TROYMET EXPLORATION CORP.
COMOX, BRITISH COLUMBIA

AUDITORS' REPORT AND
FINANCIAL STATEMENTS

AS AT OCTOBER 31, 2010 and OCTOBER 31, 2009

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AUDITORS' REPORT

TO THE SHAREHOLDERS OF
TROYMET EXPLORATION CORP.

We have audited the consolidated balance sheets of Troymet Exploration Corp. (the "Company") as at October 31, 2010 and 2009, and the statements of loss, comprehensive loss and deficit and cash flows for the years 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

January 31, 2011

TROYMET EXPLORATION CORP.
BALANCE SHEET
(as at October 31)

	2010	2009
ASSETS		
CURRENT		
Cash and cash equivalents	$ 218,808	$ -
Accounts receivable	56,349	34,695
Exploration advances	48,000	-
Short term investments	-	185,132
Prepaid expenses	2,900	2,785
	326,057	222,612
FUTURE INCOME TAX ASSET (Note 5)	1,188	-
MINERAL PROPERTY (Note 3)	3,675,864	3,521,902
	$ 4,003,109	$ 3,744,514
LIABILITIES		
CURRENT		
Cheques written in excess of cash on deposit	$ -	$ 15,513
Accounts payable and accrued liabilities	94,345	456,048
	94,345	471,561
FUTURE INCOME TAX LIABILITIES	-	97,778
	94,345	569,339
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 4)	4,587,128	3,591,614
CONTRIBUTED CAPITAL (Note 4)	418,861	137,190
DEFICIT	(1,097,225)	(553,629)
	3,908,764	3,175,175
	$ 4,003,109	$ 3,744,514

APPROVED ON BEHALF OF THE BOARD:

"Richard Kusmirski" Director

"David Billard" Director

TROYMET EXPLORATION CORP.
STATEMENT OF LOSS, COMPREHENSIVE LOSS AND DEFICIT
(for the years ended October 31)

	2010	2009
EXPENSES		
Management fees	**$ 124,520**	$ 100,408
General and administration	**25,458**	23,120
Interest expense	**-**	4,846
Professional fees	**111,705**	59,167
Public company costs	**74,429**	59,088
Stock compensation expense	**281,671**	27,892
Travel and related costs	**8,856**	11,133
Writedown of mineral properties	**5,078**	-
	631,717	285,654
LOSS BEFORE INTEREST INCOME AND INCOME TAXES	**(631,717)**	(285,654)
INTEREST INCOME	**1,050**	5,116
LOSS BEFORE INCOME TAXES	**(630,667)**	(280,538)
Recovery of income taxes - future (Note 5)	**87,071**	67,116
NET LOSS AND COMPREHENSIVE LOSS	**(543,596)**	(213,422)
DEFICIT, BEGINNING OF YEAR	**(553,629)**	(340,207)
DEFICIT, END OF YEAR	**$ (1,097,225)**	$ (553,629)
BASIC LOSS PER SHARE	**$ (0.01)**	$ (0.01)

TROYMET EXPLORATION CORP.
STATEMENT OF CASH FLOWS
(for the years ended October 31)

	2010	2009
CASH PROVIDED BY OPERATING ACTIVITIES		
Net loss	**$ (543,596)**	$ (213,422)
Items not affecting cash		
Recovery of income taxes - future	**(87,071)**	(67,116)
Stock based compensation	**281,671**	27,892
Writedown of mineral properties	**5,078**	-
	(343,918)	(252,646)
CHANGES IN NON-CASH WORKING CAPITAL		
(Increase) decrease in accounts receivable	**(21,654)**	316,700
(Increase) decrease in exploration advance	**(48,000)**	6,264
(Increase) decrease in prepaid expenses	**(115)**	(1,865)
(Decrease) increase in accounts payable an accrued liabilities	**(361,703)**	132,760
	(431,472)	453,859
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Decrease (increase) in short term investments	**185,132**	(185,132)
Investment in mineral properties	**(159,040)**	(305,866)
	26,092	(490,998)
FINANCING ACTIVITIES		
Issuance of common shares	**983,619**	262,500
NET INCREASE (DECREASE) IN CASH	**234,321**	(27,285)
CASH (BANK OVERDRAFT), BEGINNING OF YEAR	**(15,513)**	11,772
CASH (BANK OVERDRAFT), END OF YEAR	**$ 218,808**	$ (15,513)
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 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 Canadian generally accepted accounting principles (“GAAP”) 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Uncertainty

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

Mineral Property

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

Asset Retirement Obligations

The Company recognizes asset retirement obligations in the period in which they are incurred if a reasonable estimate of a fair value can be determined. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. The liability is increased due to the passage of time, with an offsetting charge to accretion expense in the income statement over the estimated time period until settlement of the obligation. The asset is depreciated over the estimated useful life of the asset. The Company’s potential asset retirement obligations result from net ownership interests in mineral property assets. As at October 31, 2010, the Company does not have any asset retirement obligations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Stock Based Compensation

The Company accounts for its grants under the stock-based compensation plans in accordance with 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 capital balance is reduced as the options and warrants are exercised and the amount initially recorded is credited to share capital.

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

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 year. For the years 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 year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Financial Instruments

The Company's financial instruments are classified into one of these five categories: held-for-sale 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 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 the 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.

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 expense transactions 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.

Future Accounting Policies

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of GAAP with International Financial Reporting Standards ("IFRS") over an expected five-year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to apply IFRS. The changeover is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require restatement of comparative amounts reported by the Company for the year ended October 31, 2011. While the Company has begun assessing the implications of adoption of IFRS, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. MINERAL PROPERTY

a) Wheatcroft Lake

The Company owns a 100% interest in the Wheatcroft Lake project in Manitoba. In the current year the property was written down to $nil as the Company has ceased exploration on the property.

b) McClarty Lake

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

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

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

c) Golden Eagle - continued

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, the Company has paid the $500,000 in full and no additional option payments are required.

