TROYMET EXPLORATION CORP.

INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED OCTOBER 31, 2018 and 2017
(Expressed in Canadian Dollars)

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	3
Consolidated Statements of Net and Comprehensive Income (Loss)	4
Consolidated Statements of Changes in Equity	5
Consolidated Statements of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 27

Crowe

Crowe MacKay LLP
1100 - 1177 West Hastings St.
Vancouver, BC V6E 4T5
Main +1 (604) 687-4511
Fax +1 (604) 687-5805
www.crowemackay.ca

Independent Auditor's Report

To the Shareholders of Troymet Exploration Corp

We have audited the accompanying consolidated financial statements of Troymet Exploration Corp and its subsidiary, which comprise the consolidated statements of financial position as at October 31, 2018 and October 31, 2017, and the consolidated statements of net and comprehensive income (loss), changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Troymet Exploration Corp and its subsidiary as at October 31, 2018 and October 31, 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt about the ability of Troymet Exploration Corp to continue as a going concern.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, British Columbia Canada
January 23, 2019

TROYMET EXPLORATION CORP.
Consolidated Statements of Financial Position
as at October 31
(Expressed in Canadian Dollars)

		2018		2017
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Note 5)	$	**336,662**	$	179,365
Accounts receivable		**2,397**		2,100
Prepaid expenses		**759**		791
		339,818		182,256
RECLAMATION ADVANCES (Note 6)		**22,424**		22,094
MINERAL EXPLORATION AND EVALUATION ASSETS (Note 7)		**365,761**		376,497
INVESTMENT IN PRIVATE COMPANY (Note 8)		**1**		-
INVESTMENT IN McCLARTY LAKE (Note 8)		**-**		1
	$	**728,004**	$	580,848
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (Note 11)	$	**41,197**	$	12,719
EQUITY				
SHARE CAPITAL (Note 9)		**9,184,714**		9,159,714
RESERVE (Note 10)		**1,056,536**		1,054,056
DEFICIT		**(9,554,443)**		(9,646,775)
ACCUMULATED OTHER COMPREHENSIVE INCOME - CUMULATIVE TRANSLATION ADJUSTMENTS		**-**		1,134
		686,807		568,129
	$	**728,004**	$	580,848

Approved on behalf of the Board of Directors:

"Kieran Downes" ……………………………… Director
Kieran Downes

"David Billard" ……………………………… Director
David Billard

See accompanying notes to the consolidated financial statements.

TROYMET EXPLORATION CORP.
Consolidated Statements of Net and Comprehensive Income (Loss)
For the Years Ended October 31
(Expressed in Canadian Dollars)

		2018		2017
EXPENSES				
Foreign exchange loss (gain)	$	**(1,549)**	$	844
General and administration		**23,795**		20,918
Impairment of exploration and evaluation assets (Note 7)		**-**		1,744,266
Management fees (Note 11)		**120,000**		40,000
Professional fees		**78,823**		24,198
Public company costs		**42,657**		30,972
Share-based compensation (Note 9)		**2,480**		-
Travel and related costs		**19,364**		11,237
		285,570		1,872,435
LOSS BEFORE OTHER INCOME		**(285,570)**		(1,872,435)
FINANCE INCOME		**2,902**		1,279
SALE OF NET SMELTER ROYALTY (Note 7)		**300,000**		-
GAIN ON SALE OF McCLARTY LAKE (Note 8)		**75,000**		-
NET INCOME (LOSS)		**92,332**		(1,871,156)
OTHER COMPREHENSIVE LOSS				
Exchange difference on translating foreign operations		**(1,134)**		(26,406)
COMPREHENSIVE INCOME (LOSS)	$	**91,198**	$	(1,897,562)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED		**122,911,020**		121,856,225
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	$	**0.00**	$	(0.02)

See accompanying notes to the consolidated financial statements.

TROYMET EXPLORATION CORP.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserve	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance, October 31, 2016	121,856,225	$ 9,159,714	$ 1,054,056	$ (7,775,619)	$ 27,540	$ 2,465,691
Loss for the year	-	-	-	(1,871,156)	-	(1,871,156)
Exchange difference on translating foreign operations	-	-	-	-	(26,406)	(26,406)
Balance, October 31, 2017	121,856,225	9,159,714	1,054,056	(9,646,775)	1,134	568,129
Stock options granted	-	-	2,480	-	-	2,480
Shares issued on sale of McClarty Lake	2,500,000	25,000	-	-	-	25,000
Income for the year	-	-	-	92,332	-	92,332
Exchange difference on translating foreign operations	-	-	-	-	(1,134)	(1,134)
Balance, October 31, 2018	124,356,225	$ 9,184,714	$ 1,056,536	$ (9,554,443)	$ -	$ 686,807

See accompanying notes to the consolidated financial statements.

TROYMET EXPLORATION CORP.
Consolidated Statements of Cash Flows
For the Years Ended October 31
(Expressed in Canadian Dollars)

		2018		2017
OPERATING ACTIVITIES				
Net income (loss)	**$**	**92,332**	$	(1,871,156)
Items not involving cash				
Share-based compensation		**2,480**		-
Sale of net smelter royalty		**(300,000)**		-
Gain on sale of McClarty Lake		**(75,000)**		-
Unrealized foreign exchange gain		**(1,464)**		-
Impairment of exploration and evaluation assets		**-**		1,744,266
		(281,652)		(126,890)
Changes in non-cash working capital				
Accounts receivable		**(297)**		12,936
Prepaid expenses		**32**		4,724
Accounts payable and accrued liabilities		**28,478**		(6,610)
CASH USED IN OPERATING ACTIVITIES		**(253,439)**		(115,840)
INVESTING ACTIVITIES				
Investment in mineral exploration and evaluation assets		**(17,767)**		(110,214)
Refund of Mineral Exploration Tax Credit		**28,503**		94,419
Sale of net smelter royalty		**300,000**		-
Proceeds on sale of McClarty Lake		**100,000**		-
Reclamation advances refunded		**-**		12,323
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		**410,736**		(3,472)
CHANGE IN CASH AND CASH EQUIVALENTS		**157,297**		(119,312)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		**179,365**		298,677
CASH AND CASH EQUIVALENTS, END OF YEAR	**$**	**336,662**	$	179,365
SUPPLEMENTAL CASH FLOW INFORMATION				
Interest received	**$**	**2,902**	$	1,279
Income tax paid	**$**	**-**	$	-
Non-cash financing activity:				
Shares issued for the sale of McClarty Lake	**$**	**25,000**	$	-
CASH AND CASH EQUIVALENTS				
Cash	**$**	**83,353**	$	78,913
Guaranteed investment certificate		**253,309**		100,452
	$	**336,662**	$	179,365

See accompanying notes to the consolidated financial statements.

1. NATURE OF OPERATIONS

Troymet Exploration Corp. (the "Company") of Box 37033 Country Club PO, Nanaimo, British Columbia, V9T 6N4 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 and trades under the symbol "TYE". The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

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.

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. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

Realization values may be substantially different from carrying values as shown. These consolidated 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.

3. BASIS OF PRESENTATION

Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

Approval of the consolidated financial statements

The consolidated financial statements of the Company for the year ended October 31, 2018, were reviewed by the Audit Committee and authorized for issue on January 23, 2019 by the Board of Directors of the Company.

3. BASIS OF PRESENTATION (continued)

Measurement basis

The consolidated financial statements are presented in Canadian dollars. The consolidated financial statements of the Company have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, except for certain financial instruments, which are stated at their fair values.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Troymet USA LLC ("Troymet USA"), which was incorporated in the USA during the year ended October 31, 2015. All intercompany transactions and balances have been eliminated. Troymet USA was wound-up during the year ended October 31, 2018.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Company include the following:

Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts 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 accounting estimates

Significant areas requiring the use of management estimates include the determination of impairment of mineral exploration and evaluation assets, 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 in share-based compensation calculations. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

Significant accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year include the Company's going concern assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral exploration and evaluation

Expenditures incurred before the entity has obtained the legal rights to explore a specific area are expensed. Expenditures related to the development of mineral resources are not recognized as exploration and evaluation assets. Expenditures related to development are accounted for as an asset only when technical feasibility and commercial viability of a specific area are demonstrable and when recognition criteria of International Accounting Standard ("IAS") 16 *Property, Plant and Equipment* or IAS 38 *Intangible Assets* are met.

