TriMetals Mining Inc.

Third Quarter Ended September 30, 2015

Management's Discussion & Analysis ("MD&A")

November 6, 2015

Introduction

The following information, prepared as of November 6, 2015, should be read in conjunction with the unaudited condensed interim consolidated financial statements of TriMetals Mining Inc. (“TMI” or the “Company”) for the three and nine months ended September 30, 2015, as well as the audited consolidated financial statements for the year ended December 31, 2014 and the related management’s discussion and analysis (the “Annual MD&A”). The unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2015 have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts are expressed in U.S. dollars unless otherwise indicated.

The Company’s critical accounting estimates, significant accounting policies and risk factors as disclosed in the Annual MD&A have remained substantially unchanged and are still applicable to the Company unless otherwise indicated.

This MD&A contains forward looking statements. For a description of the assumptions made in developing the forward-looking statements and the material factors that could cause the Company’s actual results to differ materially from the forward-looking statements in this MD&A, please see the “Cautionary notes” and “Risks and uncertainties” sections in the Annual MD&A and below.

General

The Company is a growth focused mineral exploration company creating value through the exploration and development of the near surface Gold Springs gold-silver project along the Nevada-Utah border. The Company is also involved in advancing its large scale Escalones copper-gold project located in the world renowned Chilean copper belt and the realization of value from the expropriated Malku Khota project in Bolivia through an arbitration process.

The Company’s approach to business combines the team’s track record of discovery and advancement of large projects, key operational and process expertise, and a focus on community relations and sustainable development. Management has extensive experience in the global exploration and mining industry.

The Company’s common shares and Class B shares trade on the Toronto Stock Exchange (the “TSX”) under the symbols TMI and TMI.B, respectively, and the Company’s common shares and Class B shares trade in the US on the OTCQX International Market as TMIAF and TMIBF.

All references to the Company include TMI and its subsidiaries unless the context requires otherwise and all references to the business of the Company include the business conducted by TMI and its wholly-owned subsidiaries, currently and prior to incorporation or acquisition.

Projects

Gold Springs gold project, USA

The Company holds a 100% interest in the 74 square kilometre Gold Springs gold project located in western Utah and eastern Nevada. The Company has completed rock chip sampling, preliminary mapping, soil sampling, stream sediment sampling, and a property-wide LIDAR, aero-magnetic and ZTEM geophysical survey. The geological work identified 26 surface targets within the project area, all of them include outcropping gold mineralization.

As of the effective date of this MD&A, the Company has completed 182 drill holes at Gold Springs, including 37 reverse circulation (RC) drill holes and 4 diamond (Core) drill holes in the 2014 drill program, for a total of 25,311 metres to date. Most of the drilling has been focused on the Jumbo and Grey Eagle Zones. These two targets represent only two of the twenty-six outcropping targets identified so far in the 74 sq. km. Gold Springs District.

The gold-silver mineralization, at both the Jumbo and Grey Eagle Zones, remains open to expansion laterally and to depth as the drilling has typically only penetrated the top 130 metres vertically below the surface at Jumbo (maximum drilled depth of 233 metres) and 130 metres below the surface at Grey Eagle (maximum drilled depth of 262 metres). The ZTEM geophysical survey, completed in 2011, indicates that the gold-silver bearing geological and geophysical settings that have been drilled at Jumbo may continue for approximately 8 kilometres along strike, much of which remains untested.

2015 Updated Resource Estimate

On June 3, 2015, the Company announced the completion of an updated resource estimate for the Jumbo and Grey Eagle Zones (NR 15-07, June 3, 2015). The 2015 resource estimate builds on the 2014 resource estimate and includes the assay information from the 2014 drill program.

Grey Eagle plus Jumbo Mineral Resource (Effective at June 3, 2015) *							
Resource		**Gold**		**Silver**		**Gold Equivalence *** **	
Cutoff Au g/t	Tonnes	Troy oz	Grade g/t	Troy oz	Grade g/t	Troy oz AuEq	Grade g/t AuEq
Measured and Indicated							
0.2	30,046,000	434,000	0.45	9,297,000	9.6	597,000	0.62
0.3	19,003,000	348,000	0.57	6,956,000	11.4	469,000	0.77
Inferred **							
0.2	20,887,000	225,000	0.34	4,614,000	6.9	306,000	0.46
0.3	9,889,000	140,000	0.44	2,766,000	8.7	188,000	0.59

Numbers have been rounded, which may lead to some numbers not adding up exactly.