In addition, the Company has granted the option or a 1% net smelter royalty.

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, 2010, expenditures incurred on mineral property are as follows:

3. MINERAL PROPERTY - continued

	Wheatcroft Lake	McClarty Lake	Golden Eagle	Key	Total
Balance, October 31, 2009	$5,078	$1,189,803	$2,223,138	$103,883	$3,521,902
Additions during the period					
Acquisition Costs	-	-	-	-	-
Exploration	-	46,990	41,483	105,357	193,831
Total Additions	-	46,990	41,483	105,357	193,831
Writedown of mineral properties	(5,078)				(5,078)
Mineral Exploration Tax Credit	-	-	(3,185)	(31,606)	(34,791)
Balance, October 31, 2010	$ -	$1,236,793	$2,261,436	$177,634	$3,675,864

4. CAPITAL STOCK

a) Authorized:

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

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

b) Issued:

	# of Common Shares	$ Amount
Outstanding, October 31, 2009	50,393,113	$ 3,591,614
Common shares issued in exchange for debt	3,600,000	180,000
Common shares issued for cash	10,424,000	521,200
Share purchase warrants exercised	3,700,000	330,000
Share issue costs		(47,581)
Future income taxes on share issue costs		11,895
Outstanding, October 31, 2010	68,117,113	$ 4,587,128

4. CAPITAL STOCK – continued

c) Per Share Data

Basic earnings (loss) per share are calculated based on the weighted average number of 62,763,710 (2009 - 48,640,784) shares outstanding during the year. The effect of the exercise of stock options and warrants would be anti-dilutive for the purposes of calculating the fully diluted earnings per share.

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, 2009	2,675,000	$	0.10	2012/2013/2014
Granted on January 11, 2010	1,000,000	$	0.10	2015
Granted on January 11, 2010	1,700,000	$	0.12	2015
Balance at October 31, 2010	5,375,000	$	0.11	

The fair value of common share options granted in the period was estimated to be $281,671 (2009 - $27,892) as at the date of grant using the Black Scholes options pricing model and the following assumptions:

Risk free interest rate (%)	2.7
Expected life (years)	5.00
Expected volatility (%)	273.4
Expected dividend yield (%)	0.00

This amount was recognized as stock based compensation expense and contributed capital in the year ended October 31, 2010 (2009 - $27,892).

4. CAPITAL STOCK - continued

e) Share Purchase Warrants

The following table presents information with respect to share purchase warrants issued and outstanding as at October 31, 2010:

	Warrants @ $0.15 (1)	Warrants @ $0.20 (2)	Warrants @ $0.05 (3)	Warrants @ $0.10 (4)	Finders' Options (5)	Total
Outstanding, October 31, 2009	2,500,000	16,250,000	1,300,000	-	-	20,050,000
Issued in Period	-	-	-	10,000,000	424,000	10,424,000
Exercised in Period	-	-	(800,000)	(2,900,000)	-	(3,700,000)
Expired, unexercised	(2,500,000)	(16,250,000)	-	-	-	(18,750,000)
Outstanding, October 31, 2010	-	-	500,000	7,100,000	424,000	8,024,000

(1) 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. During the period, 2,500,000 share purchase warrants expired unexercised.

(2) 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. During the period, 16,250,000 share purchase warrants expired unexercised.

(3) Comprised of 1,300,000 share purchase warrants issued in conjunction with a non-brokered private placement that was completed by the Company on December 31, 2008 and January 16, 2009. Entitles the holders, at their election to acquire 1,300,000 shares of the Company at $0.05 per share for the first year after closing and at $0.10 per share for the second year after closing of the financing; 700,000 share purchase warrants expire on December 31, 2010 and 600,000 share purchase warrants expire on January 16, 2011. During the period, 800,000 share purchase warrants were exercised at a price of $0.05 per share.

(4) Comprised of 10,000,000 share purchase warrants issued in conjunction with a non-brokered private placement that was completed by the Company on January 21, 2010. Entitles the holders at their election, to acquire 10,000,000 common shares of the Company; expire on January 21, 2012. During the period, 2,900,000 share purchase warrants were exercised at a price of $0.10 per share.

(5) Comprised of 424,000 finders’ options issued to a finder in connection with a non-brokered private placement that was completed on January 22, 2010. Entitles the holder, at their election, to acquire 424,000 regular common shares of the Company at $0.05 per share.

5. INCOME TAXES

As of October 31, 2010, the Company has available for deduction against future taxable income non-capital losses of approximately $2,032,270. These losses, if not utilized, will expire commencing in 2027. For financial reporting purposes, a future income tax asset of $508,053 has been recognized in respect of these non-capital losses.

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, 2010 are as follows:

Future Income Tax	2010	2009
Net loss before tax	$ (625,588)	$ (280,538)
Enacted tax rate	28.75%	30.00%
Computed income taxes at the enacted rate	(179,857)	(84,161)
Increase (decrease) in taxes resulting from:		
Future tax rate differences	12,873	8,461
Non-deductible stock based compensation	80,980	8,368
Non-deductible meals and allowances	182	215
Other	(1,250)	-
Recovery of future income taxes	$ (87,071)	$ (67,116)

Significant components of the Company's future tax assets and liabilities as of October 31, 2010 are as follows:

	2010	2009
Carrying value in excess of mineral properties tax basis	$ 529,574	$ 474,972
Flow through shares	-	6,391
Share issue costs	(22,709)	(18,956)
Non-capital loss carryforwards	(508,053)	(364,629)
Future income tax (assets) liabilities	$ (1,188)	$ 97,778

6. RELATED PARTY TRANSACTIONS

The Company has paid fees of $96,800 (2009 - $98,400) to companies in which Directors or Executive Managers held an interest for management, administrative, accounting and technical services. This amount is included in general and administration expenses.