All costs directly associated with property acquisition and exploration activities are capitalized as exploration and evaluation assets. Costs that are capitalized are limited to costs related to the acquisition and exploration activities that can be associated with finding specific mineral resources, and do not include costs related to production and administrative expenses and other general indirect costs.

Costs related to the acquisition of mineral property interests and to exploration and evaluation expenditures are capitalized until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. When the technical feasibility and commercial viability of extracting a mineral resource become demonstrable, exploration and evaluation assets will be reclassified as mining assets under development. Exploration and evaluation assets will be assessed for impairment before reclassification, and any impairment loss will then be recognized.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral property interest, as consideration, for an agreement by transferee to meet certain exploration and evaluation expenditures that would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral property interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Impairment of non-financial assets

Exploration and evaluation assets are tested for recoverability whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable and at each reporting date. The recoverability tests are carried out on a property-by-property basis. Impairment of a property is generally considered to have occurred if one of the following factors is present: the rights to explore have expired or are near to expiry with no expectation of renewal, no further substantive expenditures are planned, exploration work is discontinued in an area for which commercially viable quantities have not been discovered, or there are indications in an area with development likely to proceed that the carrying amount is unlikely to be recovered in full by development or sale.

The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. An impairment loss is recognized in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Value in use is determined using discounted estimated future cash flows of the relevant asset. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows, which are cash-generating units. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash equivalents consist of highly liquid investments that are readily convertible into cash and are subject to an insignificant risk of change in value. Interest from cash is recorded on an accrual basis.

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional and presentation currency of the Company is the Canadian dollar while the functional currency of its subsidiary is the United States ("US") dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the year in which they arise.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income (loss) to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income (loss). Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Parent and subsidiary company

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- Assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- Income and expenses are translated at monthly average exchange rates during the period.

Exchange differences arising on translation of foreign operations are transferred directly to the group's exchange difference on translating foreign operations on the consolidated statement of net and comprehensive income (loss) and are reported as a separate component of shareholders' equity titled "Cumulative Translation Adjustments". These differences are recognized in the profit or loss in the year in which the operation is disposed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the consolidated statement of net and comprehensive income (loss). Current tax expense (recovery) is the expected tax payable on the taxable income (loss) for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized cost. Costs of rehabilitation projects for which a provision has been recorded are recorded directly against the provision as incurred.

At each financial reporting date presented, the Company has not incurred any decommissioning costs related to the mineral exploration and evaluation assets, and accordingly, no provision has been recorded for such site reclamation or abandonment.

Equity issuances

The proceeds from equity issuances are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares, being the closing bid price on announcement date, and any residual value is allocated to common share purchase warrants.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based compensation

The Company has a stock option plan that is described in Note 9(c).

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument on the date of grant using the Black-Scholes option pricing model. The grant date fair value is recognized in net income (loss) over the vesting period, described as the period during which all the vesting conditions are satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in net loss, unless they are related to the issuances of shares. Amounts related to the issuances of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is determined using the Black-Scholes option pricing model. The fair value of direct awards of stock is determined by the quoted market price of the Company's stock. The amount recognized as expense is adjusted to reflect the number of stock options expected to vest. For both employees and non-employees, where the terms and conditions are modified before they vest, the increase in the fair value of the options, measured immediately before and after modification, is also charged to share-based compensation in net income (loss) over the remaining vesting period.

All equity-settled share-based payments are reflected in reserve until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserve is credited to share capital, adjusted for any consideration paid. Amounts recorded in reserve for unexercised share options remain in reserve upon their expiry or cancellation.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common shares. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method. Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share for 2017. For 2018, there were no potentially dilutive common shares related to stock options.

Flow-through shares

The Company finances a portion of its exploration activities through the issue of flow-through shares.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Flow-through shares (continued)

The Company provides certain share subscribers with a flow-through component for tax incentives available on qualifying Canadian exploration expenditures. The shares issued require that the Company make certain qualifying expenditures for tax purposes within two years of issuance, the deduction of which flow through to the shareholders. Accordingly, the Company is not entitled to the related taxable income deductions for such expenditures, giving rise to taxable temporary differences for accounting purposes. A portion of the deferred income tax assets that were not recognized in previous years are recognized as recovery of income taxes in the consolidated statement of net and comprehensive income (loss).

The proceeds from issuing flow-through shares are allocated between the offering of shares and the sale of tax benefits. The allocation is based on the difference (“premium”) between the quoted price of the Company’s existing shares and the amount the investor pays for the actual flow-through shares. A liability is recognized for the premium (“other liability”) and is reversed into net income (loss) as a deferred tax recovery when the eligible expenditures are incurred, and the Company has enough available unused non-capital losses. If the flow-through shares are not issued at a premium, a liability is not recorded.

Financial instruments

Financial assets and financial liabilities are recognized on the consolidated statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss (“FVTPL”) – This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in net income (loss). Cash and cash equivalents is classified as FVTPL.

Loans and receivables – These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Reclamation advance is classified as loans and receivables.

Held-to-maturity investments – These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in net income (loss).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale – Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in net income (loss). Investment in private company is classified as available-for-sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial assets, except for those classified as FVTPL, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are disclosed above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

FVTPL – This category comprises derivatives, or financial liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in net income (loss).

Other financial liabilities – This category includes accounts payable and accrued liabilities. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities is classified as other financial liabilities.

New accounting standard adopted during the year

Amendments to IAS 7 Statement of Cash Flows

These amendments require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities. This amendment is effective for reporting periods beginning on or after January 1, 2017.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standard adopted during the year (continued)

The Company adopted the amendments to IAS 7 during the year ended October 31, 2018 with no significant impact on its consolidated financial statements.

New accounting standards issued but not yet effective

IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. Additional amendments include introduction of a new hedge accounting model and a new expected-loss impairment model. This standard is effective for annual periods beginning on or after January 1, 2018.

The Company does not expect a significant impact on its consolidated financial statements as a result of adoption of IFRS 9. Cash and cash equivalents will continue to be classified as FVTPL, reclamation advance will change from loans and receivables to amortized cost, investment in private company will change from available-for-sale to FVTPL, and accounts payable and accrued liabilities will change from other financial liabilities to amortized cost.

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

The Company is currently evaluating the impact IFRS 16 will have on its consolidated financial statements, and will adopt IFRS 16 at the effective date.

5. CASH AND CASH EQUIVALENTS

At October 31, 2018, the Company held a guaranteed investment certificate ("GIC") with a value of $253,309 (2017 - $100,452).

The GIC at October 31, 2018 is cashable, has a principal amount of $250,716 (2017 - $100,000), bears interest at 1.85% (2017 – 0.70%) and matures on April 10, 2019 (2017 – April 5, 2018).

Included in the balance of cash and cash equivalents is $2,593 (2017 - $452) of accrued interest.

6. RECLAMATION ADVANCES

During the year ended October 31, 2015, the Company advanced $5,000 to the Minister of Finance of British Columbia as a security deposit for exploration work on the Redhill property (Note 7(a)). The amount is without interest.

During the year ended October 31, 2016, the Company advanced US $22,070 to the State of Utah Department of Natural Resources as surety for exploration work on the Wildcat property (Note 7(c)). The amount is without interest. During the year ended October 31, 2017, the Company advanced an additional US $4,430 and received a refund of US $13,242. At October 31, 2018, US $13,258 remained advanced for surety. Subsequent to October 31, 2018, a refund of the US $13,258 was received.

7. MINERAL EXPLORATION AND EVALUATION ASSETS

a) Redhill

On July 8, 2015, the Company entered into an option agreement with Homegold Resources Ltd. ("Homegold"). Under the terms of the option, the Company may acquire a 100% interest in the Redhill property located in British Columbia by making option payments as follows:

- $5,000 upon signing of the agreement (paid);
- $5,000 on the first and second anniversaries of the agreement (paid);
- $10,000 on the third anniversary of the agreement (paid);
- $40,000 on the fourth through ninth anniversaries of the agreement; and
- $235,000 on the tenth anniversary of the agreement.

In addition to the option payments, the Company must spend $500,000 on exploration as follows:

- $20,000 on or before the first anniversary of the agreement (spent);
- $50,000 on or before the second anniversary of the agreement (spent);
- $150,000 on or before the third anniversary of the agreement (spent);
- $30,000 on or before the fourth through ninth anniversaries of the agreement (spent); and
- $100,000 on or before the tenth anniversary of the agreement.

