significant accounting policies are set out in Note 2 of the audited financial statements of the Company, as at and for the year ended October 31, 2013.

Any scientific or technical information as described in National Instrument 43-101 disclosed in 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. and a Qualified Person as defined by National Instrument 43-101, under whose direction the Company's exploration program is being carried out.

Company Overview

Troymet Exploration Corp. (“Troymet” or 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 (see Company Reorganization below). 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, British Columbia and Nunuvut.

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

Outlook

Troymet completed the sale of its 100% interest in the Key property to New Gold Inc. (“New Gold”) in December 2013 for \$2,000,000 cash. As part of the transaction, New Gold has committed to spend \$1,500,000 on the Key property, with a minimum of \$500,000 of expenditures on or before December 31, 2014 and the balance of \$1,000,000 of expenditures on or before December 31, 2018. Troymet holds a 2% net smelter returns royalty (“NSR”) on the property, of which 1% can be purchased by New Gold for \$2,000,000 cash.

At the McClarty Lake project, a joint venture agreement is established with Hudbay Minerals Inc. (“Hudbay”) holding a 60% interest and Troymet holding a 40% interest. Under the terms of the agreement, Hudbay must contribute \$1,076,051 in joint venture expenditures before Troymet is required to fund its participating interest. Troymet believes Hudbay is the best partner to explore

and develop the project, and their participation lends strong support to management's belief that McClarty Lake is a property of substantial merit with excellent discovery potential for a precious metal rich VMS deposit(s).

The Golden Eagle property has the potential to host several deposit types, including bulk tonnage intrusion-related, high-grade gold-silver vein-hosted, and volcanogenic massive sulphide (VMS) deposits. Results to date from stream sediment sampling and diamond drilling support the hypothesis of a widespread mineralizing event on the property, and a new bulk tonnage gold target has been identified on the Skarn zone.

The Thelon property covers five target areas prospective for high-grade uranium and rare earth mineralization. The Thelon project is a strategic acquisition given the current interest in uranium and the potential for rare earths. Troymet is seeking a partner to fund its exploration and development.

The sale of the Key property has placed Troymet in a strong financial position to pursue the acquisition of other high impact mineral projects; at January 31, 2014, the Company had net working capital of \$2,082,126. As outlined in its February 19, 2014 press release, Troymet believes that the current state of the depressed junior mineral exploration industry and the Company's strong financial position creates a unique opportunity to pursue acquisitions of quality mineral projects at attractive prices. If this strategy is successful, Troymet will be able to add to its current property portfolio and emerge as a stronger company when the junior market improves.

Troymet is also seeking out potential opportunities for shell companies that have cash reserves to complete private placements for securities of Troymet.

International Financial Reporting Standards

The October 31, 2013 audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. The Company has not realized profit from operations since its inception and there can be no assurance that it will either achieve or maintain profitability in the future.

The Company's ability to continue as a going concern is dependent on its plans of achieving and maintaining profitable operations, accessing capital markets, or entering into collaborative agreements that would provide additional financing. The outcome of these matters is materially uncertain at this time.

Realization values may be substantially different from carrying values as shown and these financial statements do not include any adjustments that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS 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 has three mineral projects in its property portfolio and holds a 2% NSR on a fourth project. Dr. Kieran Downes, P.Geo., President and Chief Executive Officer is the qualified person under NI 43-101 who has reviewed the scientific and technical disclosure provided below.

Key Project – Copper, Zinc and Gold

Troymet completed the sale of its 100% interest in the 8,854 hectare Key property to New Gold in December 2013. The property is located 125 kilometres southwest of Vanderhoof, British Columbia.

As part of the transaction, Troymet was granted a 2% NSR on the Key property, of which 1% (reducing the NSR Royalty from 2% to 1%) can be purchased by New Gold for \$2,000,000 cash. In connection with the Transaction, New Gold has committed to spend \$1,500,000 on the property, with a minimum of \$500,000 of expenditures on or before December 31, 2014 and the balance of \$1,000,000 of expenditures on or before December 31, 2018, subject to certain conditions.