7. CAPITAL MANAGEMENT

The Company's capital consists of capital stock of $4,587,128. The Company utilizes these funds to develop and explore their mineral properties.

8. SUBSEQUENT EVENTS

Subsequent to year end on November 1, 2010 and November 10, 2010, the Company completed a non-brokered private placement raising gross proceeds of $2,309,875. The private placement consisted of 5,717,500 units ("Units") at a price of $0.15 per Unit and 8,068,053 common shares issued on a flow-through basis priced at $0.18 per flow-through share. Each Unit consisted of one common share (issued on a non-flow-through basis) and one half of one common share purchase warrant (a "Warrant"). Each full Warrant is exercisable into one common share for two years from the date of issuance at a price of $0.25 per share for the first year from closing and $0.35 per share in the second year.

Also subsequent to year end on November 22, 2010, the Company announced 1,450,000 stock options had been issued to directors, officers, and consultants. The options have an exercise price of $0.21 per share and expire 5 years from the date of grant.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to short term maturities.

a) Fair value hierarchy

Financial instruments recorded at fair value on the Balance Sheet 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 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued

Fair value - continued

Level 3 **-** valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 Balance Sheet, classified using the fair value hierarchy described above:

	Level 1	Level 2	Level 3	Total financial assets and financial liabilities at fair value
Financial assets				
Cash	218,808	-	-	218,808
Temporary investments	-	-	-	-
Total financial assets	218,808	-	-	218,808

During the year, there has been no significant transfer of amounts between Level 1 and Level 2.

Risk Management

Management does not believe that the Company is exposed to significant interest, currency or credit risks.

Liquidity Risk

The Company's objective is to have sufficient liquidity to meet it liabilities when due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis ("MD&A") for the year ended October 31, 2010 was prepared with information available up to February 8, 2011 and should be read in conjunction with the Company's audited financial statements and the accompanying notes for the year ended October 31, 2010.

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.

Future Accounting Policies

In January 2006, the Canadian Accounting Standards Board adopted a strategic plan, which includes the decision to move financial reporting for Canadian publicly accountable enterprises to a single set of globally accepted accounting standards, namely, International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The effective implementation date of the conversion from Canadian generally accepted accounting principles ("Canadian GAAP") to IFRS is January 1, 2011. The transition date of January 1, 2011 will require restatement of comparative amounts reported by the Company for the year ended October 31, 2011. The first annual financial statement prepared using IFRS will be the year ended October 31, 2012.

The Company is engaged in an assessment and conversion process which includes consultation with external consultants with expertise in IFRS. While the Company has begun assessing the implications of adoption of IFRS, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

The Company's approach to the conversion to IFRS includes three phases as follows:
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Phase I – General Diagnostic

Phase I of the Company's IFRS approach was comprised of an initial general diagnostic of the Company's accounting policies and Canadian GAAP relevant to its financial reporting requirements to determine the key differences and options with respect to acceptable accounting standards under IFRS. This phase was completed in mid-fiscal 2010.

Phase II - Detailed Analysis

Phase II of the Company's IFRS transition is comprised of an in depth analysis of the impact of various accounting areas identified in Phase I. Phase II commenced in QIII 2010.

Phase III – Implementation

The implementation of the conversion process through the preparation of the opening balance sheet as at November 1, 2010 will be carried out in the fourth quarter of fiscal 2010.

The analysis to date suggests that the Company's IT accounting and financial reporting systems are not expected to be significantly impacted. Further, the Company has in place internal and disclosure control procedures to ensure continued effectiveness during this transition period. Based on the review undertaken in Phase I and the work completed to date in Phase II, the Company believes that IFRS will have limited impact on its current financial position. At the same time, IFRS will likely require more extensive disclosure and analysis of balances and transactions in the notes to the financial statements. The specific accounting areas the Company has focused its analysis on are outlined in the table below.

Key Area	**Canadian GAAP (as currently applied)**	**IFRS**	**Analysis and Preliminary Conclusions for Troymet**
Resource Properties	Troymet currently capitalizes acquisition, exploration and development costs associated with its mineral properties.	IFRS has limited guidance with respect to these costs and currently allows exploration and evaluation costs to be either capitalized or expensed.	The existing accounting policy is likely to be maintained. .
Impairment of Long Lived Assets	Impairment tests of its long-term assets are considered annually based on any indications of impairment.	Impairment tests of "cash generating units" or "CGU" are considered annually in the presence of indications of impairment.	Assets will continue to be grouped under the Company's various mining operations. Going forward, the Company will evaluate each property or potential CGU for impairment.
	Impairment tests are generally performed on the basis of	Impairment tests are generally carried out using	Impairment tests using discounted values could

Key Area	Canadian GAAP (as currently applied)	IFRS	Analysis and Preliminary Conclusions for Troymet
	undiscounted future cash flows.	the discounted future cash flow.	generate a greater likelihood of write-downs in the future.
	Write-downs to net realizable values under an impairment test are permanent changes in the carrying value of assets.	Write downs to net realizable values under an impairment test can be reversed if the conditions of impairment cease to exist.	Potential significant volatility in earnings could arise as a result of the difference in the treatment of write-downs.
Income Tax	There is no exemption from recognizing a deferred income tax for the initial recognition of an asset or liability in a transaction that is not a business combination. The carrying amount of the asset or liability acquired is adjusted for the amount of the deferred income tax recognized.	A deferred income tax is not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination.	The Company does not expect the difference in recognition of deferred income tax to have a significant impact.
Income Tax (continued)	All deferred income tax assets are recognized to the extent that it is "more likely than not" that the deferred income tax assets will be realized.	A deferred tax asset is recognized if it is"probable" that it will be realized	The Company is in the final stages of quantifying the impact of this difference between GAAP and IFRS.