If the Company exercises the option, Homegold will retain a 2% net smelter return royalty ("NSR"), one-half (1%) of which can be purchased by the Company for $1,000,000 at any time. In the event of commercial production or sale of 100% of the property, Homegold will receive a bonus payment of $500,000 in cash or shares at the election of Homegold. Expenditures can be accelerated at the Company's election and excess expenditures in any year will be credited towards future years.

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% NSR.

7. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

b) Golden Eagle (continued)

During the year ended October 31, 2017, the Company determined that the Golden Eagle property was impaired. An impairment charge of $1,013,603 was recognized in net loss for the year ended October 31, 2017.

c) Wildcat

On February 23, 2015, Troymet USA entered into an option agreement with Renaissance Exploration Inc. ("RenEx"). Under the terms of the option, the Company may acquire a 70% interest in the Wildcat gold project located in Utah, by paying RenEx US $50,000 in cash (paid), reimbursing claim fees of US $8,219 (reimbursed), incurring exploration expenditures of US $3,000,000 over seven years and completing a bankable feasibility study. The minimum annual work commitments are as follows:

- US $50,000 during the first year of the agreement (spent);
- an additional US $250,000 during the second year of the agreement (spent);
- an additional US $350,000 during the third year of the agreement; and
- an additional US $500,000 during each of the fourth through seventh years of the agreement.

The Company determined it would be unable to meet the annual work commitment due February 23, 2018. An impairment charge of $730,663 was recognized in net loss for the year ended October 31, 2017.

d) Key Property

Troymet completed the sale of its 100% interest in the Key property to New Gold Inc. (“New Gold”) in December 2013. As part of the transaction, Troymet was granted a 2% NSR on the Key property.

During the year ended October 31, 2018, the Company sold one-half of its 2% NSR to New Gold for $300,000 cash. If a valuation condition in relation to an arm’s length third party private company is satisfied before April 9, 2020, the Company will receive an additional $81,250. As the valuation condition is uncertain, the Company has only recognized the $300,000 received to date. New Gold can purchase the remaining 1% for $2,000,000 cash.

The arm’s length private company became a related party subsequent to the transaction.

(Expressed in Canadian Dollars)

7. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

At October 31, 2018, expenditures incurred on mineral exploration and evaluation assets are as follows:

	Redhill	Golden Eagle	Wildcat	Total
Balance, October 31, 2016	**$ 376,972**	**$ 1,012,003**	**$ 755,118**	**$ 2,144,093**
Deferred Exploration Costs				
Drilling	30,095	-	-	30,095
Geochemistry / Assays	743	-	-	743
Geological	39,516	1,600	1,788	42,904
Geophysical	23,590	-	-	23,590
Total Deferred Exploration Costs	93,944	1,600	1,788	97,332
Mineral Exploration Tax Credit	(94,419)	-	-	(94,419)
Impairment	-	(1,013,603)	(730,663)	(1,744,266)
Cumulative Translation Adjustment	-	-	(26,243)	(26,243)
Balance, October 31, 2017	**376,497**	**-**	**-**	**376,497**
Acquisition Costs	15,000	-	-	15,000
Deferred Exploration Costs				
Drilling	1,200	-	-	1,200
Geological	1,567	-	-	1,567
Total Deferred Exploration Costs	2,767	-	-	2,767
Mineral Exploration Tax Credit	(28,503)	-	-	(28,503)
Balance, October 31, 2018	**$ 365,761**	**$ -**	**$ -**	**$ 365,761**

8. INVESTMENT IN 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. Pursuant to an option agreement between the Company and Hudson Bay Exploration and Development Company Limited ("HBED"), dated February 15, 2000, and amended 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.

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.

During the year ended October 31, 2016, the Company recorded an impairment of $1,565,117 related to the investment in McClarty Lake as a result of no exploration plan for the foreseeable future by either HBED or the Company, bringing the value to $1.

During the year ended October 31, 2018, the Company sold its investment in McClarty Lake to an arm's length private purchaser for $100,000 cash and 2,250,000 common shares of the private purchaser (recorded at a value of $1). The Company issued 2,500,000 common shares (valued at $25,000) to the purchaser as part of the sale agreement. As a result, the Company recognized a gain on sale of McClarty Lake of $75,000.

9. 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.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

b) Issued

On May 30, 2018, the Company issued 2,500,000 common shares (valued at $25,000) to the purchaser of the investment in McClarty Lake (Note 8) as part of the sale agreement.

The Company did not issue shares during the year ended October 31, 2017.

c) 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. Options granted may not exceed a term of 10 years from the date of grant. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period. The Company has issued stock options to acquire common shares as follows:

	Options Outstanding		Weighted Average Exercise Price
Balance at October 31, 2016	5,000,000	$	0.06
Expired on July 9, 2017	(850,000)		0.10
Balance at October 31, 2017	4,150,000		0.05
Granted on July 10, 2018	250,000		0.05
Balance at October 31, 2018	4,400,000	$	0.05

Options outstanding

A summary of options outstanding at October 31, 2018 is as follows:

Number of Shares Under Option	Number of Options Exercisable		Exercise Price	Expiry Date
1,350,000	1,350,000	$	0.05	January 16, 2025
600,000	600,000	$	0.05	December 7, 2025
2,200,000	2,200,000	$	0.05	April 4, 2026
250,000	250,000	$	0.05	July 10, 2028
4,400,000	4,400,000			

At October 31, 2018 the weighted average remaining life of the options is 7.14 (2017 - 7.99) years.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

c) Stock options (continued)

Share-based compensation

During the year ended October 31, 2018, the Company recognized a share-based compensation expense of $2,480 (2017 - $nil) on the grant and vesting of 250,000 (2017 - nil) stock options to a director of the Company. The Company used the Black-Scholes option pricing model with the following assumptions:

		2018	2017
Share price on date of grant	$	0.01	N/A
Exercise price	$	0.05	N/A
Expected life in years		10.00	N/A
Expected annualized share price volatility		182%	N/A
Dividend yield		-	N/A
Risk-free interest rate		2.16%	N/A
Grant date fair value	$	0.01	N/A

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

d) Share purchase warrants

The Company had no share purchase warrants outstanding during the years ended October 31, 2018 and 2017.

10. 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.

11. RELATED PARTY TRANSACTIONS

Key management personnel compensation

The Company has paid or accrued fees of $120,000 (2017 - $120,000) to companies controlled by officers for management, administrative, accounting and technical services. These amounts are included in general and administration expenses and exploration and evaluation assets as outlined below:

Error! Not a valid link.

Management fees consisted of $24,000 (2017 - $24,000) paid to a company controlled by the Chief Financial Officer and $96,000 (2017 - $16,000) paid to a company controlled by the President and Chief Executive Officer. Geological consisted of $nil (2017 - $80,000) paid to a company controlled by the President and Chief Executive Officer.

At October 31, 2018, included in accounts payable and accrued liabilities was $28,350 (2017 - $240) due to a company controlled by the President and Chief Executive Officer. The balance owing is unsecured, non-interest-bearing and has no specific terms of repayment.

12. 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.

The Board of Directors oversees management's 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.

(Expressed in Canadian Dollars)

12. FINANCIAL RISK MANAGEMENT (continued)

b) Credit risk (continued)

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

	2018	2017
Cash and cash equivalents	**$ 336,662**	$ 179,365
Accounts receivable	**2,397**	2,100
	$ 339,059	$ 181,465

All of the Company's operations are conducted in Canada and the USA. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty.

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.

The Company's accounts receivable consisted entirely of Goods and Services Tax receivable at October 31, 2018 and 2017.

As at October 31, 2018 and 2017, the Company's accounts receivable were current (less than 90 days). The Company believes that all outstanding balances are collectible, and therefore there is no allowance for doubtful accounts at October 31, 2018 and 2017.

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 much 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 13. Management has increased its focus on liquidity risk given the impact of the current economic and financial market climate on the availability of equity financing.

12. FINANCIAL RISK MANAGEMENT (continued)

c) Liquidity risk (continued)

The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The financial liabilities at October 31, 2018 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	$ 41,197	$ 41,197	$ -	$ -	$ -	$ -
	$ 41,197	**$ 41,197**	**$ -**	**$ -**	**$ -**	**$ -**

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 fluctuations in finance income as a result of interest rate fluctuations to be minimal.