**The 2015 mineral resource estimate on the Gold Springs Project was derived from the Technical Report Preliminary Economic Assessment Update on the Gold Springs Property, Utah/Nevada, USA dated and filed on SEDAR on August 12, 2015, authored by Global Resource Engineering Ltd. ("GRE") and Kurt Katsura.*

*** The Inferred resource is in addition to the measured and indicated resource.*

**** Gold equivalent calculations reflect gross metal content using a gold/silver price ratio of 57.14 and have not been adjusted for metallurgical recoveries.*

The table below shows the increase in the resource estimate from 2014 to 2015 for the Grey Eagle plus Jumbo Zones:

	2014*			**2015 ****			**Change**		
Cutoff Au g/t	Tonnes	Troy oz AuEq ***	Grade g/t AuEq ***	Tonnes	Troy oz AuEq ***	Grade g/t AuEq ***	Tonnes	Troy oz AuEq ***	Grade g/t AuEq ***
Measured and Indicated									
0.2	21,289,000	456,000	0.67	30,046,000	597,000	0.62	8,757,000	141,000	-0.05
0.3	13,724,000	369,000	0.84	19,003,000	469,000	0.77	5,279,000	100,000	-0.07
Inferred ****									
0.2	16,674,000	299,000	0.56	20,887,000	306,000	0.46	4,213,000	7,000	-0.1
0.3	8,771,000	208,000	0.74	9,889,000	188,000	0.59	1,118,000	-20,000	-0.15

Numbers have been rounded, which may lead to some numbers not adding up exactly.

** The 2014 mineral resource estimate on the Gold Springs Project was derived from the technical report Preliminary Economic Assessment on the Gold Springs Property, Utah/Nevada, USA dated April 30, 2014, as amended on July 8, 2014, authored by Lane and Associates, Deepak Malhotra and Kurt Katsura. The amended NI 43-101 compliant Technical Report supporting the mineral resource estimate and preliminary economic assessment was filed on SEDAR on July 8, 2014.*

***The 2015 mineral resource estimate on the Gold Springs Project was derived from the technical report Preliminary Economic Assessment Update on the Gold Springs Property, Utah/Nevada, USA dated and filed on SEDAR on August 12, 2015, authored by Global Resource Engineering Ltd. ("GRE") and Kurt Katsura.*

**** Gold equivalent calculations reflect gross metal content using a gold/silver price ratio of 57.14 and have not been adjusted for metallurgical recoveries.*

***** The Inferred resource is in addition to the measured and indicated resource.*

Preliminary Economic Assessment Update

On August 12, 2015, the Company announced the filing on SEDAR of an updated Preliminary Economic Assessment ("updated PEA") of the Gold Springs project (NR 15-10, dated August 12, 2015). The 2015 resource estimate which supports the updated PEA includes the assay information from drill holes completed through 2014.

The updated PEA base-case[1] assumes contractor mining, uses a price of gold of $1,300/oz and a price of silver of $21/oz, and projected metal recovery rates of 73% for gold at Jumbo, 72% of gold at Grey Eagle, 40% for silver at Jumbo and 20% for silver at Grey Eagle. The base-case includes a 15,000 tonne-per-day mine plan of 9 years with a 2:1 strip ratio; heap-leachable, open-pit operation using the Merrill-Crowe metal-recovery process. The updated PEA yields a pre-tax NPV5% of US$137.4 million (after-tax US$92.1 million), a pre-tax IRR of 49.9% (after-tax 35.8%), cash operating cost of US$669/Au[2] oz and a fully-loaded cost of US$863/Au[2] oz. The base-case requires a pre-production capital cost of $55 million (including a $6.4 million contingency) and on-going capital cost of $24.8 million (including a $3.7 million contingency). As the existing resource estimate that supports the updated PEA mainly includes assay information of only 2 of the 26 identified outcropping gold targets at Gold Springs, additional drilling has the potential to expand the resource estimate, and enhance project economics, significantly.

Drilling

During 2014, 22 RC drill holes were completed at Jumbo, 9 RC drill holes were completed at Grey Eagle and 6 RC drill holes were completed at Etna. The 2014 RC drilling was conducted to expand the estimated resource. Four core drill holes were also completed, 2 at each Jumbo and Grey Eagle. These holes were completed to provide samples for further metallurgical studies and to improve the understanding of the structural setting.

Jumbo Zone

18 of the 22 RC holes drilled at Jumbo as part of the 2014 RC drill program extended mineralization beyond the present PEA pit design, 3 holes provided infill information and 1 drilled into post mineral cover.

At the Jumbo target, RC hole J-14-011 (NR 14-17, August 1, 2014) intersected 38.1 metres of 1.01 g/t AuEq[3] including 7.6 metres of 3.21 g/t AuEq[3] to the east of the center portion of the Jumbo resource block where previous drilling was done in this sector. Further drilling will be needed to better understand the relationship of this mineralization to that to the North and to the South due to east-west faulting in the area. The indications, however, are that this intercept extends the 200m long higher-grade southern Jumbo zone, which includes the 67m@1.03 g/t AuEq[3] intersected in hole J-14-004 (NR14-16, July 11, 2014) for an additional 100 metres to the north.