The above comments should not be considered as a complete list of changes that will result from the transition to IFRS. The Company's analysis is still on-going and a final determination of accounting policies has not been made. In addition, the accounting bodies responsible for issuing Canadian and IFRS accounting standards have significant ongoing projects that could impact the Company's financial statements as at October 31, 2011 and subsequent years.

In addition, there is an extractive industries project currently underway that will lead to more definitive guidance on the accounting for exploration and evaluation expenditures, but this is still in the discussion paper stage and may not be completed for some time. The Company will continue to monitor the accounting standard projects and will assess their impact in the course of its transition process to IFRS.

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.

Golden Eagle Project – Gold and Silver

The 8,178-hectare Golden Eagle project is located just south of the Yukon-British Columbia border, 70 kilometres west-northwest of Atlin, BC. The Company controls a 100% interest in the project subject to a 1% 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 the recent discovery at Underworld Resources' White Gold property near Dawson City (Yukon). The property has the potential to host several deposit types, including bulk tonnage intrusion-related deposits with associated skarn deposits, high-grade gold-silver vein-hosted deposits and volcanogenic massive sulphide (VMS) deposits. Thirteen separate mineralized zones have been identified to date over the property's 25-km long extent.

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

In 2009, the Company focused attention on the north block of the Golden Eagle project ("North prospect"), where numerous zones of structurally controlled gold-silver-arsenic-antimony mineralization (e.g. Plateau, Skarn, West Gully, Cowboy, and West Draw zones) and gold-in-soil anomalies occur over a ~5 x 5 kilometre area. The mineralization is related to two major structures, the Ben Fault and the Paddy Fault, and to the underlying granite-related gold system. Both faults both are possible splays of the Llewellyn fault zone, a regionally significant structure that cuts through the project area and has a strong correlation with the majority of mineral occurrences in the region.

A stream sediment sampling program conducted over the North prospect in 2009 identified nine new anomalous areas over a wide areal extent, suggesting large source areas on the Troymet claims (December 21, 2009 news release). The Company also completed a five hole (506-metre) reconnaissance diamond drilling program that tested four previously un-drilled and widely-spaced targets located in the West Gully, LQ, and Stibnite zones (February 17, 2010 news release).

The first and only hole drilled on the West Gully zone intersected 0.11 g/t gold over 86.84 metres in variably sheared, silicified and chlorite-sericite altered felsic intrusive. The hole was shut down in anomalous gold mineralization (0.33 g/t gold over 15.24 metres). It is apparent that there is a large, untested gold-bearing structure(s) in this area.

Three holes drilled ~1,300 metres apart intersected silver-gold mineralization within broader structural zones carrying low to anomalous gold values. No felsic intrusive was intersected in these shallow holes, indicating the target gold zones lie deeper in the system.

The results of the 2009 reconnaissance stream sediment and diamond drilling program continue to augment the hypothesis of a widespread mineralizing event on the property. No work was conducted on the project during the three month period ended January 31, 2011. Planning is in progress for a spring-summer 2011 program including IP geophysical surveying and diamond drilling.

Further information on the Golden Eagle Project is available in a NI 43-101 technical report entitled “Report on the 2006 Mineral Expenditure Program on the Golden Eagle Property, Atlin Area, Northwestern British Columbia” by Scott Casselman, B.Sc., P.Geo., dated October 2, 2007 and filed on SEDAR (www.sedar.com).

McClarty Lake Project - Copper, Zinc and Gold

The 596-hectare McClarty Lake property is located 47 kilometres south-southwest of Snow Lake, Manitoba. Troymet owns 100% of three claims (344 hectares) staked in 2000. In June 2008, Troymet completed its earn in for a 60% working interest in two claims (252 hectares) under an option agreement with Hudson Bay Exploration and Development Limited (“HudBay”), owned subsidiary of Hudbay Minerals Inc. HudBay subsequently provided notification that it intends to earn back a 20% interest in the McClarty Lake claims, requiring HudBay 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 HudBay (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. The sulphide mineralization and associated alteration system at McClarty Lake is very similar to that associated with HudBay’s Chisel Lake and Lalor Lake volcanogenic massive sulphide deposits of the Snow Lake area.

Early exploration on the property was hampered by lack of outcrop exposure and overlying Paleozoic-aged sediment cover. An electromagnetic (EM) conductor detected in 1996 was tested by two diamond drill holes in 1997 (HudBay) and two holes in 2000 by Troymet's predecessor company. All four holes intersected a gold- and silver-bearing semi-massive pyrite horizon in altered felsic volcanics, reporting a best intersection of 4.17 g/t gold and 8.48 g/t silver over 4.0 metres. A deep penetrating Time Domain EM (TEM) survey undertaken in 2002 subsequently defined a potential massive sulphide horizon(s) over a strike length of ~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.

Diamond drilling in 2007 and 2008 successfully identified two laterally continuous zones of massive sulphides within a sequence of variably altered felsic volcanics and volcaniclastics. The upper pyritic zone, discovered in 1997, is locally gold enriched and traced in drill holes over a 300-metre strike length and to 250 metres vertical depth. In 2007, a second massive sulphide horizon was intersected 150 metres stratigraphically below the pyritic horizon. Known as the Discovery zone, it is also locally gold enriched and returned 1.47% zinc and 0.31% copper over 43.05 metres, including 3.46% zinc over 15.3 metres (May 15, 2008 news release). The mineralization is shallow, with the Discovery zone starting at the base of the Palaeozoic sequence at a vertical depth of ~50 metres. It has been traced in drill holes over a 75-metre strike length and to a depth of 175 metres. Both zones are open along strike and at depth.