Golden Eagle Project – Gold and Silver

The 8,178 hectare Golden Eagle project is located just south of the Yukon-British Columbia border, 70 kilometres west-northwest of Atlin, BC. The Company controls a 100% interest in the project subject to a 1% Net Smelter Royalty (“NSR”) payable to a third party on certain claims.

Golden Eagle is situated at the southern end of the Tintina Gold Belt, which contains many intrusion-related gold deposits such as Pogo (Alaska), Fort Knox (Alaska), Dublin Gulch (Yukon) and White Gold (Yukon). The property has the potential to host several deposit types, including bulk tonnage intrusion-related deposits with associated skarn deposits, high-grade gold-silver vein-hosted deposits and volcanogenic massive sulphide (“VMS”) deposits. Thirteen separate mineralized zones have been identified to date over the property's 25-kilometre long extent.

From 2005 to 2008, exploration was primarily focused on the Middle Ridge (Tannis zone) area, where high-grade gold-silver mineralization is hosted in pyrite- and arsenopyrite-bearing quartz veins/structures within rhyolitic intrusive, granitic intrusive and to a lesser extent in flanking metavolcanics. The mineralized system has been demonstrated by drilling to continue along a strike length of nearly 150 metres and to greater than 200 metres down dip in both the rhyolitic and granitic intrusions (February 24, 2009 news release). 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.

Since 2009, the Company has focused attention on the north block of the Golden Eagle project ("North Prospect"), where numerous zones of structurally controlled gold-silver-arsenic-antimony mineralization (e.g. Plateau, Skarn, West Gully, Cowboy, and West Draw zones) and gold-in-soil anomalies occur over an approximately 5 x 5 kilometre area. The mineralization is related to two

major structures, the Ben Fault and the Paddy Fault, and to the underlying granite-related gold system. Both faults are possible splays of the Llewellyn fault zone, a regionally significant structure that cuts through the project area and has a strong correlation with the majority of mineral occurrences in the region.

Reconnaissance diamond drilling in 2009 tested four previously un-drilled and widely-spaced targets located in the West Gully, LQ, and Stibnite zones (February 17, 2010 news release). Drill hole N0901 tested the West Gully zone, intersecting 0.11 g/t gold over 86.8 metres in variably sheared, silicified and chlorite-sericite altered felsic intrusive, suggesting there is a large, untested gold-bearing structure(s) in this area. Three holes drilled approximately 1,300 metres apart intersected silver-gold mineralization within broader structural zones carrying low to anomalous gold values. No felsic intrusive was intersected in these shallow holes, indicating the target gold zones lie deeper in the system.

Diamond drilling in 2011 (6 holes; 867.2 metres) primarily focused on the West Gully zone, with 5 holes testing various IP targets +/- gold-in-stream sediment anomalies. Results are presented in the Company's February 16, 2012 News Release.

The 2011 program included one hole drilled on the Skarn zone, results of which have identified a new bulk tonnage gold target. Hole N11-06 intersected 36.45 metres grading 1.27 g/t gold in felsic volcanics. The upper portion of this gold intersection was also anomalous in silver, grading 4.05 g/t silver over 15.45 metres. The mineralization is associated with strong potassic alteration, carbonate alteration and silicification developed along the Paddy Fault. The mineralized zone is open southwards along the Paddy Fault towards the Catfish zone (approximately 2.5 kilometres) and at depth. The potential for a wide zone(s) of gold mineralization was not recognized in the past. Modelling of the new historical data in 3D has identified additional drill targets.

No work was conducted on the project during the three month period ended January 31, 2014.

Further information on the Golden Eagle Project is available in a NI 43-101 technical report entitled "Technical Report, Golden Eagle Property, Atlin Mining Division, British Columbia" by J. Michael Wark, P.Geol., dated May 30, 2012 and filed on SEDAR (www.sedar.com) July 10, 2012.

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 Limited ("Hudbay"), a 100% owned subsidiary of Hudbay Minerals Inc. In 2011, Hudbay completed expenditures to earn back a 20% interest and a joint venture was established with Hudbay holding a 60% interest and Troymet holding a 40% interest on the two claims ("joint venture claims").

