TROYMET EXPLORATION CORP.
COMOX, BRITISH COLUMBIA

AUDITORS' REPORT AND FINANCIAL STATEMENTS

AS AT OCTOBER 31, 2008 AND OCTOBER 31, 2007

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AUDITORS' REPORT

TO THE SHAREHOLDERS OF
TROYMET EXPLORATION CORP.

We have audited the balance sheets of Troymet Exploration Corp. (the "Company") as at October 31, 2008 and 2007, and the statements of loss, comprehensive loss and deficit, and cash flows for the periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2008 and 2007, and the results of its operations and its cash flows for the periods then ended, in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

February 20, 2009

TROYMET EXPLORATION CORP.
BALANCE SHEETS

	October 31 2008	October 31 2007
ASSETS		
CURRENT		
Cash	**$ 11,772**	$ 14,632
Accounts receivable	**351,395**	7,889
Exploration advances	**6,264**	-
Short term investments	**-**	1,207,989
Prepaid expenses	**920**	2,322
	370,351	1,232,832
MINERAL PROPERTY (Note 4)	**3,036,036**	1,101,703
	$ 3,406,387	$ 2,334,535
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 143,288**	$ 73,825
FUTURE INCOME TAX LIABILITIES (Note 6)	**107,394**	242,647
	250,682	316,472
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 5)	**3,386,614**	2,082,939
CONTRIBUTED SURPLUS (Note 5)	**109,298**	104,500
DEFICIT	**(340,207)**	(169,376)
	3,155,705	2,018,063
	$ 3,406,387	$ 2,334,535

(See Notes to the Financial Statements)

APPROVED ON BEHALF OF THE BOARD:

"Richard Kusmirski" Director

"David Billard" Director

TROYMET EXPLORATION CORP.
STATEMENTS OF LOSS, COMPRENSIVE LOSS AND DEFICIT

	Year Ended October 31 2008	For the period June 4 to October 31 2007
EXPENSES		
Management fees	**$ 150,222**	$ 39,200
General and administration	**48,390**	4,691
Professional fees	**54,589**	43,891
Public company costs	**46,750**	13,392
Stock based compensation (Note 5)	**4,798**	104,500
Travel and related costs	**18,893**	2,191
LOSS BEFORE INTEREST INCOME AND INCOME TAXES	**323,642**	207,865
INTEREST INCOME	**17,558**	7,989
LOSS BEFORE INCOME TAXES	**(306,084)**	(199,876)
Recovery of income taxes - future (Note 6)	**135,253**	30,500
NET LOSS AND COMPREHENSIVE LOSS	**(170,831)**	(169,376)
DEFICIT, BEGINNING OF PERIOD	**(169,376)**	-
DEFICIT, END OF PERIOD	**$ (340,207)**	$ (169,376)
NET LOSS PER SHARE - BASIC (Note 5)	**$ (0.01)**	$ (0.01)

(See Notes to the Financial Statements)

TROYMET EXPLORATION CORP.
STATEMENTS OF CASH FLOWS

	Year Ended October 31 2008	For the period June 4 to October 31 2007
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net loss	**$ (170,831)**	$ (169,376)
Items not affecting cash		
Recovery of income taxes - future	**(135,253)**	(30,500)
Stock based compensation	**4,798**	104,500
	(301,286)	(95,376)
Changes in non-cash working capital		
Increase in accounts receivable	**(343,506)**	(7,889)
Increase in exploration advances	**(6,264)**	-
Decrease (increase) in prepaid expenses	**1,402**	(2,322)
Increase in accounts payable and accrued liabilities	**69,463**	73,825
	(278,905)	63,614
	(580,191)	(31,762)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Decrease (increase) in short term investments	**1,207,989**	(1,207,989)
Investment in mineral properties	**(1,934,333)**	(99,203)
	(726,344)	(1,307,192)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Issue of common shares for cash	**1,303,675**	1,500,000
Share issue costs	**-**	(146,414)
	1,303,675	1,353,586
NET (DECREASE) INCREASE IN CASH	**(2,860)**	14,632
CASH, BEGINNING OF PERIOD	**14,632**	-
CASH, END OF PERIOD	**$ 11,772**	$ 14,632
Supplemental cash flow disclosure		
Interest paid	**$ -**	$ -
Income taxes paid	$ -	$ -

(See Notes to the Financial Statements)

1. INCORPORATION AND NATURE OF OPERATIONS

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

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

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. CHANGE IN ACCOUNTING POLICIES

Effective November 1, 2007, the Company adopted the following new accounting standards on a prospective basis:

a. Section 1535 *"Capital Disclosures"* requires the disclosure of (i) the Company's objectives, policies and processes for managing capital; (ii) description of what the Company regards as capital; (iii) the Company's compliance with any capital requirements and (iv) the related consequences of any non-compliance. Note 8 has been added to the financial statements to comply with these disclosure requirements.

b. Section 3862 "*Financial Instruments – Disclosures"* and Section 3863 *"Financial Instruments – Presentation"* which replaces the disclosure requirements of Section 3861 "*Financial Instruments – Disclosure and Presentation"*. Section 3862 requires the disclosure of the nature and extent of risks arising from financial instruments and how those risks are managed. Section 3863 carries forward the presentation requirements and provides additional guidance for the classification of financial instruments. The adoption of this Section had no impact on the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Uncertainty

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

Mineral Property

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

Asset Retirement Obligations

The Company recognizes asset retirement obligations in the period in which they are incurred if a reasonable estimate of a fair value can be determined. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. In subsequent periods, the asset retirement obligation is adjusted for the passage of time and any changes in the amount or timing of the underlying future cash flows through changes to earnings. A gain or loss may be incurred upon settlement of the liability. The asset is depreciated over the estimated useful life of the asset. The Company’s asset retirement obligations result from net ownership interests in mineral property assets. As at October 31, 2008, the Company does not have any asset retirement obligations.

Stock Based Compensation

The Company accounts for its grants under the stock-based compensation plans in accordance with the fair value method of accounting for stock-based compensation.

Under the fair value method, the fair value of stock options is determined using the *Black-Scholes Option Pricing Model* with the assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company’s common shares and an expected life of the options and is recognized over the vesting period of the options granted as stock based compensation and contributed capital. The contributed surplus balance is reduced as the options and warrants are exercised and the amount initially recorded is credited to share capital.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Income Taxes

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

Flow-Through Common Shares

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

Reclamation Costs

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

Earnings (Loss) per Share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented the dilutive effect has not been computed as it proved to be anti-dilutive.

Basic earnings (loss) per share are calculated using the weighted-average number of common shares outstanding during the period.