A helicopter-borne VTEM survey flown in 2008 outlined a strong conductor corresponding to the upper pyritic horizon over a 450-m strike length. The Discovery zone, however, is not spatially related to 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. The 2008 VTEM survey also identified a second strong conductive trend of ~100 metres strike length and situated ~100 metres east of the Discovery zone. This conductor has not been tested by drilling and is considered 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.

HudBay indicated its intent to earn an additional 20% interest in the option claims by conducting a 2010 winter drilling program on the Discovery zone and other untested targets. After completing a ground EM survey over the target area in February 2010, unseasonably warm weather conditions affected lake ice conditions in the region, preventing HudBay from conducting the drilling portion of its program.

On its 100% owned claims, Troymet also planned a 2010 winter drill program to evaluate the Mac EM conductor, which lies on-trend and ~1000 metres northeast of the Discovery zone. The Mac conductor was identified by the 2008 VTEM helicopter-borne survey and there is no record of prior drilling in this area.

Troymet’s winter program commenced in January 2010 with the establishment of a 10.6 km grid on the 100% owned MAC 3 claim. This was followed up by a pulse electromagnetic (PEM) survey that identified a strong conductive response on the southwest edge of the grid. The Company’s geophysical contractor, Crone Geophysics of Mississauga, Ontario (Crone), recommended a 400-metre x 1000-metre extension of the grid and survey coverage. The grid extension and additional survey was completed in the first week of March 2010. Interpretation of the results by Crone verified a strong bedrock conductor(s) and follow-up drilling was recommended.

Troymet secured a drilling contractor for the 2010 program; however, due to the warm spring conditions in Manitoba, the Province implemented an early spring road restriction that banned heavy loads on specific roads, prohibiting the mobilization of drilling equipment to the property. The opportunity for a winter drill program in 2010 was effectively closed by this restriction.

The 2011 winter drilling program has commenced with collaring of the first hole on the Mac EM conductor in the second week of February. A minimum of two holes will test the strong conductive response delineated in the 2010 PEM survey. HudBay has indicated it will conduct a winter drilling program on the Discovery zone and other untested targets, also to commence in February 2011.

Troymet's 100% owned claims are strategically placed and the Company is very optimistic regarding the potential for additional significant VMS discoveries in this area. The Discovery zone is a greenfield discovery which was not detected or recognized by many airborne EM surveys. Troymet believes that the Mac conductor, which is on-trend with the Discovery zone, offers the potential for immediate and significant new discoveries on 100% owned Troymet ground.

Further information on the McClarty Lake project is available in a NI 43-101 technical report entitled “2008 Technical (NI 43-101) Report on the McClarty Lake Property”, by Rory

Kutluoglu, B.Sc. (Equity Engineering Ltd.) and qualified person, Alan H. Bailes, Ph.D., P.Geo. (Bailes Geoscience), dated June 11, 2008 and filed on SEDAR (www.sedar.com).

Key Project – Copper, Zinc and Gold

Troymet has a 100% interest in the 8,854-hectare Key property subject to certain royalties payable to third parties on certain claims. The property is located 125 kilometres southwest of Vanderhoof, British Columbia.

Exploration on the Key project is targeting precious metals-rich volcanic massive sulphide (VMS) deposits and epithermal gold-silver deposits. The property straddles an apparent graben developed in a volcano-sedimentary sequence and covers an area with anomalous lake sediment geochemistry and locally anomalous gold-lead-arsenic-silver-zinc in soils. The anomalous metal suite and geological setting is characteristic of the gold- and silver-rich Eskay Creek deposit in northwest British Columbia.

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 survey clearly delineated major north-trending fault systems that cut the property and may be related to the gold and silver mineralization currently being explored by Richfield on the adjacent Blackwater property. Richfield, in its September 25, 2009 news release, describes the mineralization on the Blackwater property as a bulk gold deposit with demonstrated continuity over hundreds of metres at potentially mineable grades. The gold mineralization is hosted in highly siliceous and argillically altered breccia and microbreccia derived from felsic volcanic or subvolcanic rocks. Richfield estimates the brecciated rocks which host the gold mineralization may cover an area of up to 45 hectares and are generally between 100 to 200 metres thick.

At Key, four priority electromagnetic (EM) targets were identified by the VTEM survey and are considered potential structurally-controlled sulphide-alteration zones (see VTEM survey maps at www.troymet.com/s/Key.asp). The survey also identified a number of intrusions which may have associated gold-silver mineralization. The Key project contains rocks of similar age and type to those hosting gold mineralization on the Blackwater property, and have never been explored for gold-silver mineralization.

Exploration crews mobilized to the Key property in mid-May 2010 to commence reconnaissance prospecting and sampling of several target areas. Five areas with coincident gold-silver-zinc mineralization and locally tungsten were identified. The anomalous values are typically associated with pyrite and sphalerite +/- arsenopyrite mineralization in sericite, silica, chlorite and locally garnet altered host rocks. Maps showing the distribution of gold, silver, zinc and tungsten in prospecting samples are presented on the Company's website at www.troymet.com/s/Key.asp.

Area I

The best gold values, including the highest gold value obtained (4.78 g/t), comes from felsic volcanics on the west side of the property in the area of VTEM anomalies P1B and P2. Elevated to anomalous silver values also characterize this area. The VTEM anomalies are not exposed; however, the presence of significant gold and silver values greatly enhances these targets.

Area II

Elevated to anomalous gold-silver-zinc values occur in this area, which straddles Tsacha Mountain and the contact with a buried felsic intrusive interpreted from airborne magnetics (VTEM). The highest zinc values, including 1.23% and 1.07%, occur on the south side of Tsacha Mountain.