A formal joint venture agreement was signed in August 2012. Under the terms of the agreement, Hudbay must contribute \$1,076,051 in joint venture expenditures before Troymet is required to fund its participating interest. Thereafter, Hudbay and Troymet will share all future exploration and development expenditures pro-rata based on their participating interests. Hudbay is the project operator.

The McClarty Lake property is favourably situated within the Flin Flon – Snow Lake greenstone belt, one of the largest Proterozoic volcanic-hosted massive sulphide (VMS) districts in the world.

Twenty-seven copper-zinc-(gold) deposits within the belt have produced more than 183 million tonnes of sulphide ore.

On the McClarty joint venture claims, diamond drilling has identified two laterally continuous zones of massive sulphides within a sequence of variably silicified, sericitized and chloritized felsic volcanics and volcanoclastics. The lower massive sulphide horizon (“Discovery Zone”) discovered by Troymet in 2007, is locally gold enriched and returned 1.47% zinc and 0.31% copper over 43.05 metres, including 3.46% zinc over 15.3 metres (true width estimated at 85% of core length). The upper pyritic horizon is also locally gold enriched and lies approximately 150 metres stratigraphically above the lower horizon. Both zones are open along strike and at depth.

The sulphide mineralization and associated alteration system at McClarty Lake is very similar to that associated with Hudbay’s Chisel Lake and Lalor Lake volcanogenic massive sulphide deposits of the Snow Lake area.

Hudbay's 2011 winter program included a surface pulse electromagnetic survey (approximately 20 kilometres) over the Discovery zone and drilling of three holes (1,563 metres). HudBay hole MCC001, drilled on section with 2008 holes MC08-08, 10 and 11, intersected the mineralized zone approximately 150 metres below the intersection in hole MC08-10 at a vertical depth of approximately 300 metres. A wide zone of mineralization comprising a mix of massive, semi-massive and disseminated sulphide was intersected from 293.6 to 404.0 metres. The best intersection within this zone returned 15.63 m grading 1.03% Zn, 0.45% Cu and 0.22 g/t Au, including 3.05 m grading 3.58% Zn, 0.16% Cu and 0.25 g/t Au.

Hudbay Holes MCC002 and MCC003 were drilled on section with hole MC08-09. These holes were drilled on the north side of an interpreted fault that offsets the mineralization, to test an off-hole geophysical anomaly. Neither hole intersected significant mineralization, although a wide zone of mineralized schist (1 to 7% disseminated pyrite with rare chalcopyrite) was intersected in MCC002 from 323.85 to 493.0 metres including an intersection of massive pyrite from 418.9 to 419.9 metres. Hole MCC003 also intersected a wide zone of mineralized schist (trace to 25% disseminated pyrite > pyrrhotite) from 365.5 to 549.6 metres, with massive to semi-massive pyrite intersected from 393.1 to 393.6 metres and 545.7 to 546.9 metres.

On its 100% owned claims, Troymet’s 2010-2011 programs focused on the Mac EM conductor, which lies on-trend and is approximately 1000 metres northeast of the Discovery zone. The conductor was originally identified by a VTEM helicopter-borne survey flown in 2008. A ground pulse electromagnetic (“PEM”) survey in 2010 over the area indicated a strong conductive response. In 2011, Troymet tested the Mac conductor with three holes (1,156 metres) over a 300-metre strike length. Drilling intersected altered volcanics and strongly sulphidized zones that host zinc and copper mineralization within xenolithic intrusives. Troymet believes the Mac conductor has identified the northern extension of the horizon that hosts the Discovery zone. The results indicate the presence of a +2,000 metre long stratigraphic horizon that carries base metal mineralization in the two locales where tested. The Company plans to conduct an additional PEM survey to better define and extend the MAC conductor prior to further drilling.

Hudbay drilled a single hole in winter 2013 to test for the down dip and southward strike continuation of the Discovery Zone volcanic massive sulphide (VMS) mineralization discovered by Troymet in 2007. Drilling commenced on February 27, 2013 and was shut down on March 7, 2013 at 437 metres depth due to concerns of unsafe ice conditions. A borehole electromagnetic (EM) survey was completed upon shutdown.