Financial Instruments

The Company's financial instruments are classified into one of these five categories: held-for-trading, held-to-maturity investments, loans and receivable, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet either at fair value except for loans and receivables, held-to-

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial Instruments - continued

maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classifications, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with change in fair value recorded in other comprehensive income until the instrument is derecognized or impaired. All derivative instruments, including embedded derivatives, are recorded in the balance sheet at fair value unless they qualify for the normal sale and purchase exemption. All changes in their fair value are recorded in income unless cash flow hedge accounting is used, in which case the effective portion of changes in fair value are recorded in other comprehensive income.

The Company has classified its cash and short term investments as held-for-trading. Accounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities. The Company was not involved in any hedge transactions and did not have any derivatives or embedded derivatives.

The Company expenses transaction costs on other than held-for-trading financial instruments upon the issuance of debt instruments or modifications of a financial liability. The Company does not have any unamortized financial costs of this nature.

The Company does not apply hedge accounting.

Cash, short term investments, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to short term maturities. Management does not believe that the Company is exposed to significant interest, currency or credit risks.

4. MINERAL PROPERTY

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

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

4. MINERAL PROPERTY - continued

b) McClarty Lake - continued

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

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

c) Golden Eagle

Pursuant to an option agreement dated September 24, 2001, the Company may acquire a 100% interest in the Golden Eagle property located in British Columbia. As consideration, the Company agreed to make option payments totaling $500,000. To date, $320,000 has been paid and the following additional payment is required:

October 1, 2009	$180,000

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

d) Key Property

The Company owns a 100% interest in the Key property located in British Columbia. Under terms of the option agreement, there is also an underlying 3% net smelter royalty, 2% of which may be bought for $1,000,000 in cash or stock at any time.

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

	Wheatcroft Lake	McClarty Lake	Golden Eagle	Key	Total
Balance, October 31, 2007	$5,078	$291,005	$794,455	$11,165	$1,101,703
Additions during the year					
Acquisition Costs	-	12,500	80,000	36,502	129,002
Exploration	-	881,018	1,069,179	81,750	2,031,947
Total Additions	-	893,518	1,149,179	118,253	2,160,949
Refundable Tax Credit	-	-	(202,091)	(24,525)	(226,616)
Balance, October 31, 2008	$5,078	$1,184,523	$1,741,543	$104,892	$3,036,036

5. CAPITAL STOCK

a) Authorized:

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

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

b) Issued:

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

c) Per Share Data

Basic earnings per share are calculated based on the weighted average number of 28,789,266 shares outstanding during the period. The effect of the exercise of stock options and warrants would be anti-dilutive for the purposes of calculating the fully diluted earnings per share.

d) Stock Options

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

	Options Outstanding		Weighted Average Exercise Price	Expiry Date
Balance at October 31, 2007	2,250,000	$	0.10	2012
Granted, August 1, 2008	200,000		0.15	2013
Balance at October 31, 2008	2,450,000	$	0.10	

5. CAPITAL STOCK - continued

d) Stock Options - continued

The fair value of common share options granted in the period was estimated to be $19,189 as at the date of grant using the Black Scholes options pricing model and the following assumptions:

Risk free interest rate (%)	2.80
Expected life (years)	5.00
Expected volatility (%)	188.0
Expected dividend yield (%)	0.00

Of this amount, $4,798 was amortized. This amount was recognized as stock based compensation expense and contributed capital in the period ended October 31, 2008.

e) Share Purchase Warrants

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

	Warrants (Arrangement) (1)	Warrants (Arrangement) (2)	Warrants @ $0.15 (4)	Warrants @ $0.20 (5)	Agent Options (3) (6)	Total
Outstanding, October 31, 2007	310,830	647,618	2,500,000	-	1,023,335	4,481,783
Issued in Period	-	-	-	16,250,000	-	16,250,000
Exercised in Period	-	-	-	-	(30,170)	(30,170)
Expired, unexercised	(310,830)	(647,618)	-	-	(123,182)	(1,081,630)
Outstanding, October 31, 2008	-	-	2,500,000	16,250,000	869,983	19,619,983

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

(2) Pursuant to terms of the Plan of Arrangement, the Company is required to issue .25 common shares on the exercise of one Signet Minerals Inc. share purchase warrant ($0.85 per Signet share exercise price) that was outstanding at the date of the Plan of Arrangement. Entitles the holders, at their election, to acquire 647,618 common shares of the Company; expire on November 29, 2007. The proceeds of the exercise price is to be split with Cash Minerals Ltd. During the period, 647,618 warrants expired unexercised.

5. CAPITAL STOCK - continued

e) Share Purchase Warrants - continued

(3) Pursuant to terms of the Plan of Arrangement, the Company is required to issue .25 common shares on the exercise of one Signet Minerals Inc. agent option ($0.50 per Signet share exercise price) that was outstanding at the date of the Plan of Arrangement. Entitles the holders, at their election, to acquire 153,352 common shares of the Company; expire on November 29, 2007. The proceeds of the exercise price is to be split with Cash Minerals Ltd. During the period, 30,170 agent options were exercised; 123,182 agent options expired unexercised.

(4) Comprised of 2,500,000 share purchase warrants issued in conjunction with a brokered private placement that was completed by the Company on August 30, 2007. Entitles the holders, at their election, to acquire 2,500,000 common shares of the Company; expire on August 29, 2009.

(5) Comprised of 16,250,000 share purchase warrants issued in conjunction with a non-brokered private placement that was completed by the Company on July 8, 2008. Entitles the holders, at their election, to acquire 16,250,000 common shares of the Company; expire on July 8, 2010.

(6) Comprised of 869,983 agent options issued to Toll Cross Securities Inc., the agent in connection with a private placement that was completed on August 30, 2007. Entitles the holder, at their election, to acquire 869,983 regular common shares of the Company at $0.10 per share; expire on August 29, 2009.

6. INCOME TAXES

As of October 31, 2008, the Company has available for deduction against future taxable income non-capital losses of approximately $894,500. These losses, if not utilized, will expire commencing in 2027. For financial reporting purposes, a future income tax asset of $232,600 has been recognized in respect of these non-capital losses.