Area III

This area encompasses a 2.0-km length of the GN fault and is associated with elevated gold and elevated to anomalous silver and zinc values. Elevated gold and zinc values were also obtained along the GN fault a further 1 km to the north, with one sample also returning anomalous tungsten. VTEM anomalies P1A and P3 are situated between these two locations and also appear to be associated with the GN fault. Neither anomaly is exposed in outcrop; however, 1-5% disseminated pyrrhotite mineralization does occur near the site of anomaly P1A, which may in part explain the weak magnetic character of the anomaly. The EM signature of anomaly P1A is estimated to be between 600-800 metres long and steeply dipping.

Area IV

Elevated to anomalous gold and silver values occur in a cluster south of Good News Lake. This area is also characterized by elevated zinc and anomalous tungsten values.

Area V

At Area V, elevated to anomalous gold-silver-zinc-tungsten values were obtained from a shear zone carrying 5-15% pyrite. The shear zone is located on the East fault, near its intersection with a buried felsic intrusive interpreted from airborne magnetics (VTEM). The shear zone is approximately three metres wide; however, the presence of other nearby shears suggests the overall width of the zone may be in excess of 25 metres.

Historic showings on the property have also been located and appear to be structurally controlled. As well, preliminary investigation of a broad geochemical trend of anomalous zinc, copper, lead, arsenic and silver values through the central part of the property also points toward a relation to major northerly-trending structures. Magnetite veins, garnet and potassic feldspar and epidote alteration occur in the area of a buried intrusive, interpreted from geophysics, in the southeast corner of the VTEM survey area. The alteration may be indicative of alkali porphyry-style gold-copper mineralization.

Three possible diatremes (breccia pipes?) have been identified which may be related to several of the structurally controlled, precious metal target areas the Company has identified. Four areas of elevated to anomalous gold ± silver ± zinc values occur in this area, along with significant alteration (garnet alteration, magnetite veining and silicification) in the volcanics that cap the interpreted intrusive. The diatremes (?) are overburden covered and are located within an area of low magnetic signature, measuring approximately 130 hectares. Diatremes and breccia pipes are a common host for gold-silver mineralization, and have been mentioned in connection with the Blackwater bulk gold target. These may be an important target on the Key project.

Outcrop exposure on the property is limited. Troymet initiated a program of line cutting, induced polarization (IP) and soil sampling over selective grid areas in October 2010. The soil sampling was completed; however, the onset of winter conditions only allowed for partial completion of the line cutting and IP was only completed on the western (Crag) grid. These programs will be recommenced as soon as conditions permit in winter-spring 2011.

Results from the soil sampling and IP survey in conjunction with earlier prospecting results have identified coincident gold-silver in rock samples, gold in soils, and chargeability/resistivity anomalies. The soil analyses also indicate elevated to anomalous gold and silver values over the eastern (Scarp and Butte) grids. The elevated to anomalous values coincide well with the gold and silver in rock samples, and structures believed to control the mineralization. Digitalization and integration of historical soil sampling data with the 2010 data has also been completed; the results of which further augment the delineation of multiple anomalous target areas.

The 2011 winter program has commenced with the mobilization of a drilling contractor and line cutting and IP crews to the property in the first week of February. Diamond drilling will initially target various rock-soil-EM-IP anomalies delineated from the 2008 airborne VTEM survey and the 2010 prospecting, soil sampling and IP survey on the western Crag grid. Line cutting and IP surveys will be completed on the eastern grids to expand and better define the drill targets in those areas.

<u>Wheatcroft Lake Project – Gold</u>

Troymet holds 100% interest the 256-hectare Wheatcroft Lake property located 50 kilometres southwest of Leaf Rapids, Manitoba. The property hosts a large, low-grade gold mineralized system of ~2 kilometres lineal extent. Previous diamond drilling on the fold nose intersected widespread low-grade gold mineralization. Large areas of the horizon remain to be drill tested.

No work was conducted on the property during the three month period ended January 31, 2011 and the Company wrote-off the property in 2010.

Selected Annual Information

Year Ended	Year Ended October 31, 2010	Year Ended October 31, 2009	Year Ended October 31, 2008
Operating Expenses	$631,716	$285,654	$323,642
Other Income Interest	$1,050	$5,116	$17,558
Net Loss Per Share - Basic	($543,595) ($0.01)	($213,422) ($0.01)	($170,831) ($0.01)
Capital Expenditures	$159,041	$305,866	$1,934,333
Total Assets	$4,003,109	$3,744,514	$3,406,387
Total Liabilities	$94,345	$569,339	$250,682

Results of Operations

In the year ended October 31, 2010, Troymet realized a net loss of $543,600 after operating expenses of $631,700 ($285,700 in 2009) for the period, interest income of $1,100 ($5,100 in 2009), and a provision for income tax recovery of $87,100 ($67,100 in 2009). This compares to a net loss of $213,400 the previous year.

The operating expenses in 2010 included management fees of $124,500 ($100,400 in 2009), general and administration expenses of $25,500 ($23,100 in 2009), professional fees of $111,700 ($59,200 in 2009), travel and related costs of $8,900 ($11,100 in 2009) and public company costs of $74,400 ($59,100 in 2009). The general and administration expenses in 2010 include bank service charges of $300 ($300 in 2009), insurance premiums of $10,900 ($9,000 in 2009), and office costs of $14,300 ($13,800 in 2009).

The loss for the period includes a non-cash charge of $281,700 ($27,900 in 2009) related to stock compensation expenses. Net operating expenses in 2010 of $631,700 were approximately $346,000 higher than the previous year as the Company increased its activities with respect to exploration, financing, and promotion.