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 recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for assets or liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

(Expressed in Canadian Dollars)

12. FINANCIAL RISK MANAGEMENT (continued)

f) Fair value (continued)

The following table presents the financial instruments recorded at fair value in the consolidated statements of financial position, classified using the fair value hierarchy described above:

October 31, 2018	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 336,662	$ -	$ -

October 31, 2017	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 179,365	$ -	$ -

Due to the short-term maturity of the Company's existing financial assets and liabilities, the carrying value approximates the fair value.

13. 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 light of changes in economic and financial market conditions. The Company considers its capital structure to include shareholders' equity and 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 years ended October 31, 2018 and 2017.

The Company is not exposed to externally imposed capital requirements.

(Expressed in Canadian Dollars)

14. SEGMENTED INFORMATION

The Company currently operates in a single reportable operating segment, mineral exploration and development. The Company's reportable segments are summarized as follows:

Geographical segment

2018	Canada	USA	Total
Non-current assets	$ 370,762	$ 17,424	$ 388,186

2017	Canada	USA	Total
Non-current assets	$ 382,795	$ 15,797	$ 398,592

15. INCOME TAXES

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

	2018	2017
Income (loss) before tax	$ 92,332	$ (1,871,156)
Expected tax rate	26.83%	26.00%
Income tax (recovery) computed at statutory rates	25,000	(487,000)
Tax effect of expenses that are not deductible	100,000	-
Effect of rate change	(51,000)	103,000
Tax rate differential between jurisdictions	21,000	(130,000)
Unrecognized benefit of deferred income taxes	(95,000)	514,000
Total deferred income tax recovery	$ -	$ -

During the year ended October 31, 2018, Troymet USA was wound up and the loan advanced by the parent company was forgiven, resulting in a loss in the parent company and a gain in Troymet USA. As a result, Troymet USA's operating losses carried forward and resource tax pools were fully utilized to reduce its taxable income and the parent company has capital losses carried forward at the year-end.

(Expressed in Canadian Dollars)

15. INCOME TAXES (continued)

The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities at October 31, 2018 and 2017 are presented below:

	2018	2017
Deferred income tax assets (liabilities)		
Exploration and evaluation assets	**$ 379,000**	$ 680,000
Non-capital losses carried forward	**963,000**	856,000
Capital losses carried forward	**99,000**	-
	1,441,000	1,536,000
Unrecognized deferred income tax assets	**(1,441,000)**	(1,536,000)
Net deferred income tax assets (liabilities)	**$ -**	$ -

As at October 31, 2018, the Company has Canadian non-capital losses of approximately $3,566,000 (2017 - $3,286,000) available for carry-forward to reduce future years' income for income tax purposes. If not used, these losses will expire commencing in 2029.

2029	$ 153,000
2030	574,000
2031	676,000
2032	814,000
2033	534,000
2035	264,000
2036	147,000
2037	125,000
2038	279,000
	$ 3,566,000

TROYMET EXPLORATION CORP.
MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis ("MD&A") for the year ended October 31, 2018 was prepared with information available up to January 23, 2019 and should be read in conjunction with the Company's consolidated financial statements and accompanying notes for the year ended October 31, 2018.

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 4 of the audited consolidated financial statements of the Company, as at October 31, 2018 and for the year then ended.

Any scientific or technical information, as described in National Instrument 43-101 *Standards of Disclosure for Mineral* Projects ("NI 43-101"), disclosed in this MD&A 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 NI 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. 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 British Columbia.

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 holds an option to acquire a 100% interest in the 3,690-hectare Redhill property, located approximately eighty (80) kilometres west of Kamloops and ten (10) kilometres south of Ashcroft, British Columbia. Under the terms of the option, the Company may acquire a 100% interest in the Redhill property located in British Columbia by making $500,000 in option payments and $500,000 in exploration expenditures over a ten-year period. If the Company exercises the option, Homegold Resources Ltd. ("Homegold") will retain a 2% net smelter return royalty ("NSR"), one-half (1%) of which can be purchased by the Company for $1,000,000 at any time. Troymet believes there are unrecognized and untested copper-zinc-gold targets that can be quickly and cost-effectively identified and drill tested on the Redhill property.

Troymet completed the sale of its 100% interest in the Key property to New Gold Inc. ("New Gold") in December 2013. As part of the transaction, Troymet was granted a 2% NSR on the Key property. During the year ended October 31, 2018, the Company sold one-half of its 2% NSR to New Gold for $300,000 cash. If a valuation condition in relation to an arm's length third party private company is satisfied before April 9, 2020, the Company will receive an additional $81,250. As the valuation condition is uncertain, the Company has only recognized the $300,000 received to date. New Gold can purchase the remaining 1% for $2,000,000 cash. The arm's length private company became a related party subsequent to the transaction.

At the McClarty Lake project, a joint venture agreement was established with Hudson Bay Exploration and Development Company Limited ("HBED") holding a 60% interest and Troymet holding a 40% interest. During the year ended October 31, 2016, the Company recognized an impairment of $1,565,117 on the McClarty Lake project as a result of no exploration plan for the foreseeable future by either HBED or Troymet. During the year ended October 31, 2018, the Company sold its investment in McClarty Lake to an arm's length private purchaser for $100,000 cash and 2,250,000 common shares of the private purchaser. The Company issued 2,500,000 common shares (valued at $25,000) to the purchaser as part of the sale agreement.

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. During the year ended October 31, 2017, the Company determined that the Golden Eagle property was impaired. An impairment charge of $1,013,603 was recognized in net loss for the year ended October 31, 2017.

On February 23, 2015, the Company's wholly owned subsidiary, Troymet USA LLC ("Troymet USA") entered into an option agreement with Renaissance Exploration Inc. ("RenEx"), a wholly owned subsidiary of Renaissance Gold Inc. ("Renaissance"), on the Wildcat gold project, Utah (the "Wildcat Project"). Under the terms of the option, Troymet USA may acquire a 70% interest in the Wildcat Project by paying RenEx US $50,000 in cash (paid), reimbursing the 2014 claim fees of US $8,219 (reimbursed), incurring US $3 million on exploration and development over seven years in staged exploration and by completing a bankable feasibility study. The Company determined it would be unable to meet the annual work commitment due February 23, 2018 and subsequently gave notice to terminate the option agreement. An impairment charge of $730,663 was recognized in net loss for the year ended October 31, 2017.

At the Company's Annual General Meeting held on February 16, 2018, approval was obtained to complete a share consolidation on the basis of one (1) new common share for every twenty (20) existing common shares. As of the date of this MD&A, the share consolidation has not been initiated or completed. If Troymet determines to proceed with an acquisition, a potential transaction or a financing at a future date, depending on market conditions, Troymet would likely complete the share consolidation concurrently with such transaction. The Company also received approval to change its name to "Bessor Minerals Inc." or such other name as the directors, in their discretion, may resolve. As of the date of this MD&A, the name change has not been initiated or completed.

Currently, Troymet has not executed any agreements, letters of intent or term sheets in relation to any potential transactions, nor has it determined through negotiations or otherwise any actual terms or conditions at this time. There is no guarantee that any potential transactions will occur, and it is possible that no transactions that Troymet is currently reviewing will occur.

Going Concern

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.

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 the consolidated financial statements for the years ended October 31, 2018 and 2017 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.

Significant Accounting Estimates

Significant areas requiring the use of management estimates include the determination of impairment of mineral exploration and evaluation assets, 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 in share-based compensation calculations. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

Significant Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year include the Company's going concern assessment.

Exploration Projects

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.

Redhill Property - Copper, Gold, Zinc and Silver

Troymet holds an option to acquire a 100% interest in the 3,689.75-hectare Redhill property, located approximately eighty (80) kilometres west of Kamloops and ten (10) kilometres south of Ashcroft, British Columbia.

Under the terms of the option, the Company may acquire a 100% interest in the Redhill property located in British Columbia by making option payments as follows:

- $5,000 upon signing of the agreement (paid);
- $5,000 on the first and second anniversaries of the agreement (paid);
- $10,000 on the third anniversary of the agreement (paid);
- $40,000 on the fourth through ninth anniversaries of the agreement; and
- $235,000 on the tenth anniversary of the agreement.