6. INCOME TAXES - continued

Future income taxes reflect the net tax effects of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's future tax assets and liabilities as of October 31, 2008 are as follows:

	2008	2007
Net Loss before tax	$(306,084)	$(199,876)
Enacted tax rate	30.50%	32.00%
Computed income taxes at the enacted rate	(93,356)	(63,960)
Increase (decrease) in taxes resulting from:		
Future tax rate differences	(29,286)	-
Non-deductible stock based compensation	1,463	33,440
Non-deductible meals and allowances	326	20
Other	(14,400)	-
Recovery of income taxes - future	(135,253)	(30,500)

	2008	2007
The components of future income tax are as follows:		
Carrying value in excess of mineral properties tax basis	$ 367,299	$ -
Flow through shares	-	320,000
Share issue costs	(27,325)	(46,853)
Non-capital loss carryforwards	(232,580)	(30,500)
Future income tax liabilities	$ 107,394	$ 242,647

7. RELATED PARTY TRANSACTIONS

The Company paid fees of $108,800 (2007 - $24,600) to companies in which Directors held an interest for management, administrative, accounting and technical services. This amount is included in general and administration expenses.

All transactions were in the normal course of operation and were measured at the exchange amount of consideration established and agreed to by the related parties.

8. CAPITAL MANAGEMENT

The Company's capital consists of capital stock of $3,386,614. The Company utilizes these funds to develop and explore their mineral properties.

9. SUBSEQUENT EVENTS

Subsequent to year end on December 31, 2008, the Company completed a non-brokered private placement raising gross proceeds of $262,500. The private placement consisted of 9,200,000 common shares issued on a "flow-through" basis ("Flow-Through Shares") at a price of $0.025 per Flow-Through Share for gross proceeds of $230,000 and 1,300,000 units ("Units") at a price of $0.025 per Unit for gross proceeds of $32,500. Each Unit consisted of one common share (issued on a non-flow-through basis) and one full common share purchase warrant (a "Warrant"). Each Warrant is exercisable into one common share for two years from the date of issuance at a price of $0.05 during the first year of the Warrant and at $0.10 during the second year of the Warrant.

10. FUTURE ACCOUNTING CHANGES

International Financial Reporting Standards ("IFRS")

In April 2008, the CICA published the exposure draft "Adopting IFRSs in Canada". The exposure draft proposes to incorporate IFRSs into the CICA Accounting Handbook effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. At this date, publicly accountable enterprises will be required to prepare financial statements in accordance with IFRSs. The Company is currently reviewing the standards to determine the potential impact on its financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis ("MD&A") for the year ended October 31, 2008 was prepared with information available up to February 24, 2009 and should be read in conjunction with the Company's audited financial statements and the accompanying notes for the year ended October 31, 2008.

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

This Management Discussion and Analysis has been reviewed and approved by Dr. Kieran Downes, P.Geo., President and Chief Executive Officer of Troymet Exploration Corp. and a Qualified Person as defined by National Instrument 43-101, under whose direction the Company's exploration program is being carried out.

Company Overview

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

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

Forward-Looking Statements

This MDA may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein may be forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budgets", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. This forward-looking information reflects the Company's current beliefs and is based on information currently available to the Company and on assumptions the Company believes are reasonable. These assumptions include, but are not limited to, the actual results of exploration projects being equivalent to or better than estimated results in technical reports or prior exploration results, and future costs and expenses being based on historical costs and expenses, adjusted for inflation. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: the early stage development of the Company and its projects; general business, economic, competitive, political and social uncertainties; commodity prices; the actual results of current exploration and development or operational activities; competition; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Critical Accounting Estimates

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

Corporate Reorganization

On August 7, 2007, a Plan of Arrangement ("Arrangement") involving Signet, Cash Minerals, and Troymet was finalized. Pursuant to the Arrangement, Cash Minerals acquired all of the outstanding common shares of Signet in exchange for units of Cash Minerals. Signet's non-uranium properties were transferred to Troymet. Signet shareholders received 0.25 Troymet common shares for each Signet common share held and as a result of the Arrangement, 10,279,610 Troymet shares were issued to the Signet shareholders.

Exploration Projects

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

<u>Golden Eagle Project – Gold and Silver</u>

The 8,178-hectare Golden Eagle project is located just south of the Yukon-British Columbia border, 70 kilometres west-northwest of Atlin, BC. The Company controls a 100% interest in the project through a mix of 100% owned claims and optioned claims. One remaining payment of $180,000 for the optioned claims is due October 1, 2009. In addition, the optionor holds a 1% net smelter royalty, half of which may be repurchased for $500,000 prior to October 1, 2009.

The most significant mineralization discovered to date on the property occurs in the Middle Ridge (Tannis zone) area, where high-grade gold-silver mineralization is hosted in pyrite- and arsenopyrite-bearing quartz veins/structures within rhyolitic intrusive, granitic intrusive and to a lesser extent in flanking metavolcanics. Drilling in 2005-2006 targeted the depth extension of two mineralized structures exposed in trenches on the north flank of Middle Ridge. The drilling was highly successful, intersecting high-grade mineralization in multiple structures within the rhyolitic intrusive over a 100-metre strike length and to 50 metres depth (Table 1).

Table 1. Tannis Zone – 2005-2006 Drill Results

Hole #	Collar UTM N	Collar UTM E		From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)
TAN05-01	509243	6636936		49.60	51.20	1.60	7.36	102.81
TAN05-02	509320	6636977		40.30	45.80	5.50	10.73	104.20
			incl.	44.10	45.80	1.70	29.94	135.00
TAN05-03	509300	6637014		35.80	41.00	5.20	7.90	12.90
			incl.	37.50	39.90	2.40	16.03	24.75
				71.00	79.03	8.30	2.10	8.87
			incl.	74.00	75.00	1.00	7.97	8.11
TAN06-04	509235	6636967		84.45	87.58	3.10	1.58	25.4

** Widths represent down hole core lengths. True widths cannot be reliably estimated at this time.*

In 2008, 12 diamond drill holes totalling 2,406 metres were completed on the Tannis zone over a 250-metre strike length. One hole was abandoned prior to reaching target depth due to broken and faulted ground conditions. Arsenopyrite (+pyrite) as disseminated, replacement-type and stringer mineralization within quartz veins was encountered in all eleven of the holes that reached target depth. The mineralized vein system was intersected in rhyolitic intrusive as well as in mafic volcanics of the Boundary Ranges Metamorphic Suite, and in granitic intrusive rocks at depth beneath the rhyolite. The presence of granitic intrusive at depth indicates a composite, volatile-rich intrusive system in this locale, which to-date has only been tested by shallow drilling.

Drill intersections indicate the highly variable nature of the quartz-sulphide veins both in terms of metal content and continuity along strike and at depth. The best intersections returned 5.09 metres @ 7.93 g/t Au and 23.8 g/t Ag and 4.3 metres @ 2.05 g/t Au and 43.8 g/t Ag (Table 2). The mineralized system is demonstrated to continue along a strike length of nearly 150 metres and to greater than 200 metres down dip in both the rhyolitic and granitic intrusions.