During the year ended October 31, 2010, Troymet incurred net capital expenditures of $159,000 compared to $305,900 expended in the previous period. This amount is net of the write-down of the Wheatcroft property of $5,100 and the British Columbia Mineral Exploration Tax Credit (METC) of $34,800. This refundable tax credit reduces the net amount of exploration expenditures on Troymet's British Columbia mineral properties.

In the fourth quarter of 2010, the Company was actively pursuing a financing and conducted minimal exploration work, incurring approximately $18,700 in capital expenditures in the quarter. The negative capital expenditures recorded in the quarterly information table below reflects the METC and the write-down of the Wheatcroft property.

The Company realized a loss of $153,500 for the fourth quarter. Management fees in the fourth quarter were $40,100, general and administration costs were $8,200, professional fees were $22,600 and shareholder communications were $21,600. The loss for the fourth quarter also includes a non-cash charge of $68,300 related to stock compensation expense and a $5,100 charge for the write-down of the Wheatcroft property.

Capital Expenditures

	Wheatcroft Lake	McClarty Lake	Golden Eagle	Key	Total
Balance, October 31, 2009	$5,078	$1,189,803	$2,223,138	$103,883	$3,521,902
Additions During the Period					
Acquisition Costs	-	-	-	-	-
Exploration	-	46,990	41,483	105,357	193,831
Total Additions	-	46,990	41,483	105,357	193,831
Write Down of Mineral Property	(5,078)	-	-	-	(5,078)
Mineral Exploration Tax Credit	-	-	(3,185)	(31,606)	(34,791)
Balance, October 31, 2010	$0	$1,236,793	$2,261,436	$177,634	$3,675,864

As shown in the balance sheet dated October 31, 2010, the Company's mineral property balance was approximately $3,675,900. As outlined in the table above, this balance was comprised of $193,800 relating to exploration expenses with approximately $47,000 spent at McClarty Lake, $41,500 spent at Golden Eagle, and approximately $105,400 spent at the Key property. 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 $34,800. After this reduction, and the $5,100 write-down of the Wheatcroft property, the net mineral exploration costs were approximately $159,000.

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, 2010, the Company had a working capital balance of approximately $231,700. The Company's working capital improved in the first quarter of 2011; on November 1, 2010 and November 10, 2010, the Company completed a non-brokered private placement raising gross proceeds of $2,309,875.

Total net capital expenditures of approximately $159,400 that were incurred during the period ended October 31, 2010 were funded by the $500,000 equity offering that was completed in January 2010, the collection of the 2009 METC totaling $14,000, and the exercise of 3,700,000 share purchase warrants generating proceeds of $330,000. As a result of the financing that was completed in November 2010, management plans to conduct drilling programs at McClarty Lake and the Key property in February / March 2011 and at Golden Eagle in May or June 2011. Additional drilling will be conducted at the Key property during the same time period.

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

On October 23, 2009, the Company announced that the Golden Eagle option agreement had been amended and that the optionor had agreed to accept payment of the last option payment in common shares of Troymet. In this regard, the Company issued the optionor 3,600,000 common shares at a deemed price of $0.05 per share on November 14, 2009.

On January 11, 2010, the Company announced that it had granted 2.7 million options to directors, officers, and consultants. Of this option grant, 1.0 million options were granted to consultants at an exercise price of $0.10 per share. These options expire two years from the date of the grant and vest as to 25% of the options on the date of issuance and 25% on each of the 6, 12, and 18 month anniversaries of the date of the grant (fully vested 18 months from the date of issuance). The remaining 1.7 million options were issued fully vested to directors and officers at an exercise price of $0.12 per share with an expiry date five years from the date of issuance.

Also in the first quarter, on January 22, 2010, the Company completed a non-brokered private placement raising total proceeds of $500,000 by issuing 10,000,000 Units at a price of $0.05 per per Unit. 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 $0.10 per share. In addition, a finder's fee of $21,200 was paid to a finder by the issuance of 424,000 common shares of Troymet. In addition, 424,000 finder's warrants were issued with each finder's warrant being exercisable into one common share at a price of $0.05 per common share for a period of two years from the date of issuance.

During fiscal 2010, 18,750,000 share purchase warrants expired unexercised. A total of 3,700,000 share purchase warrants were exercised generating proceeds of $330,000.

Subsequent to year end on November 1, 2010 and November 10, 2010, the Company completed a non-brokered private placement raising gross proceeds of $2,309,875. The private placement consisted of 5,717,500 units ("Units") at a price of $0.15 per Unit and 8,068,053 common shares issued on a flow- through basis priced at $0.18 per flow-through share. Each Unit consisted of one common share (issued on a non-flow-through basis) and one half of one common share purchase warrant (a "Warrant"). Each full Warrant is exercisable into one common share for two years from the date of issuance at a price of $0.25 per share for the first year from closing and $0.35 per share in the second year.

Also subsequent to year end on November 22, 2010, the Company announced 1,450,000 stock options had been issued to directors, officers, and consultants. The options have an exercise price of $0.21 per share and expire 5 years from the date of grant.

At October 31, 2010, the fully diluted number of common shares was 81,516,113 including 68,117,113 basic common shares, 8,024,000 share purchase warrants, and 5,375,000 options. The fully diluted number of common shares at the date of this MDA was 100,875,164 shares including 86,113,666 common shares issued and outstanding, 8,011,498 share purchase warrants, and 6,750,000 options.