Sulphide bearing biotite-quartz-garnet-amphibole-kyanite-cordierite-sericite gneisses and schists were intersected from 280 to 437 metres down hole. The main sulphide mineralization, consisting of predominantly pyrite (5-25%) and minor pyrrhotite, was intersected over a 52 metre interval from 346 to 398 metres down hole. A second 5 metre interval with 3-5% pyrite and minor pyrrhotite was intersected from 423 to 428 metres down hole. No significant occurrences of sphalerite (zinc sulphide) and chalcopyrite (copper sulphide) were reported by HudBay.

Interpretation and modelling of the borehole EM data revealed two off hole responses, one of which is interpreted to represent the zinc and copper bearing (Discovery Zone) mineralization intersected in Troymet's 2007-2008 drilling, the other anomaly to represent the pyrite-pyrrhotite mineralization intersected in 2011 Hudbay holes, MCC001/MCC002/MCC003. There were no significant copper, lead, zinc, gold or silver values in the samples assayed by Hudbay (see June 14, 2013 news release). Troymet is integrating all of the technical data into a 3D model to determine where future drilling should be undertaken.

No field work was conducted on the project during the three month period ended January 31, 2014.

Further information on the McClarty Lake project is available in a NI 43-101 technical report entitled "2008 Technical (NI 43-101) Report on the McClarty Lake Property", by Rory Kutluoglu, B.Sc. (Equity Engineering Ltd.) and qualified person, Alan H. Bailes, Ph.D., P.Geo. (Bailes Geoscience), dated June 11, 2008 and filed on SEDAR (www.sedar.com).

Thelon Project – Uranium and Rare Earth

Troymet holds an option to acquire a 100% interest in the 7,213 hectare Thelon project, located approximately 150 kilometres northwest of Baker Lake, Nunavut Territory. Under the terms of the option, Troymet will (i) pay \$5,000 on signing (paid) and on each anniversary date while the option is valid and in good standing; (ii) pay 2% of all exploration expenditures to the optionor until a production decision is reached; and (iii) maintain the leases in good standing (approximately \$27,700/year). The optionor will receive a 2% gross royalty on any production from the project properties. One half (½) of 1% of the royalty can be purchased for \$1 million at any time; one-third of the remaining royalty (½ of 1%) can be purchased for an additional \$2 million at any time.

The Thelon project is situated approximately 150 km west of Agnico Eagle's Meadowbank gold mine, 90 kilometres northwest of AREVA's pre-production stage Kiggavik uranium deposit and 100 kilometres south of Uranium North Resources' Amer Lake uranium deposit. The property covers five target areas prospective for high-grade uranium and rare earth mineralization, as identified by uraniferous boulder trains, anomalous rock geochemistry and anomalous lake sediment geochemistry. The uranium mineralization is similar to the high-grade "unconformity-type" mineralization currently being mined in the Athabasca area of Saskatchewan and the Kombolgie area of Australia.

Rare earth elements ("REE") at Thelon are associated with fluorapatite and phosphatic sandstone + uranium. Troymet analyzed six float samples from two of the five target areas at the ALS Minerals' Vancouver laboratory, confirming the presence of a full range of light and heavy REE in the samples tested. Troymet is primarily interested in the Thelon project for its REE potential; however, the property also contains a number of highly attractive uranium drill targets.

No work was conducted on the project during the three month period ended January 31, 2014. The Thelon project is a strategic acquisition given the interest in current interest in uranium and the

REE market and supply situation. Troymet is seeking a partner to fund its exploration and development.

Selected Annual Information

Year Ended	Year Ended October 31, 2013	Year Ended October 31, 2012	Year Ended October 31, 2011
Operating Expenses	\$924,880	\$646,287	\$907,063
Other Income Interest	\$1,753	\$12,990	\$10,717
Net Loss Per Share - Basic and Diluted	\$821,108 (\$0.01)	\$501,290 (\$0.01)	\$896,346 (\$0.01)
Capital Expenditures	\$98,264	\$1,084,951	\$2,020,969
Total Assets	\$6,675,327	\$7,806,136	\$8,138,057
Total Liabilities	\$68,332	\$435,264	\$538,872

Results of Operations

In the three months ended January 31, 2014, Troymet realized a net and comprehensive loss of \$92,884 (2013 – \$77,066) after expenses of \$95,689 (2013 - \$77,554) for the period, finance income of \$2,805 (2013 - \$488), and deferred income tax expense of \$Nil (2013 - \$Nil).