Table 2. Tannis Zone - 2008 Significant Drill Results

Hole ID	Collar UTM N	Collar UTM E	Azm (º)	Dip (º)	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)
TAN08-05	6637037	509375	165	-45	156.48	157.78	1.30	1.61	N/A
TAN08-08	6637005	509226	165	-45	86.94	88.38	1.44	1.42	11.9
TAN08-08					143.39	143.79	0.40	2.53	38.0
TAN08-08					197.82	199.16	1.34	3.07	12.0
TAN08-08					199.16	225.25	26.09	0.103	N/A
TAN08-09	6637005	509226	165	-60	131.30	136.39	**5.09**	**7.93**	**23.8**
including					132.84	133.14	0.30	3.85	31.0
and					134.70	135.27	**0.57**	**66.20**	145.0
TAN08-09					211.59	212.22	0.63	3.30	57.0
TAN08-09					212.22	246.58	34.36	0.067	N/A
TAN08-10	6636928	509241	165	-45	15.24	15.54	0.30	1.94	5.0
TAN08-10					40.17	44.47	**4.30**	**2.05**	**43.8**
including					42.17	43.17	1.00	5.01	108.0
TAN08-10					67.59	67.89	**0.30**	**11.05**	14.0
TAN08-10					108.21	108.51	0.30	1.14	65.0
TAN08-10					191.52	191.82	0.30	1.27	6.0
TAN08-11	6637009	509385	165	-45	114.62	115.02	0.40	1.96	<1
TAN08-11					116.02	116.32	0.30	1.21	<1
TAN08-12	6636975	509422	135	-45	32.44	32.74	**0.30**	**13.15**	12.0
TAN08-12					38.05	41.15	3.10	0.97	N/A
including					38.99	40.22	1.23	1.70	N/A
TAN08-13	6636975	509422	135	-60	43.29	43.69	0.40	3.93	6.0
TAN08-13					48.34	50.18	1.84	0.70	13.3
TAN08-15	6637063	509287	165	-55	219.58	225.81	6.23	0.35	5.9
TAN08-16	6636956	509178	165	-45	13.89	18.08	4.19	0.60	N/A
including					13.89	15.74	1.85	1.06	14.9
TAN08-16					25.94	26.82	0.88	2.04	14.0
TAN08-16					143.11	156.25	13.14	0.19	N/A

Widths represent down hole core lengths; true widths for the upper zone cannot be reliably estimated at this time.

During the 2008 program, mapping and prospecting in the vicinity of the Tannis zone further defined the quartz-sulphide vein system along a northwest trend nearly five kilometres in length. Taking into account similar mineral occurrences in other parts of the property, this length is extended to upwards of eight kilometres. Highlights of the prospecting (124 rock samples collected) are presented in Table 3.

Table 3. Highlights of 2008 Prospecting on North Mountain, Middle Ridge and South Mountain

Sample #	Sample Area	Location UTM N	Location UTM E	Gold g/t	Silver g/t	Lead %	Sample Type
C201134	North Mountain	6639053	506558	0.301	75	3.16	Grab
C287113	North Mountain	6639138	506901	18.0	16	0.015	Grab
C287114	North Mountain	6639099	506828	3.64	<1	0.001	Chip
C287115	North Mountain	6639094	506824	10.68	5	<0.001	Grab
C287116	North Mountain	6639041	506796	4.11	3	0.001	Grab
C287117	North Mountain	6639076	506690	3.45	2	0.001	Grab
C201101	Middle Ridge	6637155	508821	2.37	11	0.087	Grab
C202110	Middle Ridge	6637191	508680	13.75	8	0.002	Grab
C202111	Middle Ridge	6637196	508661	8.3	5	0.003	Grab
C202112	Middle Ridge	6637206	508632	8.96	3	0.005	Grab
C287128	Middle Ridge	6636876	509048	1.98	81	0.305	Float
C287129	Middle Ridge	6636880	509022	9.46	41	0.009	Grab
C287132	Middle Ridge	6636951	508942	3.44	4	0.004	Grab
C287133	Middle Ridge	6636956	509048	3.64	11	0.009	Grab
C287134	Middle Ridge	6636953	509026	2.56	2	0.001	Grab
C287135	Middle Ridge	6636893	509041	3.6	9	<0.001	Grab
C201113	Middle Ridge	6636558	509383	1.19	10	0.006	Grab
C201120	Middle Ridge	6636383	509304	2.02	377	0.646	Grab
C201121	Middle Ridge	6636398	509329	2.48	24	0.031	Grab
C202146	South Mountain	6635905	510013	1.32	25	0.142	Grab
C202147	South Mountain	6635939	510036	7.91	1250	0.355	Grab
C287125	South Mountain	6635865	510035	1.42	3	0.01	Grab
C287126	South Mountain	6635873	510021	2.57	274	13.85	Grab
C201143	South Mountain	6635962	510033	4.27	47	0.708	Grab
C201144	South Mountain	6635929	510054	2.62	111	0.171	Grab
C201145	South Mountain	6635916	510010	5.22	165	0.071	Grab
C201146	South Mountain	6635902	510062	5.15	191	2.75	Grab
C201147	South Mountain	6635957	510022	1.15	25	0.04	Grab
C201148	South Mountain	6635939	509963	1.35	72	0.039	Grab
C201150	South Mountain	6635929	510070	1.42	167	0.61	Grab
C286616	South Mountain	6636033	509984	0.306	115	1.16	Grab
C286618	South Mountain	6636047	509979	1.33	64	0.504	Grab

Results of the 2008 program indicate the presence of large intrusion-related gold system spanning the ~12-kilometre strike length of the northern half of the Golden Eagle property. At Tannis, the mineralization is hosted in rhyolitic intrusive, in granitic intrusive at depth beneath the rhyolite, and to a lesser extent in the flanking mafic volcanics. Further to the north, the rhyolitic and granitic intrusives are capped by sediments and mafic volcanics of variable thickness. Multiple zones of gold-silver-arsenic-antimony mineralization (e.g. Plateau, Skarn, West Gully, Cowboy, and West Draw zones) occur in this ~3 x 3 kilometre area. These zones have previously been investigated in isolation and not considered as underlying vectors toward a related bulk-tonnage gold deposit(s).

This northern portion of the Golden Eagle property is shown by the British Columbia Geological Survey's stream sediment sampling to contain exceptionally anomalous values in gold (to 1080 ppb), gold indicator metals (arsenic, antimony and mercury) and base metals (BCGS Bulletin 105). In file GF2003-9, the BCGS noted the volcano-sedimentary setting is analogous to that at Eskay Creek. The northwest trend of the quartz-sulphide vein occurrences on the property mirrors the trend of the Llewellyn fault zone, a regionally significant structure that cuts through the project area and has a strong correlation with the majority of mineral occurrences in the region.