In addition to the option payments, the Company must spend $500,000 on exploration as follows:

- $20,000 on or before the first anniversary of the agreement (spent);
- $50,000 on or before the second anniversary of the agreement (spent);
- $150,000 on or before the third anniversary of the agreement (spent);
- $30,000 on or before the fourth through ninth anniversaries of the agreement (spent); and
- $100,000 on or before the tenth anniversary of the agreement.

If the Company exercises the option, Homegold will retain a 2% NSR, one-half (1%) of which can be purchased by the Company for $1,000,000 at any time. In the event of commercial production or sale of 100% of the property, Homegold will receive a bonus payment of $500,000 in cash or shares at the election of Homegold. Expenditures can be accelerated at the Company's election and excess expenditures in any year will be credited towards future years.

Troymet believes there are unrecognized and untested copper-zinc-gold targets that can be quickly and cost-effectively identified and drill tested in the "Redhill" and "Feedlot" zones, as well as in extensions to the south. In its evaluation of the property, Troymet identified potential settings for mineralization in the stratigraphic hangingwall west of the Redhill zone. Soil geochemistry shows base metal and gold anomalies offset from the Redhill zone that have not been tested and there are also some strong EM conductors in the Feedlot zone that have not been drilled. The mineralization in the Redhill zone is a very prominent gossan developed on a VMS exhalative, stockwork feeder zone. Mineralization in the Feedlot zone appears to be a more akin to exhalative iron formation. Past drilling of electromagnetic conductors in both zones returned encouraging intersections including: 7.75 metres with 2.54% copper, 2.78% zinc, 77.0 g/t silver and 0.37% gold over 7.75 metres; 2.08% copper, 7.5 g/t silver over 1.35 metres; 0.56% copper, 0.79g/t silver over 2.95 metres; and 0.59% copper, 1.6% zinc, 1.91g/t silver and 0.39g/t gold over 2.58 metres. (British Columbia ARIS ("Assessment Report Indexing System") Report #28371).

The volcanic sequence of the Redhill sector is exposed in a five (5) kilometres-wide, NNW-striking, thrust slice over a distance of at least twenty (20) kilometres. The geology is interpreted to be chemically analogous and age equivalent to the Permo-Triassic age Kutcho Assemblage that hosts the Kutcho Creek Cu-Pb-Zn-Ag VMS deposit in northern British Columbia. The potentially analogous Kutcho deposit currently owned by Capstone Mining Corp. reportedly hosts measured and indicated resources (using a 1.5% copper cut-off) of 11.2 million tonnes grading 2.19% copper, 3.28% zinc, 37g/t silver and 0.39 g/t gold (Capstone Mining Corp. website). Management of Troymet is not aware of a NI 43-101 resource on the Redhill project and analogous deposits such as the Kutcho deposit should not be considered an indication that a resource is contained or will be discovered on the Redhill project.

Alpha Zone

The Alpha zone, approximately 2.0 x 2.5 kilometres, encompasses a sequence of felsic to intermediate volcanics, the historic "Redhill zone", as well as an extensive area of untested soil anomalies (copper >> zinc>>> silver). The volcanics, associated alteration and mineralization are interpreted to represent a stringer zone in the footwall of a VMS exhalative system. A primary target is an untested, strong, off-hole Pulse electromagnetic ("EM") conductor in the vicinity of hole RH-06-25, which intersected 8.97% copper, 4.96 % zinc, 1.27 g/t gold and >30.0 g/t silver over 2.04 metres, including 10.15% copper, 5.45% zinc, 1.41 g/t gold, and >30.0 g/t silver over 1.74 metres. Troymet has re-logged and confirmed this mineralized intersection. The untested off-hole Pulse EM conductor indicates extensions to this mineralization. (Avalon Ventures Ltd. News Release, October 31, 2006).

A 2006 fixed-loop transient EM ("FLTEM") survey identified 11 EM conductors in an area ~600 x 1,100 metres. The mineralization in hole RH-06-25 is associated with a medium strength, 200-metre long conductor. Conductors along strike, and other nearby stronger conductors, have not been drill tested. (British Columbia ARIS Report #28525).

On December 1, 2015, Troymet reported it had been awarded a British Columbia *Mines Act* multi-year permit for its diamond drilling program on the Alpha and Beta zones of the Redhill project. The permit also authorizes Troymet to conduct induced polarization surveys over the target zones.

In a June 20, 2016 news release, Troymet reported that it received the final results from a Voltera-3DIP survey over the Alpha zone, Redhill project. While final modelling and interpretation of the data is underway, preliminary results show a domain of high chargeability and resistivity along the west side of the grid at a depth of ~200 metres. This domain is flanked to the east by a domain of low chargeability. While the geology and structures of the different domains remain to be confirmed, it is clear the 3DIP data is mapping previously unrecognized and fundamental geological patterns in the Alpha zone that will guide exploration. The Redhill VMS prospect occurs in a prospective volcanic sequence that tracks the contact of the high/low chargeability domains. This contact will be a focus of future exploration. The VMS prospect is associated with a 200-metre long FLTEM conductor, as well as Borehole Transient EM conductors. Hole RH06-25, re-logged, quartered and re-assayed by Troymet, returned: 8.75% copper, 4.75% zinc, 1.22 g/t gold & 61.19 g/t silver over 2.04 metres. The mineralization is open along strike and to depth. The survey also identified a large chargeability anomaly (> 20 milliseconds), over an area of ~280 x 260 metres, just west of the VMS prospect, and another (16-18 milliseconds), over an area ~ 210 x 100 metres, in the southeast part of the grid. There is no record of drilling or other exploration on either of these targets.

The Volterra-3DIP survey was conducted by SJ Geophysics Ltd. of Vancouver. Nine lines (10.8 kilometres) at a spacing of 150 metres were surveyed.

On July 25, 2016, the Company reported that a program of detailed follow-up soil sampling and prospecting of 3DIP anomalies on the Alpha zone and evaluation of the gold-, copper- and zinc-in-soil anomalies on the Alpha South zone is complete. New drill targets have been identified associated with slumped/mechanically transported sulphides and the area of volcanic stratigraphy prospective for the discovery of VMS deposits has been significantly expanded.

The 3DIP survey mapped previously unrecognized and fundamental geologic patterns in the Alpha zone where the geologic sequence dips steeply west (~75°). The 3DIP shows where sulphides are introduced into the volcanic sequence accompanied by increased silicification, which is mapped by the resistivity. Plentiful breccia boulders, several of which contain massive sulphide blocks have been found in a prospective volcanic sequence (~100 m wide) that is coincident with the strong, chargeability/resistivity anomaly. The horizon is located ~70 m into the hanging wall of the VMS prospect. The sulphides are dominantly of pyrite with trace to minor chalcopyrite. The boulders represent slump features and/or mechanically transported mineralization likely the result of brecciation at source, transport down-slope by gravity-driven submarine debris flows, and deposition in depressions. What is geologically termed “transported ore” can form substantial bodies of mineralization as in the Buchans and Boundary VMS deposits in Newfoundland.

Maps of 3DIP chargeability and resistivity as well as copper, zinc and gold-in-soils can be viewed at www.troymet.com/projects/redhill/maps-and-photos.

The prospective volcanics, chargeability and resistivity anomalies continue to the west beneath the adjacent valley through which the Trans Canada Highway runs. A percussion hole (R87-7) drilled in the valley intersected copper mineralization in volcanics. It demonstrates the potential for the discovery of significant mineralization in this area:

“In the current program the best hole was R87-7 which intersected 1,236 ppm copper from 171 to 204 metres along with 1,694 ppm zinc, 5.7 ppm molybdenum and 2.4 ppm silver. The remainder of the hole was not anomalous. The higher-grade intersection was associated with a relatively high pyrite content of 5% compared with 2% for most of the hole. Here the host rock consisted of interbedded rhyolites and andesites with chorite-sericite-quartz-pyrite alteration with minor chalcopyrite mineralization.” (1987 British Columbia ARIS Report #17263).

Detailed (100 m x 25 m) soil sampling was undertaken along the ~900 m x ~250 m gold-in-soil anomaly. Anomalous sample sites were also pitted and sampled. Results will be released once received and evaluated. Prospecting identified shearing with local quartz and quartz-carbonate veining along a magnetic low in a diorite intrusive. The gold-in-soil anomalies track this structure.