The expenses for the quarter included management fees of \$43,388 (2013 - \$19,345), general and administration expenses of \$4,238 (2013 - \$14,187), professional fees of \$35,633 (2013 - \$10,402), travel and related costs of \$4,696 (2013 - \$3,211) and public company costs of \$7,734 (2013 - \$32,474). Professional fees increased by \$25,231 from 2013 to 2014 as a result of the legal costs associated with the sale of the Key property to New Gold in December 2013. Public company costs decreased by \$24,740 from 2013 to 2014 as a result of cost savings efforts and more direct marketing and promotion of the Company's projects and opportunities.

It should be noted that total management fees incurred in the three months ended January 31, 2014 were consistent with 2013 (see Note 7 – Related Party Transactions). In 2013, more of the management fees were capitalized to various exploration projects in conjunction with the Company's 20123 exploration efforts. As the Company has severely curtailed exploration expenditures in the latter part of 2013 and in the first quarter of 2014, there was less capitalization and this resulted in an increase in management fees in the amount of \$24,043 on the Statement of Net and Comprehensive Loss.

The net and comprehensive loss for the three months ended January 31, 2013 included a non-cash recovery of \$2,065 related to share based compensation. The recovery occurred as a result of the assumptions used in calculations made at the reporting date for options that had not vested. No options were granted during the three months ended January 31, 2014 or 2013.

During the three months ended January 31, 2014, Troymet invested \$5,753 in mineral exploration and evaluation assets compared to \$67,740 expended in the previous period.

Capital Expenditures

As shown in the Statement of Financial Position dated January 31, 2014, the Company's long term assets consist of mineral exploration and evaluation assets totaling \$2,867,657 (October 31, 2013 - \$4,901,904) and the McClarty Lake investment of \$1,564,328 (October 31, 2013 - \$1,564,328) or a total of \$4,431,985 versus \$6,466,232 at October 31, 2013. This net decrease of \$2,034,247 is the result of the \$2,000,000 cash sale of the Key property and the refund of the \$40,000 reclamation deposit from the Province of British Columbia. Exploration has been severely curtailed in light of the current market conditions. The Company spent \$5,753 (2013 - \$67,740) on its mineral exploration and evaluation assets.

	McClarty Lake	Golden Eagle	Key	Thelon	Exploration Advances	Total
Balance, October 31, 2012	\$ -	\$ 2,761,215	\$ 2,517,184	\$ 68,343	\$ 40,500	\$ 5,387,242
Additions during the period						
Acquisition Costs	-	240	390	31,755	-	32,384
Geophysics	-	-	4,697	-	-	4,697
Geochemistry / Assays	-	-	31,922	-	-	31,922
Drilling Costs	6,600	400	47,849	-	-	54,848
Geological	300	-	-	-	-	300
Total Additions	6,900	640	84,858	31,755	-	124,152
Share Based Compensation	-	-	-	-	-	-
Transferred to Investment in McClarty Lake	(6,900)	-	-	-	-	(6,900)
Mineral Exploration Tax Credit	-	(48)	(25,340)	-	-	(25,388)
Exploration Advances	-	-	-	-	(500)	(500)
Impairment	-	-	(576,702)	-	-	(576,702)
Balance, October 31, 2013	\$ -	\$ 2,761,807	\$ 2,000,000	\$ 100,098	\$ 40,000	\$ 4,901,904
Additions During the Period						
Acquisition Costs	-	-	-	1,773	-	1,773
Geophysics	-	-	-	-	-	-
Geochemistry / Assays	-	132	-	-	-	132
Drilling Costs	-	1,200	-	-	-	1,200
Geological	-	2,648	-	-	-	2,648
Total Additions	-	3,980	-	1,773	-	5,753
Share Based Compensation	-	-	-	-	-	-
Transferred to investment in McClarty Lake	-	-	-	-	-	-
Mineral Exploration Tax Credit	-	-	-	-	-	-
Exploration Advances	-	-	-	-	(40,000)	(40,000)
Sale of Key Property	-	-	(2,000,000)	-	-	(2,000,000)
Impairment	-	-	-	-	-	-
Balance, January 31, 2014	\$ -	\$ 2,765,787	\$ -	\$ 101,871	\$ -	\$ 2,867,657

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.