Observations from mapping and drill core indicate that the quartz-sulphide veins are synchronous with late-stage cooling of the Late Cretaceous granite pluton and the slightly later rhyolitic intrusion. The quartz-sulphide vein system has been documented over an eight kilometre north-westerly trend within the central portion of the property, with intervening glacial valleys that are covered by overburden and remain underexplored. The northwest portion of the property (e.g. Plateau, Skarn, West Gully, Cowboy and West Draw zones) contains anomalous multi-element stream geochemistry and notable gold intersections from trenches and drill core as skarn-type mineralization in meta-volcanic rocks bordering Cretaceous intrusions. The southeast portion of the property (e.g. Camp and Carbonate zones) includes an area of quartz-carbonate stockwork veining variably mineralized with gold, copper and zinc in mafic volcanics.

The style and areal extent of mineralization at Golden Eagle strongly suggest a reduced intrusion-related gold system (RIRGS). RIRGS are characterized by widespread arrays of sheeted auriferous quartz veins, forming bulk-tonnage, low-grade gold deposits at the top of small plutons. Well known examples include the Fort Knox (Alaska) and Dublin Gulch (Yukon) deposits of the Tintina Gold Belt. RIRGS also include a wide range of intrusion-related mineral deposit styles including skarns, replacements and distal veins that form within the region of hydrothermal influence surrounding the causative pluton. All of these characteristics are well represented over the 25-kilometre span of the Golden Eagle property.

To date, only a limited portion of the Tannis zone has been drill tested as an intrusive-hosted gold target, and drilling was largely confined to the younger rhyolitic intrusive. The possible roots of the vein system in the larger underlying granitic phase were not targeted by previous drill programs and deeper drilling in this area is required.

The 2008 prospecting program identified a new drill target on South Mountain where a cluster of nine gold and silver bearing veins were discovered within a ~100 x100 metre area (Table 3). This area lies approximately 1.5 kilometres southeast of the Tannis zone. With the recognition that the multiple zones of gold mineralization in the north half of the property are related to a large intrusion-related gold system, the focus of future exploration will be on the identification of gold targets in this area. The Company is working to integrate all geological, drill, geochemical and geophysical data to identify high impact intrusive-related gold drill targets in the north half of the project.

For further information on the Golden Eagle Project, please see the technical report entitled "Report on the 2006 Mineral Expenditure Program on the Golden Eagle Property, Atlin Area, Northwestern British Columbia". This technical report, which was prepared by Scott Casselman, B.Sc., P.Geo., of Aurora Geosciences Ltd., is dated October 2, 2007 and was filed on the SEDAR website on October 11, 2007.

McClarty Lake Project - Copper, Zinc and Gold

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

The property is favourably situated within the Flin Flon – Snow Lake greenstone belt, one of the largest Proterozoic volcanic-hosted massive sulphide (VMS) districts in the world. Twenty-seven copper-zinc-(gold) deposits within the belt have produced more than 183 million tonnes of sulphide ore.

Previous exploration on the property was hampered by lack of outcrop exposure. An electromagnetic (EM) conductor detected in 1996 was tested by two diamond drill holes in 1997 (DYC-016 and DYC-021) by HBED and two holes in 2000 (MC-01 and MC-02) by Troymet's predecessor company. All four holes intersected a gold- and silver-bearing semi-massive pyrite horizon in altered felsic volcanics, tracing the horizon over a 50-metre strike length and to 50 metres depth. The best intersection reported was 4.17 g/t gold and 8.48 g/t silver over 4.0 metres (Table 2). A deep penetrating Time Domain EM (TEM) survey undertaken in 2002 subsequently defined a potential massive sulphide horizon(s) over a strike length of approximately 600 metres. Plans to test the conductor were shelved in 2004 and 2005 due to lack of drill availability, and in 2006 by poor ice conditions.

Winter conditions in 2007 allowed for the drilling of 5 holes totalling 1,444 metres. The program successfully extended the known strike and dip extension of the sulphide horizon to over 425 metres (open) and to a vertical depth of 250 metres (open). Significant zinc sulphide (sphalerite) mineralization was discovered in two holes (MC07-04 and MC07-06; Table 2) collared 225 metres south of the 1997/2000 drilling. Up to 20% sphalerite within the semi- to massive pyrite horizon was intersected at 75-metre and 150-metre vertical depths. Along with the presence of copper sulphide (chalcopyrite), this marked the first discovery of significant base metal mineralization on the property.

In January 2008, GEOTECH Ltd. was contracted to perform a detailed helicopter-borne VTEM survey over the entire property. The objective of the VTEM survey was to fully define the extent of the 600-metre long conductor system associated with the VMS mineralization, and to test for the presence of other conductors, which may also have associated VMS mineralization. The survey was not completed until March 2008; hence, results from the survey were not available in time to assist with the ice-dependent drilling program.

In February-March 2008, eight holes totalling 2,390 metres were drilled to follow up on promising base metal intersections obtained in 2007 and to further test the 600-metre conductor system. The 2008 program identified two laterally continuous zones of massive sulphides. The lower zone, intersected in holes MC07-04, -06 and MC08-08, -10, -11, carries up to 3.46% zinc over 15.3 metres in addition to significant copper mineralization and is locally gold enriched (Table 2). The mineralization is shallow, with the lower zone starting at the base of the Palaeozoic sequence at a depth of approximately 50 metres. The lower zone has been traced in drill holes over a 75-metre strike length and to a depth of 175 metres (open). The upper pyritic zone occurs approximately 150 metres stratigraphically above the lower zone and is locally gold enriched. Both zones are open along strike and at depth.