The strongest gold-, copper- and zinc-in-soil anomalies in the Alpha South zone were prospected and pitted. The copper and zinc anomalies appear to be associated with structures/shearing possibly associated with particular volcanic horizons. Further work is required to confirm this possibility. The gold anomalies appear to be related to rhyolite. Sheared rhyolite in an area of anomalous gold-in-soil, on the south side of the zone, is altered to white clay. The rhyolite contains high levels of mercury (2,500 ppb) (British Columbia ARIS Report #23423). Further work is required to evaluate the significance of the gold-in-soil anomalies, and the implications of the high mercury levels in the rhyolite.

On November 15, 2016, Troymet reported results of its 2016 drill program. Hole RH16-04 intersected a new, near surface, zone of copper mineralization ("**Upper Zone**"). The hole, drilled from a platform excavated into the side of a hill, intersected mineralization grading **0.72% copper and 6.5 g/t silver over 6.5 metres, starting at a depth of 5.1 metres**. The copper mineralization extends upwards an additional 3.8 metres to the base of the casing; however, because of poor recovery in this interval, a reportable mineralized interval cannot be calculated. Secondary copper mineralization (malachite and chrysocolla) is present in the wall of the drill platform. The downhole width of the mineralized zone is estimated to be in excess of 11.5 metres. Troymet plans to strip, map, trench and sample the mineralization prior to further drilling.

Hole RH16-04 also intersected VMS mineralization grading **0.64% copper and 1.5% zinc over 2.0 metres from 206.3-208.3 metres** downhole ("**Lower Zone**"). This intersection is ~20 metres laterally and ~20 metres higher than the mineralization in hole RH-06-25 (8.75% copper, 4.75% zinc, 1.22 g/t gold and 61.19 g/t silver over 2.04 metres). The mineralization in hole RH-06-25 comprises VMS and stringer zone mineralization. The mineralization in hole RH16-04 consists only of VMS mineralization with durchbewegung texture. The mineralization is crudely bedded and dips ~65° to the west. The topography also drops off to the west into a prominent valley. The mineralization is open along strike and to depth, and lies deeper than was tested by previous drilling in the VMS prospect. Additional drilling is required to explore and delimit this significant area of VMS mineralization.

The Upper and Lower zones are ~195 metres apart downhole. A one-metre band (bed?) of massive pyrite was intersected at 161.8 metres. Centimeter-wide bands of pyrite with trace chalcopyrite occur in the overlying and underlying quartz-eye felsic tuffs along with 5-50% disseminated and irregular concentrations of pyrite. The best assay, 0.15% copper and 1.32 g/t silver over 5.0 metres, together with the geology, indicates the potential for the development of significant copper mineralization, off hole, along this horizon.

Troymet has identified a characteristic tuffaceous subaqueous ash flow unit, commonly with pyroclastic fragmental textures, that is associated with the VMS mineralization. The unit contains prominent blue quartz "eyes" (phenocrysts) in a matrix composed mainly of feldspar and quartz. Mafic minerals are minimal. The recognition of this important unit will guide future exploration.

Table 1: Drill Hole Intersections

Hole	From (m)	To (m)	Width (m)	Cu %	Zn %	Ag g/t	Au g/t
RH16-04	5.10	11.60	6.50	0.72		6.50	
	156.80	160.80	4.00	0.02	0.27		
incl.	157.80	158.80	1.00		0.79		
	160.80	165.80	5.00	0.15		1.32	
incl.	165.30	165.80	0.50		0.46		
	206.30	208.30	2.00	0.64	1.50		
RH16-03	33.80	34.80	1.00	0.29			1.20

Widths presented in Table 1 are downhole core lengths; true widths cannot be reliably estimated at this time. Core samples were analyzed at ALS Global, Vancouver.

Hole RH16-03 was drilled, in part, to twin hole RH-05-23 and to test for shallow mineralization. The best intersection (0.29% copper and 1.2 g/t gold over 1.0 metre from 33.8-34.8 metres downhole) was obtained from pyrite stringer mineralization. The high-grade mineralization in hole RH-05-23 (2.08% copper and 7.5 g/t gold) was also obtained from pyrite-chalcopyrite stringers but from ~45 metres deeper. As in the case of the intersections in holes RH16-04 and RH-06-25, this indicates the better mineralization lies deeper than was previously tested by drilling on the VMS prospect. A new mineralized horizon of bedded pyrite with felsic clasts (cm) as xenoliths in the sulphide was intersected from 8.9-11.3 metres. In the overlying quartz-eye felsic tuff (6.0-8.9 metres) pyrite veins/veinlets (mm – 2 cm) constitute ~ 30% of the core. Copper (255-405 ppm) and silver (1.33-3.62 g/t) are elevated. Along strike or at depth, this mineralized horizon may host significant copper mineralization in this productive environment.

Hole RH16-05 tested a newly identified chargeability anomaly (+/- 100 metre depth), and a copper- and zinc-in-soil anomaly, on Horizon 2. The hole, drilled ~100 metres north of the VMS prospect, cut a sequence of quartz-eye felsic tuffs with variably developed pyrite (+ pyrrhotite) as stringers, disseminations and bands to ~30%. While the geology appears to be similar to that in the VMS prospect no copper, zinc or precious metal mineralization was intersected.

Hole RH16-01, drilled ~350 metres southwest of the VMS prospect to test a large >20 millisecond chargeability anomaly on Horizon 3, identified pyrite as stringers, disseminations and bands (to ~60%) in intermediate volcanics as the source of the anomaly. The best assay was 0.08% copper over 0.7 metres. This hole was probed with a Volterra borehole electromagnetic survey; no conductors were identified. Following completion of the drill program it is now recognized that the favourable and prospective VMS geology occurs stratigraphically below this horizon.

Hole RH16-02, drilled to test a chargeability anomaly on Horizon 3, intersected pyritic felsic volcanics. Local intervals, up to 7.0 metres in width, contain increased concentrations of pyrite including bands/seams to 5 cm, which are anomalous in copper (to 0.33% over 1.0 metres), and also carry elevated zinc values (to 621 ppm). This mineralization is interpreted to be distal to more significant accumulations of VMS mineralization. Breccia boulders containing massive sulphide blocks representing slump features and/or mechanically transported mineralization have been found in this locale. Their source has not been found. Further drilling is required to evaluate this area.

On August 17, 2017, Troymet reported positive results from a test gravity survey over the VMS mineralization in the Alpha prospect of the Redhill project. The gravity survey identified strong anomalies associated with the Upper and Lower VMS zones, and, unexpectedly, with Horizon 1. The results support Troymet's belief that significant VMS mineralization likely occurs at depth in the Upper and Lower VMS zones. The unexpectedly strong anomaly associated with Horizon 1 suggests an untested mineralized mass at depth. The single test line was orientated orthogonal the Upper Zone and Lower Zone VMS mineralization, and to the three stacked horizons hosting VMS mineralization. Several gravity highs can be identified on the overall Bouguer Gravity profile. One high is associated with the Upper Zone mineralization (~300 metres). The Lower Zone mineralization may be related to the broad, lower amplitude gravity high from ~340 to 500 metres. However, the Lower Zone dips at ~65° under the upper Zone with the result that the strong anomaly at ~300 metres is thought to be the result of the superimposition of the two zones. Alternatively, the gravity is indicating a significant sulphide mass associated with the Upper Zone. The best massive sulphide mineralization was intersected in holes RH16-04 and RH06-25. Mineralization between these two strong intersections and surface is typically thin and stringer-like as might be expected peripheral to a well-developed VMS deposit. A borehole EM survey ("BHEM") of RH06-25 identified an off-hole response at 30 Hertz, with conductivities in the range of 100 to 300 Mhos indicating a potentially large body of mineralization under holes RH16-04 and RH06-25. This is the primary drill target in this area.

A second significant high is associated with Horizon 1 and its associated FLTEM conductor. The strong gravity anomaly indicates potential at depth. Horizon 1 has not been drill tested at depth and the FLTEM conductor has not been drill tested along strike. The distribution of sulphides in Horizon 1 may mimic the Lower Zone with the better VMS mineralization occurring at depth. This is an important drill target.

A broad, lower amplitude gravity high occurs within Horizon 3. Gravity anomalies also occur at the start (0 metres) and finish (700 metres) of the survey line. These anomalies have not been delineated. The anomaly at 700 metres occurs with a FLTEM conductor, which is likely mapping a potentially mineralized horizon. This has not been drilled.