At October 31, 2013, the Company had a working capital balance of approximately \$140,762 (October 31, 2012 - \$585,451). Working capital at January 31, 2014 increased to \$2,082,126 due to the sale of the Key property on December 10, 2013 and the refund of the reclamation deposit in the amount of \$40,000 from the Province of British Columbia.

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

At the date of this MD&A, the fully diluted number of common shares was 128,681,225 shares including 121,856,225 common shares issued and outstanding and 6,825,000 options.

A summary of the Company's outstanding securities is provided in the table below:

Period Ended	Report Date	31-Oct 2013	31-Jul 2013	30-Apr 2013	31-Jan 2013
Beginning Shares Outstanding (Basic)	121,856,225	121,856,225	121,856,225	121,856,225	121,856,225
Shares issued pursuant to Plan of Arrangement	0	0	0	0	0
Exercise of warrants / agent options	0	0	0	0	0
Option exercise	0	0	0	0	0
Common shares issued for property / debt	0	0	0	0	0
Common shares issued for cash	0	0	0	0	0
Flow-through shares issued for cash	0	0	0	0	0
Closing Shares Outstanding (Basic)	121,856,225	121,856,225	121,856,225	121,856,225	121,856,225
Beginning Share Purchase Warrants / Finders' Warrants	0	0	0	0	5,981,100
Plan of Arrangement Warrants / Agent Options	0	0	0	0	0
Share Purchase Warrants / Finders' Warrants Expired	0	0	0	0	(5,981,100)
Share Purchase Warrants / Finders' Warrants Exercised	0	0	0	0	0
Share Purchase Warrants / Finders' Warrants Issued	0	0	0	0	0
Closing Share Purchase Warrants	0	0	0	0	0
Beginning Stock Options	6,825,000	7,950,000	7,950,000	7,950,000	7,950,000
Stock Options Granted	0	0	0	0	0
Stock Options Expired	0	(1,125,000)	0	0	0
Stock Options Exercised	0	0	0	0	0
Closing Stock Options	6,825,000	6,825,000	7,950,000	7,950,000	7,950,000
Total Shares - Fully Diluted	128,681,225	128,681,225	129,806,225	129,806,225	129,806,225
Weighted Average Shares Outstanding	121,856,225	121,856,225	121,856,225	121,856,225	121,856,225

Summary of Quarterly Results

A summary of the last eight quarters from April 30, 2012 to January 31, 2014 is provided in the table below.

	QI 31-Jan-14	QIV 31-Oct-13	QIII 31-Jul-13	QII 30-Apr-13
Operations				
Finance Income	\$2,805	\$1,971	\$0	\$346
Net Profit (Loss)	(\$92,884)	\$140,302	(\$62,676)	(\$93,443)
Per Share - Basic	(\$0.00)	\$0.00	(\$0.00)	(\$0.00)
Balance Sheet				
Working Capital	\$2,082,126	\$2,082,126	\$231,448	\$354,063
Total Assets	\$6,559,457	\$6,559,457	\$7,331,086	\$7,430,464
Capital Expenditures	\$5,753	(\$112,840)	\$19,438	\$29,915

	QI 31-Jan-13	QIV 31-Oct-12	QIII 31-Jul-12	QII 30-Apr-12
Operations				
Finance Income	\$488	\$2,598	\$3,141	\$3,307
Net Loss	(\$77,066)	(\$62,675)	(\$257,684)	(\$198,109)
Per Share - Basic	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Balance Sheet				
Working Capital	\$477,580	\$231,448	\$1,158,780	\$1,760,134
Total Assets	\$7,500,352	\$7,806,136	\$7,966,609	\$7,814,634
Capital Expenditures	\$69,240	\$347,374	\$517,999	\$121,198

Transactions with Related Parties

On March 29, 2012, the Company announced that it had negotiated an option to acquire a 100% interest in the Thelon project, which is located in Nunavut Territory from a director of the Company. Under terms of the option agreement, the Company paid the optionor \$5,000 upon signing and will pay \$5,000 on each anniversary date while the option is valid and in good standing.