Table 2. McClarty Lake 1997 - 2008 Significant Drill Results

Hole #	Collar UTM N	Collar UTM E	Sulphide Zone		From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)	Copper (%)	Zinc (%)
1997											
DYC-016	415254	6038917	Upper		142.00	146.00	4.00	4.17	8.48	-	-
DYC-021	415339	6038862	Upper		249.23	249.52	0.29	0.93	6.51	-	-
2000											
MC-01	415328	6038888	Upper		238.0	238.5	0.50	1.38	12.0	-	-
MC-02	415250	6038940	Upper		196.5	197.0	0.50	0.48	0.60	-	-
2007											
MC07-03*	415395	6038860	Upper		303.11	305.35	2.24	1.76	8.84	-	-
MC07-04*	415310	6038655	Lower		110.49	117.94	7.45	-	7.61	0.17	2.94
				incl.	115.23	117.94	2.71	-	6.86	0.10	4.78
MC07-06*	415366	6038633	Lower		186.66	187.66	1.00	2.85	12.40	0.22	0.25
					189.16	194.23	5.07	-	9.17	0.12	2.26
				incl.	190.66	194.23	3.57	-	3.12	0.07	3.00
MC07-07*	415387	6039080	Upper		177.75	177.96	0.21	-	-	2.43	-
2008											
MC08-08	415331	6038702	Lower		92.40	135.45	43.05	0.38	6.53	0.31	1.47
				incl.	103.70	118.10	14.40	0.59	6.71	0.50	0.64
				and	108.50	109.30	0.80	9.29	66.40	0.05	1.11
				and	118.10	133.40	15.30	0.32	6.71	0.10	3.46
MC08-09	415349	6038753	Upper		273.20	278.60	5.40	0.25	0.36	0.01	0.01
MC08-10	415372	6038681	Lower		155.60	202.66	47.06	1.23	5.13	0.35	0.94
				incl.	156.90	166.08	9.18	0.10	1.88	0.94	0.07
				and	182.68	188.44	5.76	0.97	22.60	0.36	0.81
				and	185.81	191.85	6.04	0.10	5.41	0.24	3.40
				and	188.44	190.67	2.93	0.03	0.00	0.07	5.44
MC08-11	415282	6038719	Lower		65.5	71.93	6.43	0.03	5.55	0.13	0.01
MC08-12	415225	6038575	--		--	--	--	No significant results			
MC08-13	415367	6038806	Upper		291.1	292.7	1.60	No significant results			
MC08-14	415346	6038976	Upper		289.34	296.45	7.11	No significant results			
MC08-15	415342	6038930	Upper		322.87	324.92	1.05	No significant results			

MC07-03 formerly designated as SIG-01-07; MC07-04* formerly SIG-02-07; MC07-05* formerly SIG-03-07; MC07-06* formerly SIG-04-07; MC07-0*7 formerly SIG-05-07.All holes were drilled at 291º azimuth and -55º dip. Widths represent down hole core lengths. True widths for the lower zone are estimated at 85% of core length. True widths for the upper zone cannot be reliably estimated at this time.*

Results from the 2008 VTEM survey outlined a strong conductor corresponding to the upper pyritic horizon over a 450-m strike length. The lower, base metal bearing mineralized zone is not spatially related to the interpreted conductors from any of the prior EM surveys. The zone may be non conductive, or alternatively, any conductive response from the zone may be hidden within the signature of a larger conductor. Interpretation of the 2008 VTEM survey also identified a second strong conductive trend situated approximately 100 metres east of the base metal bearing horizon. This conductor is approximately 100 metres in strike length and has not been tested by drilling. It will be a priority target in the next drilling program.

In addition to the VTEM survey, several drill holes from the 2008 program were surveyed by borehole EM geophysics. At least two off-hole anomalies were reported that have not been tested by drilling to date.

The massive sulphide horizons are hosted by a sequence of variably silicified, serecititized and chloritized felsic volcanics and volcaniclastics. The volcanic sequence exhibits a distinctive coarse-grained (porphyroblastic) metamorphic mineral assemblage that is recognized in all of the VMS deposits in the Snow Lake area, and reflects an earlier hydrothermal event that has been overprinted by amphibolite-grade regional metamorphism. The alteration assemblage is considered a highly important exploration vector to massive sulphide mineralization.

The alteration system associated with the massive sulphides has been traced laterally for approximately 500 metres (open). The high-grade nature of the mineralization and extensive alteration confirms the potential for the mineralizing system to host a precious metal rich VMS deposit(s). The sulphide mineralization and associated alteration system at McClarty Lake is very similar to that associated with the Chisel Lake and Lalor Lake volcanogenic massive sulphide deposits of the Snow Lake area.

Results from the 2008 program are presented in a NI 43-101 technical report (available on SEDAR) entitled "2008 Technical (NI 43-101) Report on the McClarty Lake Property", dated June 11, 2008 by Rory Kutluoglu, B.Sc. (Equity Engineering Ltd.) and qualified person, Alan H. Bailes, Ph.D., P.Geo. (Bailes Geoscience).

Recommendations for follow up to the 2008 program include drilling a minimum of six holes totalling 1,600 metres. Four holes are recommended to investigate the newly-identified, discrete conductor east of the base metal bearing horizon and be drilled so as to test the conductor and continue to intersect the down dip extension of the sulphide lens intersected in holes MC07-04, -06 and MC08-08, -10, -11. Two holes are recommended to test off-hole anomalies in the vicinity of the 450-metre long conductor that were identified from interpretation of borehole geophysics. A deeper penetrating EM survey is also being considered to test the system at greater depths.

Key Project – Copper, Zinc and Gold

Troymet has a 100% interest in the 7,882-hectare Key property located 125 kilometres southwest of Vanderhoof, British Columbia. There is an underlying 3% NSR, 2% of which may be bought for $1,000,000 in cash or stock at any time.

The project covers an area of anomalous lake sediment geochemistry centered on a sequence of basaltic to rhyolitic volcanics possibly preserved within a graben. The geological setting has strong parallels with Eskay Creek and the exploration target for this greenfield project is a precious metals rich VMS deposit.

A 165 line-kilometre helicopter-borne VTEM survey by GEOTECH Ltd. was completed over the central portion of the Key property in August 2008. The VTEM time domain EM system is excellent for locating discrete conductive anomalies as well as mapping lateral and vertical variations in resistivity. The airborne survey also included a magnetometer for mapping of geologic structure and variation in lithology.

A property-wide prospecting and lithogeochemical sampling program to follow up on the results of the survey is under consideration for the 2009 field season.

Wheatcroft Lake Project – Gold

Troymet holds 100% interest the 1,373-hectare Wheatcroft Lake property located 50 kilometres southwest of Leaf Rapids, Manitoba. The property hosts a large, low-grade gold mineralized system of approximately 2 kilometres lineal extent. Previous diamond drilling on the fold nose intersected widespread low-grade gold mineralization. Large areas of the horizon remain to be drill tested.

No work was conducted on the property during the year ended October 31, 2008. Troymet is seeking a partner to further advance the project.