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

Period Ended	**31-Jan 2011**	31-Oct 2010	31-Oct 2009	31-Oct 2008	31-Oct 2007
Beginning Shares Outstanding (Basic)	**68,117,113**	50,393,113	39,893,113	23,612,943	0
Shares issued pursuant to Plan of Arrangement	**0**	0	0	0	10,279,610
Exercise of warrants / agent options	**3,786,000**	3,700,000	0	30,170	0
Option exercise	**75,000**	0	0	0	0
Common shares issued for property / debt	**350,000**	3,600,000	0	0	0
Common shares issued for cash	**5,717,500**	10,424,000	1,300,000	16,250,000	5,000,000
Flow-through shares issued for cash	**8,068,053**	0	9,200,000	0	8,333,333
Closing Shares Outstanding (Basic)	**86,113,666**	68,117,113	50,393,113	39,893,113	23,612,943
Beginning Share Purchase Warrants / Agent Options	**8,024,000**	20,050,000	19,619,983	4,481,783	0
Plan of Arrangement Warrants / Agent Options	**0**	0	0	0	1,111,800
Share Purchase Warrants / Agent Options Expired	**0**	(18,750,000)	(869,983)	(1,081,630)	0
Share Purchase Warrants / Agent Options Exercised	**(3,786,000)**	(3,700,000)	0	(30,170)	0
Share Purchase Warrants / Agent Options Issued	**3,773,498**	10,424,000	1,300,000	16,250,000	3,369,983
Closing Share Purchase Warrants	**8,011,498**	8,024,000	20,050,000	19,619,983	4,481,783
Beginning Stock Options	**5,375,000**	2,675,000	2,450,000	2,250,000	0
Stock Options Granted	**1,450,000**	2,700,000	225,000	200,000	2,250,000
Stock Options Exercised	**(75,000)**	0	0	0	0
Closing Stock Options	**6,750,000**	5,375,000	2,675,000	2,450,000	2,250,000
Total Shares - Fully Diluted	**100,875,164**	81,516,113	73,118,113	61,963,096	30,344,726
Weighted Average Shares Outstanding	**82,380,420**	62,752,477	48,640,784	28,789,266	15,815,551

Summary of Quarterly Results

A summary of quarterly results for fiscal 2010 and fiscal 2009 is provided in the table below.

	QIV 31-Oct-10	**QIII 31-Jul-10**	**QII 30-Apr-10**	**QI 31-Jan-10**
Operations				
Revenues	**$0**	**$0**	**$0**	**$0**
Net Loss	**($153,512)**	**($65,545)**	**($218,117)**	**($106,421)**
Per Share - Basic	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Balance Sheet				
Working Capital	**$231,712**	**$38,695**	**$172,147**	**$350,225**
Total Assets	**$4,003,109**	**$3,857,139**	**$4,007,642**	**$4,094,658**
Capital Expenditures	**($21,215)**	**$75,154**	**$71,614**	**$33,487**

	QIV 31-Oct-09	QIII 31-Jul-09	QII 30-Apr-09	QI 31-Jan-09
Operations				
Revenues	$0	$0	$0	$0
Net Loss	($85,398)	($29,840)	($43,835)	($54,349)
Per Share - Basic	$0.00	$0.00	$0.00	$0.00
Balance Sheet				
Working Capital	($248,949)	$174,594	$217,890	$285,891
Total Assets	$3,744,514	$3,518,436	$3,537,409	$3,740,328
Capital Expenditures	$354,722	$353	$5,268	$125,523

Transactions with Related Parties

During the period, the Company paid fees of $96,800 (2009 – $98,400) to companies in which Directors held an interest for technical, management, administrative, and accounting services. This amount is included in general and administration expenses and accrued liabilities.

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 on November 1, 2010 and November 10, 2010, the Company completed a non-brokered private placement raising gross proceeds of $2,309,875. The private placement consisted of 5,717,500 units ("Units") at a price of $0.15 per Unit and 8,068,053 common shares issued on a flow- through basis priced at $0.18 per flow-through share. Each Unit consisted of one common share (issued on a non-flow-through basis) and one half of one common share purchase warrant (a "Warrant"). Each full Warrant is exercisable into one common share for two years from the date of issuance at a price of $0.25 per share for the first year from closing and $0.35 per share in the second year.

Also subsequent to year end on November 22, 2010, the Company announced 1,450,000 stock options had been issued to directors, officers, and consultants. The options have an exercise price of $0.21 per share and expire 5 years from the date of grant.

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, 2010.

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 are now fully vested.

In recognition of the market conditions that prevailed in fiscal 2009 and 2010, the contract with Senergy was renegotiated on December 1, 2008 and the monthly fee was reduced to $1,000 per month from $8,500 per month. In September 2010, with the improved Company finances and the current and planned drilling activity, the contract with Senergy was extended by an additional one year and the monthly fee paid to Senergy was renegotiated and increased from $1,000 per month to $7,500 per month.

Outlook

Winter-spring 2011 promises to be an exciting time for Troymet, with drill programs in progress on the Key and McCarty Lake projects and a third drill program planned for Golden Eagle.

At the McClarty Lake project, Troymet has commenced drilling on its 100% owned claims, where a ground EM survey conducted in 2010 identified a strong conductive response ~1000 metres northeast and on trend of the Discovery zone. In addition, HudBay has indicated that it intends to earn an additional 20% interest in the option claims by conducting a 2011 winter drilling program on the Discovery zone and other untested targets. These drilling programs should be a significant development of the property.

The Key property is greenfield project that offers the potential for both precious metals and VMS discoveries. It is strategically located adjacent to recent exploration success at Richfield Ventures' Blackwater project and Silver Quest's 3T's bonanza-style, epithermal gold-silver camp. Troymet has commenced drilling on the western Crag grid of targets delineated by the Company's 2008 VTEM survey and 2010 prospecting, soil sampling and IP surveys. Additional IP surveys are underway to further define drill targets on the eastern grids. This will be the first drilling ever conducted on the property.

At Golden Eagle, positive results from the 2009 stream sediment and diamond drilling program continue to augment the hypothesis of a widespread mineralizing event on the property. Numerous new drill targets have been identified. Additional exploration work including IP geophysical surveys and diamond drilling is scheduled for the spring of 2011.

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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