During the period, the Company paid fees of \$42,000 (2013 - \$38,400) to companies in which Directors held an interest for technical, management, administrative, and accounting services. This amount is included in general and administration expenses and / or exploration and evaluation assets.

	January 31, 2014			January 31, 2013		
	Short-term employee benefits	Share based payments (iii)	Total	Short-term employee benefits	Share based payments (iii)	Total
Tristia Ventures Corp. (i)	\$ 24,000	\$ -	\$ 24,000	\$ 24,000	\$ -	\$ 24,000
Scimitar Ventures Corporation (ii)	\$ 18,000	\$ -	\$ 18,000	\$ 14,400	\$ -	\$ 14,400
Directors and other key management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

- (i) Tristia Ventures Corp. (“Tristia”) is a private company controlled by Dr. Kieran Downes, President & CEO, and a director of the Company. Short-term employee benefits paid or payable to Tristia are included within exploration and development expenditures and / or management fees for the periods ended January 31, 2014 and January 31, 2013.
- (ii) Scimitar Ventures Corporation (“Scimitar”) is a private company controlled by Mr. Brian Cebryk, Chief Financial Officer, and a director of the Company. Short-term employee benefits paid or payable to Scimitar are included as management fees in the statement of net and comprehensive loss for the periods ended January 31, 2014 and January 31, 2013.

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.

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 including Troymet's properties. 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.

Disclosure Controls and Procedures

Management has ensured that there are disclosure controls and procedures that provide reasonable assurance that material information relating to the Corporation is disclosed on a timely basis, particularly, information relevant to the period in which annual filings are being prepared. Management believes these disclosure controls and procedures have been effective during the three months ended January 31, 2014.

Investor Relations Activities

On August 1, 2008, the Company engaged Senergy Communications Inc. ("Senergy") to provide investor relations services. Vancouver-based Senergy provides investor relations and marketing services to public companies in the natural resource sectors. Senergy assists Troymet in fostering productive, continuing dialogues with analysts, brokers, potential investors, current shareholders and other financial professionals.

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, initially required 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. Payments to Senergy have been re-negotiated in light of market conditions and the Company's activity levels. As part of the cost cutting measures undertaken in 2013, the Senergy contract was reduced to \$1,500 per month from \$3,000 per month paid to Senergy the previous 12 months.

On November 22, 2010, the Company announced that it had granted 500,000 options to Senergy at an exercise price of \$0.21 per share. These options, which are now fully vested, expire on November 22, 2015. Options issued to Senergy in past periods have expired unexercised.

Transactions not Reflected on the Statement of Financial Position

The Company did not enter into any transactions that were not reflected on the Statement of Financial Position during the three month period ended January 31, 2014.

Forward-Looking Statements

This MD&A 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. In particular, this MD&A contains forward looking information in respect of the size and timing of exploration programs by Troymet or its partners, the exploration and discovery potential of its projects and the potential deposits or targets that may be contained on its projects, the time and exploration that may occur in respect of the Key project, future drilling and the timing for future drilling on its projects, potential acquisitions by the Company of mineral projects and the ability of the Company to attract additional funds if required. 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. Certain assumptions can be found in the Company's disclosure documents on SEDAR at www.sedar.com. In addition, assumptions include, but are not limited to, the actual results of exploration on projects being equivalent to or better than estimated results in technical reports or prior exploration results, New Gold fulfilling its exploration commitments in respect of the Key project, assumptions in respect of commodity prices, and future costs and expenses of the Company 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; market acceptance of mineral exploration companies and the junior exploration company model; 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.

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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TSX Venture Exchange
Symbol: "TYE"