The anomaly at 0 metres lies in an overburden covered valley and on the north flank of the induced polarization/magnetic high drill tested by the Company in 2016 (hole RH16-01). This hole was probed with BHEM; no conductors were identified. Following completion of the 2016 drill program, and with a better understanding of the stratigraphy of the volcanic pile, it was recognized that the favourable and prospective VMS geology occurs stratigraphically below this horizon, to the northeast, towards Horizon 3.

Beta Zone

The Beta zone, approximately 2.5 x 2.5 kilometres, encompasses a sequence of felsic to intermediate volcanics, graphitic sediments, iron formation +/- locally laminated semi-massive to massive sulphides containing pyrrhotite +/- pyrite +/- minor chalcopyrite. Borehole S83-4 is reported to have intersected stringer zone mineralization grading 2.54% copper, 2.78% zinc, 77.0 g/t Ag, and 0.37 g/t Au over 7.75 metres. (British Columbia ARIS Report #28371). There is no core extant from this hole for re-logging or confirmatory sampling. The Beta zone appears to stratigraphically overly the Alpha zone in the volcanic sequence. Numerous EM, IP/R and magnetic anomalies are present. Troymet is evaluating the geology, geochemistry, and the EM, IP/R and magnetic anomalies to identify drill targets.

In its November 15, 2016 news release, Troymet reported the 2016 induced polarization ("IP") survey identified a new, large chargeability anomaly associated with the 40 Mho Beta target, which is located on a 550-metre long EM conductor. The Beta target, the chargeability anomaly, and the host conductor have never been drilled. The Company plans to drill test this target as part of the next drill program.

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, British Columbia. The Company controls a 100% interest in the project subject to a 1% 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 VMS deposits. Thirteen separate mineralized zones have been identified to date over the property's 25-kilometre long extent.

During the year ended October 31, 2015, the Company determined that the Golden Eagle property was impaired. An impairment charge of $1,782,794 was recognized in net loss for the year ended October 31, 2015, reflecting the exploration expenditures incurred on the property prior to 2009, when the Company moved the exploration target on the property from the Middle Ridge to the Northern Block.

During the year ended October 31, 2017, the Company determined that the Golden Eagle property was further impaired. An impairment charge of $1,013,603 was recognized in net loss for the year ended October 31, 2017.

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.Geo., dated July 9, 2012 and filed on SEDAR (www.sedar.com) July 10, 2012.

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.

In connection with the transaction, New Gold 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. New Gold completed the full $1,500,000 expenditure commitment in calendar 2014.

As part of the transaction, Troymet was granted a 2% NSR on the Key property. In April 2018, the Company sold one-half of its 2% NSR to New Gold for $300,000 cash. If a valuation condition in relation to an arm's length third party private company is satisfied before April 9, 2020, the Company will receive an additional $81,250. As the valuation condition is uncertain, the Company has only recognized the $300,000 received to date. New Gold can purchase the remaining 1% for $2,000,000 cash.

Wildcat Project - Gold and Silver

The Company's wholly owned subsidiary, Troymet USA, holds an option agreement with RenEx on the Wildcat project. Under the terms of the option, Troymet USA may acquire a 70% interest in the Wildcat project by paying RenEx US $50,000 in cash (paid), reimbursing the 2014 claim fees of US $8,219 (reimbursed), incurring US $3 million on exploration and development over seven years in staged exploration, and by completing a bankable feasibility study. Minimum annual work commitments to keep the option in good standing are US $50,000 in year 1 (spent), US $250,000 in year 2 (spent), US $350,000 in year 3 and US $500,000 in years 4 through 7. Any excess expenditure in any year will be carried forward and applied to subsequent years' expenditure requirements, and the expenditures may be accelerated by Troymet USA in its sole discretion. Troymet USA is exclusively responsible for the planning, execution and supervision of all exploration programs. Troymet USA retained RenEx as its contractor in year 1 to take advantage of RenEx's expertise and established infrastructure.

The Wildcat project lies in the Detroit Mining District, a historic gold producing region in the northern Drum Mountains of central Utah. The project is road accessible and is located approximately 50 kilometres northwest of the community of Delta and 177 kilometres south of Salt Lake City.

The Company determined it would be unable to meet the annual work commitment due February 23, 2018. An impairment charge of $730,663 was recognized in net loss for the year ended October 31, 2017.

Selected Annual Information

	Year Ended October 31, 2018	Year Ended October 31, 2017	Year Ended October 31, 2016
Operating Expenses	$285,570	$1,872,435	$1,765,677
Other Income Interest	$2,902	$1,279	$4,544
Net Income (Loss) Per Share - Basic and Diluted	$92,332 $0.00	($1,871,156) ($0.02)	($1,761,133) ($0.01)
Capital Expenditures	$17,767	$110,214	$726,757
Total Assets	$728,004	$580,848	$2,497,902
Total Liabilities	$41,197	$12,719	$32,211

Results of Operations

<u>Three Months Ended October 31, 2018</u>

In the three months ended October 31, 2018, Troymet realized a net loss of $52,840 (2017 - $1,784,912) for the period, including finance income of $1,170 (2017 - $724).

The expenses for the quarter included general and administration expenses of $5,839 (2017 - $7,950), management fees of $30,000 (2017 - $6,000), professional fees of $14,091 (2017 - $14,635), public company costs of $2,563 (2017 - $11,122) and travel and related costs of $3,035 (2017 - $819). The Company also recognized an impairment of its exploration and evaluation assets in 2017 of $1,744,266, related to the Wildcat and Golden Eagle properties.

General and administration of $5,839 (2017 - $7,950) and public company costs of $2,563 (2017 - $11,122) decreased due to timing of expenditures.

Travel and related costs of $3,035 (2017 - $819) increased as it did for the year as a whole.

Professional fees of $14,091 (2017 - $14,635) remained consistent year to year.

Management fees of $30,000 (2017 - $6,000) increased due to the allocation of the CEO's fees to expenses rather than mineral exploration and evaluation assets.

<u>Year Ended October 31, 2018</u>

In the year ended October 31, 2018, Troymet realized a net income of $92,332 (2017 – net loss of $1,871,156), including finance income of $2,902 (2017 - $1,279). The Company also realized an exchange difference on translating foreign operations of $1,134 (2017 - $26,406) included in other comprehensive loss.

The expenses for the year included general and administration expenses of $23,795 (2017 - $20,918), management fees of $120,000 (2017 - $40,000), professional fees of $78,823 (2017 - $24,198), public company costs of $42,657 (2017 - $30,972), share-based compensation of $2,480 (2017 - $nil) and travel and related costs of $19,364 (2017 - $11,237). The Company also recognized income of $300,000 on the sale of the Key property NSR and a gain of $75,000 on the sale of McClarty Lake in 2018, and an impairment of its exploration and evaluation assets in 2017 of $1,744,266, related to the Wildcat and Golden Eagle properties.

General and administration expenses increased due to additional activity in 2018.

Management fees increased from $40,000 in 2017 to $120,000 in 2018 due to the allocation of the CEO's fees to expenses rather than mineral exploration and evaluation assets.

Professional fees increased due to more legal expenses around the sale of the Key property NSR and the investment in McClarty Lake.

Public company costs and travel and related costs increased due to increased activity around promotion and sale of the Key property NSR and the investment in McClarty Lake.

Share-based compensation of $2,480 in 2018 was due to options granted. No options were granted in 2017.

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, 2018, the Company had a working capital balance of $298,621 (2017 - $169,537). During the year ended October 31, 2018, the Company's working capital increased due to the sales of the Key property NSR and McClarty Lake.

Troymet will be required to raise additional financing in order to continue its exploration programs and cover its operating expenditures for 2019 and beyond. 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.