Selected Annual Information

Year Ended	Year Ended October 31, 2008	Year Ended October 31, 2007
Operating Expenses	$323,642	$207,865
Other Income (Expense) Interest	$17,558	$7,989
Net Loss Per Share - Basic	($170,831) ($0.01)	($169,376) ($0.01)
Capital Expenditures Minerals	$1,934,333	$99,203
Total Assets	$3,406,387	$2,334,535
Total Liabilities	$250,682	$316,472

Results of Operations

In the year ended October 31, 2008, Troymet realized a net loss of $170,800 after operating expenses of $323,600 ($207,900 in 2007) for the period, interest income of nearly $17,500 ($8,000 in 2007), and a provision for income tax recovery of $135,300 ($30,500 in 2007). This compares to a net loss of $169,400 the previous period.

The operating expenses in 2008 included management fees of $150,200 ($39,200 in 2007), general and administration expenses of $48,400 ($4,700 in 2007), professional fees of $54,600 ($43,900 in 2007), travel and related costs of $19,000 ($2,200 in 2007) and public company costs of about $46,800 ($13,400 in 2007). The general and administration expenses in 2008 include advertising and promotion costs of $3,260, bank service charges of $580, insurance premiums of $17,360, Part XII.6 interest costs of $9,150, and office costs of $18,050. The Part XII.6 interest costs relate to the flow-through shares that were issued by the Company in August 2007.

The loss for the period includes a non-cash charge of $4,800 ($104,500 in 2007) related to stock compensation expenses. Since the 2008 results represent a full year (366 days) versus the 149 days in the period ended October 31, 2007, amounts in all categories were higher in 2008 versus 2007. In addition, with exploration programs conducted on three properties, the Company was far more active in 2008 versus the previous period.

During the year ended October 31, 2008, Troymet incurred net capital expenditures of $1,934,300 versus $99,200 expended in the previous period. Of this amount, $129,000 was spent on acquisition costs while $2,032,000 was spent on exploration. The Company qualifies for the British Columbia Mineral Exploration Tax Credit (METC) of $226,600. This refundable tax credit reduces the net amount of exploration expenditures on Troymet's British Columbia mineral properties.

On July 8, 2008, the Company completed a non-brokered private placement, issuing 16,250,000 common shares at a price of $0.08 per common share to raise gross proceeds of $1,300,000. In the first quarter of fiscal 2009, Troymet completed a second non-brokered private placement in two tranches, issuing 10,500,000 shares at a price of $0.025 per to raise gross proceeds of $262,500.

The fully diluted number of common shares at October 31, 2008 was 61,963,097 shares including 39,893,114 common shares issued and outstanding, 2,450,000 options, and 19,619,983 share purchase warrants. After the non-brokered private placement that was completed in the first quarter of fiscal 2009, the fully diluted number of common shares that the Company has is 73,763,097 shares including 50,393,114 common shares issued and outstanding, 2,450,000 options, and 20,919,983 share purchase warrants.

Capital Expenditures

	Wheatcroft Lake	McClarty Lake	Golden Eagle	Key	Total
Balance, October 31, 2007	$5,078	$291,005	$794,455	$11,165	$1,101,703
Additions during the year					
Acquisition Costs	-	12,500	80,000	36,502	129,002
Exploration	-	881,018	1,069,179	81,750	2,031,947
Total Additions	-	893,518	1,149,179	118,253	2,160,949
Refundable Tax Credit	-	-	(202,091)	(24,525)	(226,616)
Balance, October 31, 2008	$5,078	$1,184,523	$1,741,543	$104,892	$3,036,036

As shown in the balance sheet dated October 31, 2008, the Company's mineral property balance was $3,036,036. As outlined in the table above, this balance was comprised of $129,000 relating to option payments and other property acquisition costs incurred through the year and approximately $2,032,000 in exploration expenses incurred during the year. As outlined above, the Company implemented three exploration programs with drilling programs conducted at McClarty Lake in Manitoba and at Golden Eagle in British Columbia. In addition, an airborne survey was flown at the Key property in British Columbia. The exploration costs incurred on the Company's British Columbia properties have been reduced by the British Columbia Mineral Exploration Tax Credit (METC) in the amount $226,616. After this reduction, the net mineral exploration costs were approximately $1,934,300.

Liquidity and Capital Resources

The Company's practice is to proceed with staged exploration where each stage is dependent on successful results of the preceding stage. Troymet relies on proceeds of equity financings to fund its exploration commitments and discharge its liabilities as they come due. As of October 31, 2008, the Company had working capital of approximately $227,000. As described above, the Company completed a private placement in the first quarter of fiscal 2009 to raise an additional $262,500.

Total capital expenditures of approximately $2,161,000 during the period ended October 31, 2008 were funded by the equity offering that was completed in July 2008. Given the current state of the equity market and the near term outlook for minerals and precious metals, management anticipates reduced exploration efforts throughout 2009. Other than the Golden Eagle option payment that is due in October 2009, the Company has no other exploration commitments and will conserve cash as it moves forward in 2009 and 2010. The current level of working capital should be sufficient to continue operations without raising additional capital in 2009.

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

Share Information

During the year ended October 31, 2008, 30,170 agent options were exercised for total proceeds of $3,676. In addition, the Company completed a non-brokered private placement raising gross proceeds of $1,300,000; this financing consisted of 16,250,000 units being issued at a price of $0.08 per share. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable into one common share at $0.20 per share until July 8, 2010.

Subsequent to year end, the Company completed a non-brokered private placement in two tranches raising total proceeds of $262,500. In the first closing, announced on January 2, 2009, the Company issued 9,200,000 common shares on a flow-through basis raising $230,000 at a price of $0.025 per share and 700,000 units at a price of $0.025 per Unit for gross proceeds of $17,500. On January 16, 2009, the Company announced that it had completed a second closing of the private placement consisting of 600,000 units at a price of $0.025 per share for gross proceeds of $15,000. Each Unit consisted of one common share and one full common share purchase warrant exercisable into one common share for two years from the date of issuance at a price of $0.05 per share in the first year and at $0.10 per share during the second year of the warrant.