Capital Expenditures

The Company's primary capital expenditures for the years ended October 31, 2018 and 2017 were on its mineral exploration and evaluation assets as follows:

	Redhill	Golden Eagle	Wildcat	Total
Balance, October 31, 2016	**$ 376,972**	**$ 1,012,003**	**$ 755,118**	**$ 2,144,093**
Deferred Exploration Costs				
Drilling	30,095	-	-	30,095
Geochemistry / Assays	743	-	-	743
Geological	39,516	1,600	1,788	42,904
Geophysical	23,590	-	-	23,590
Total Deferred Exploration Costs	93,944	1,600	1,788	97,332
Mineral Exploration Tax Credit	(94,419)	-	-	(94,419)
Impairment	-	(1,013,603)	(730,663)	(1,744,266)
Cumulative Translation Adjustment	-	-	(26,243)	(26,243)
Balance, October 31, 2017	**376,497**	**-**	**-**	**376,497**
Acquisition Costs	15,000	-	-	15,000
Deferred Exploration Costs				
Drilling	1,200	-	-	1,200
Geological	1,567	-	-	1,567
Total Deferred Exploration Costs	2,767	-	-	2,767
Mineral Exploration Tax Credit	(28,503)	-	-	(28,503)
Balance, October 31, 2018	**$ 365,761**	**$ -**	**$ -**	**$ 365,761**

Share Information

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

	Report Date	October 31, 2018	October 31, 2017
Common shares	124,356,225	124,356,225	121,856,225
Stock options	4,400,000	4,400,000	4,150,000
Warrants	-	-	-
Fully Diluted Shares	128,756,225	128,756,225	126,006,225

Summary of Quarterly Results

A summary of the last eight quarters from January 31, 2017 to October 31, 2018 is provided in the tables below.

	QIV 31-Oct-18	QIII 31-Jul-18	QII 30-Apr-18	QI 31-Jan-18
Operations				
Finance Income	**$1,170**	**$1,169**	**$434**	**$129**
Net Income (Loss)	**($52,840)**	**$13,863**	**$206,961**	**($75,652)**
Per Share - Basic	**($0.00)**	**$0.00**	**$0.00**	**($0.00)**
Statement of Financial Position				
Working Capital	**$298,621**	**$352,925**	**$321,582**	**$88,885**
Total Assets	**$728,004**	**$751,698**	**$716,486**	**$542,084**
Capital Expenditures	**$0**	**$10,000**	**$2,767**	**$5,000**

	QIV 31-Oct-17	QIII 31-Jul-17	QII 30-Apr-17	QI 31-Jan-17
Operations				
Finance Income	$724	$201	$161	$193
Net Loss	($1,784,912)	($19,175)	($32,340)	($34,729)
Per Share - Basic	($0.02)	($0.00)	($0.00)	($0.00)
Statement of Financial Position				
Working Capital	$169,537	$146,621	$190,456	$220,705
Total Assets	$580,848	$2,327,944	$2,430,485	$2,424,255
Capital Expenditures	$25,303	$24,446	$16,000	$44,465

Transactions with Related Parties

The Company has paid or accrued fees of $120,000 (2017 - $120,000) to companies controlled by officers for management, administrative, accounting and technical services. These amounts are included in general and administration expenses and exploration and evaluation assets as outlined below:

	October 31, 2018	October 31, 2017
Short-term compensation:		
Management fees	$ **120,000**	$ 40,000
Geological	$ -	$ 80,000

The payments to related parties were allocated as follows:

	October 31, 2018			October 31, 2017		
	Short-term employee benefits	**Share-based payments**	**Total**	Short-term employee benefits	Share-based payments	Total
Tristia Ventures Corp. (i)	**$ 96,000**	**$ -**	**$ 96,000**	$ 96,000	$ -	$ 96,000
Meagher Consulting Inc. (ii)	**$ 24,000**	**$ -**	**$ 24,000**	$ 8,000	$ -	$ 8,000
Triumvirate Consulting Corp. (ii)	**$ -**	**$ -**	**$ -**	$ 16,000	$ -	$ 16,000

(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 management fees for the years ended October 31, 2018 and 2017.

(ii) Triumvirate Consulting Corp. (“Triumvirate”) is a private company of which Mr. Joseph Meagher, Chief Financial Officer of the Company, is a director and Meagher Consulting Inc. (“MCI”) is a private company controlled by Mr. Meagher. Short-term employee benefits paid or payable to Triumvirate and MCI are included as management fees for the years ended October 31, 2018 and 2017.

Financial Instruments

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.

The Board of Directors oversees management's 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 year-end is as follows:

	October 31, 2018	October 31, 2017
Cash and cash equivalents	**$ 336,662**	$ 179,365
Accounts receivable	**2,397**	2,100
	$ 339,059	$ 181,465

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

The Company limits its exposure to credit risk on cash and short-term investments 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 short-term investments.

The Company’s accounts receivable consisted entirely of Goods and Services Tax receivable at October 31, 2018 and 2017.

As at October 31, 2018 and 2017, the Company's accounts receivable were current (less than 90 days). The Company believes that all outstanding balances are collectible, and therefore there is no allowance for doubtful accounts at October 31, 2018 and 2017.

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 much 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 13. Management has increased its focus on liquidity risk given the impact of the current economic and financial market climate on the availability of equity financing.

The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The financial liabilities at October 31, 2018 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	$ 41,197	$ 41,197	$ -	$ -	$ -	$ -
	$ 41,197	**$ 41,197**	**$ -**	**$ -**	**$ -**	**$ -**

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 fluctuations in finance income as a result of interest rate fluctuations to be minimal.

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 recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for assets or liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the financial instruments recorded at fair value in the consolidated statements of financial position, classified using the fair value hierarchy described above:

October 31, 2018	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 336,662	$ -	$ -

October 31, 2017	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 179,365	$ -	$ -

Due to the short-term maturity of the Company’s existing financial assets and liabilities, the carrying value approximates the fair value.

New accounting standards issued but not yet effective

The Company is currently evaluating the impact that these new accounting standards are expected to have on its consolidated financial statements.

IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. Additional amendments include introduction of a new hedge accounting model and a new expected-loss impairment model. This standard is effective for annual periods beginning on or after January 1, 2018.

The Company does not expect a significant impact on its consolidated financial statements as a result of adoption of IFRS 9. Cash and cash equivalents will continue to be classified as FVTPL, reclamation advance will change from loans and receivables to amortized cost, investment in private company will change from available-for-sale to FVTPL, and accounts payable and accrued liabilities will change from other financial liabilities to amortized cost.

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

The Company is currently evaluating the impact IFRS 16 will have on its consolidated financial statements, and will adopt IFRS 16 at the effective date.

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 that 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 Company 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 year ended October 31, 2018.

Transactions not Reflected on the Consolidated Statement of Financial Position

The Company did not enter into any transactions that were not reflected on the consolidated statement of financial position during the year ended October 31, 2018.

Forward-Looking Statements

This MD&A contains "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 corporate strategy of the Company in relation to pursuing acquisitions and the ability of the Company to add new properties to its portfolio of projects; future exploration and development plans of the Company for its projects; the size and timing of exploration programs by Troymet or its partners, including obtain permits for such future exploration; the exploration and discovery potential of its projects and the potential deposits or targets that may be contained on its projects; future drilling and the timing for future drilling on its projects; potential acquisitions by the Company of mineral projects; future expenditures on the Company's projects; the potential completion of the 20 for 1 share consolidation by the Company in conjunction with an acquisition or a potential transaction; 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; assumptions in respect of commodity prices; the ability of the Company to seek out and negotiate favourable acquisitions; market acceptance of the Company's corporate strategy and acquisition strategies; the ability of the Company to obtain financing on acceptable terms; 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

Directors
Kieran M. J. Downes, Ph.D., P.Geo.
Nanaimo, British Columbia

Richard T. Kusmirski, M.Sc.,P.Geo.
Saskatoon, Saskatchewan

Ronald H. McMillan, Ph.D., P.Eng.
Victoria, British Columbia

David Billard, B.Sc., P.Geo.
Saskatoon, Saskatchewan

Jason Riley, B.Comm.
Vancouver, British Columbia

Management
Kieran M. J. Downes, Ph.D., P.Geo.
President & CEO

Joseph Meagher, CPA, CA, C.Dir.
Chief Financial Officer

Tracy Hurley, M.Sc., P.Geo.
VP Exploration

Mailing Address
Box 37033
Country Club PO
Nanaimo, British Columbia
V9T 6N4

Kieran Downes
Telephone: 250-729-0453
Facsimile: 250-729-0463

Auditors
Crowe Mackay LLP
Vancouver, British Columbia

Bank
Scotiabank

Legal Counsel
DLA Piper (Canada) LLP
Calgary, Alberta

Transfer Agent
Computershare Trust Company of Canada

Share Listing
TSX Venture Exchange
Symbol: “TYE”