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

Period Ended	**31-Jan 2009**	**31-Oct 2008**	31-Oct 2007
Beginning Shares Outstanding (Basic)	**39,893,114**	**23,612,944**	0
Common shares issued upon incorporation	**0**	**0**	1
Shares issued pursuant to Plan of Arrangement	**0**	**0**	10,279,610
Exercise of warrants / agent options	**0**	**30,170**	0
Common shares issued for cash	**1,300,000**	**16,250,000**	5,000,000
Flow-through shares issued for cash	**9,200,000**	**0**	8,333,333
Closing Shares Outstanding (Basic)	**50,393,114**	**39,893,114**	23,612,944
Beginning Share Purchase Warrants / Agent Options	**19,619,983**	**4,481,783**	0
Plan of Arrangement Warrants / Agent Options	**0**	**0**	1,111,800
Share Purchase Warrants / Agent Options Expired	**0**	**(1,081,630)**	0
Share Purchase Warrants / Agent Options Exercised	**0**	**(30,170)**	0
Share Purchase Warrants / Agent Options Issued	**1,300,000**	**16,250,000**	3,369,983
Closing Share Purchase Warrants	**20,919,983**	**19,619,983**	4,481,783
Beginning Stock Options	**2,450,000**	**2,250,000**	0
Stock Options Granted	**0**	**200,000**	2,250,000
Stock Options Exercised	**0**	**0**	0
Closing Stock Options	**2,450,000**	**2,450,000**	2,250,000
Total Shares - Fully Diluted	**73,763,097**	**61,963,097**	30,344,727
Weighted Average Shares Outstanding	**43,228,984**	**28,789,266**	15,815,551

Summary of Quarterly Results

A summary of quarterly results for fiscal 2007 and fiscal 2008 is provided in the table below.

Fiscal 2008	**Total**	**QIV 31-Oct-08**	**QIII 31-Jul-08**	**QII 30-Apr-08**	**QI 31-Jan-08**
Operations					
Revenues	**$0**	**$0**	**$0**	**$0**	**$0**
Net Loss	**($170,831)**	**($46,440)**	**($47,709)**	**($54,300)**	**($22,382)**
Per Share - Basic	**($0.01)**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Balance Sheet					
Working Capital	**$227,063**	**$227,063**	**$1,384,029**	**$212,020**	**$1,048,742**
Total Assets	**$3,406,387**	**$3,406,387**	**$3,446,963**	**$2,240,702**	**$2,266,051**
Capital Expenditures	**$1,934,333**	**$1,031,983**	**$60,382**	**$760,888**	**$81,080**

Fiscal 2007	Total	QIV 31-Oct-07	54 Days 31-Jul-07
Operations			
Revenues	$0	$0	$0
Net Loss	($169,376)	($169,376)	$0
Per Share - Basic	($0.01)	($0.01)	$0.00
Balance Sheet			
Working Capital	$1,159,007	$1,159,007	$1
Total Assets	$2,334,535	$2,334,535	$1
Capital Expenditures	$99,203	$99,203	$0

Transactions with Related Parties

During the period, the Company paid fees of $108,800 (2007 – $24,600) to companies in which Directors held an interest for technical, management, administrative, and accounting services. This amount is included in management fees and mineral properties.

Risks and Uncertainties

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

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

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

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

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

Subsequent Events

Subsequent to year end, the Company completed a non-brokered private placement in two tranches raising gross proceeds of $262,500. The private placement consisted of 9,200,000 common shares issued on a "flow-through" basis ("Flow-Through Shares") at a price of $0.025 per Flow-Through Share for gross proceeds of $230,000 and 1,300,000 units ("Units") at a price of $0.025 per Unit for gross proceeds of $32,500. Each Unit consisted of one common share (issued on a non-flow-through basis) and one full common share purchase warrant (a "Warrant"). Each Warrant is exercisable into one common share for two years from the date of issuance at a price of $0.05 during the first year of the Warrant and at $0.10 during the second year of the Warrant.

Changes in Accounting Policies

Effective November 1, 2007, the Company adopted the following new accounting standards on a prospective basis:

a. Section 1535 "Capital Disclosures" requires the disclosure of (i) the Company's objectives, policies and processes for managing capital; (ii) description of what the Company regards as capital; (iii) the Company's compliance with any capital requirements and (iv) the related consequences of any non-compliance.

b. Section 3862 "Financial Instruments – Disclosures" and Section 3863 "Financial Instruments – Presentation" which replaces the disclosure requirements of Section 3861 "Financial Instruments – Disclosure and Presentation". Section 3862 requires the disclosure of the nature and extent of risks arising from financial instruments and how those risks are managed. Section 3863 carries forward the presentation requirements and provides additional guidance for the classification of financial instruments.

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Disclosure Controls and Procedures

Management has ensured that there are disclosure controls and procedures that provide reasonable assurance that material information relating to the Corporation is disclosed on a timely basis, particularly, information relevant to the period in which annual filings are being prepared. Management believes these disclosure controls and procedures have been effective during the fiscal period ended October 31, 2008.

Investor Relations Activities

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

An initial six (6) month consulting agreement with Senergy was signed. This agreement, which has an option to renew at terms mutually agreeable to each party, initially required the Company to pay Senergy $7,500 per month for investor relations services, $1,000 per month for a dedicated surrogate office and related administrative services, and to reimburse Senergy for all pre-approved expenses.

In addition, Senergy was granted 125,000 incentive stock options exercisable at $0.15 per share and Shiro Rae, an employee of Senergy, has been granted 75,000 options. The options shall be exercisable as to 1/4 of the grant every three months from the date of grant. Senergy and Shiro Rae currently own no shares of Troymet. Anthony Zelen, owner of Senergy, directly and indirectly owns 325,000 common shares of Troymet.

In recognition of the current market conditions, the six month contract with Senergy was renegotiated on December 1, 2008 and the monthly fee reduced to $2,500 per month from $8,500 per month. The dollar amount of the contract was not increased. As part of the re-negotiated contract, Senergy was tasked with assisting the Company in raising money.

Outlook

Troymet enters fiscal 2009 with working capital of approximately $227,000, a financing that raised additional proceeds of $262,500 and no material exploration commitments other than the final Golden Eagle option payment in October 2009. The Company plans to conserve cash and use this period to expand its inventory of properties.

A highly successful drill program on the McClarty Lake property in February-March 2008 was followed by HBED’s decision to earn back in to the two optioned claims, lending strong support to management’s belief that McClarty Lake is a property of substantial merit with excellent potential to host a precious metal rich VMS deposit(s). The sulphide mineralization and associated alteration system at McClarty Lake is very similar to that associated with the Chisel

Lake and Lalor Lake volcanogenic massive sulphide deposits of the Snow Lake area. The next drilling program at McClarty Lake should be a significant development of the property.

In 2008, Troymet completed a 12-hole drilling program on the Tannis zone at Golden Eagle along with detailed prospecting/mapping that further defined the quartz-sulphide vein system along a northwest trend nearly five kilometres in length. Final compilation and interpretation of results is nearing completion and will be released shortly. A 2009 summer exploration program of prospecting and mapping is planned to further advance the project. In addition, Troymet is looking for partners to advance this highly prospective property.

In August 2008, Troymet conducted a helicopter-borne VTEM survey over the central portion of the Key property. A property-wide prospecting and lithogeochemical sampling program to follow up on the results of the survey is under consideration for the 2009 field season.

Other

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

TROYMET EXPLORATION CORP.

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