Hole J-14-004 intersected 67 metres of 1.03 g/t AuEq[3] in the southern portion of the Jumbo resource block which grouped with holes J-14-001, 002 and 003 (NR 14-16, July 14, 2014) successfully extend the mineralization located by the 2013 RC holes J-13-005 and 006, along strike and down dip as well as demonstrated the continuity of the higher-grade mineralization first located by the 2013 drill program. This higher grade block of mineralization extends for approximately 200 metres north-south and is open for expansion to the north and east. RC holes J-14-005 to 010 all contained additional mineralization except for J-14-007 which was un-mineralized as it was drilled in post mineral rocks above a fault. Hole J-14-010 is noteworthy in that it is located approximately 100 metres north of the Jumbo

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[1] *This information was derived from the Technical Report Preliminary Economic Assessment Update on the Gold Springs Property, Utah/Nevada, USA dated and filed on SEDAR on August 12, 2015, authored by Global Resource Engineering Ltd. ("GRE") and Kurt Katsura.*

[2] *Cash Operating cost per gold ounce is net of silver credit and includes mining, processing, general and administrative and operating cost contingency; Fully-loaded cost per gold ounce includes Cash Operating cost per gold ounce plus sustaining capital, federal, state and local taxes and does not include initial capital. The portion of the project subject to the updated PEA does not have overriding royalties.*

[3] *Gold equivalent calculations reflect gross metal content using a gold/silver price ratio of 57.14 and have not been adjusted for metallurgical recoveries.*

resource area and intersected what is interpreted as a new zone of mineralization east of the main trend. This hole contained 25.9 metres at 0.65 g/t AuEq[1].

Hole J-14-18, drilled in the northern portion of the Jumbo main zone, included a long intercept of 138.7 metres of 1.01 g/t AuEq[1] that ended in mineralization and included 36.6 metres of 2.06 g/t AuEq[1].

Grey Eagle Zone

At the Grey Eagle target, the drilling in 2014 was conducted to explore the potential on the south end of the Grey Eagle resource area. 9 RC drill holes were completed at Grey Eagle (NR 14-19, August 27, 2014) and results indicate that the immediate southern extension of the mineralized zone seen in the holes drilled in 2012 and 2013 is weaker because either faulting has offset the stronger mineralization, or it has been eroded prior to the deposition of the post mineral cover. These results confirm the shape of the mineralized zone but limit its expansion potential to the immediate south. This does not however, preclude expansion potential further to the west or north.

Etna Zone

In 2014, Etna was chosen as a third drilling target because of extensive outcrops of gold mineralization and hence 6 RC holes have been completed in the 2014 drilling season. The Etna target is located approximately 2 km south of the Jumbo Resource Block.

RC hole E-14-001 (NR 14-17, August 1, 2014) intersected mineralization over 106.7 metres @0.49 AuEq[1] and included 29 metres of 1.03 g/t AuEq[1]. This broad zone relates to RC hole E-12-001 drilled in 2012 approximately 50 metres to the north which intersected 125 metres of 0.35 g/t AuEq[1] including 39.6 metres of 0.64 g/t AuEq[1]. More drilling is required to further define this new zone and its extensions which have the potential to be substantial because of the large intercept widths.

The remaining five holes completed at Etna were exploratory in nature and intersected weak mineralization often over broad widths, (see results in NR 14-17, August 1, 2014). Further geological and geophysical analysis and additional drilling is required in the Etna zone to follow the extensions of the mineralized body found in E12-001 and E14-001.

Metallurgical Testing

As part of its overall exploration program at Gold Springs, the Company continued its metallurgical testing program during Q3 2015. Six mini-column (2 feet high) tests have been completed on six different ore types from Grey Eagle and Jumbo. These tests included reagent variations to enhance silver extraction. The metallurgical report received from these tests indicates that using a simple average, gold recoveries for the Grey Eagle and Jumbo areas were 77% and 68%, respectively. This does not take into account weighting of the recovery by proportion of rock type. Globally the recovery averaged 73% for gold. Silver recovery averaged 16% and 47% for Grey Eagle and Jumbo, respectively. The cause for the lower silver recovery experienced for Grey Eagle is unknown at this time. Additional metallurgical testing has also been started which will lead to grain size selection for large-column tests. These additional tests known as “bucket” tests have been carried out on nine ore types at four different grain sizes with the largest being one inch. A summary of the results was reported in the updated PEA. These results are used to choose the grain size for the column tests which will use similar sized material to that which would be used in a “heap leach” mine. Three 2-metre high column-tests are underway on three different Jumbo ore types.

The Company completed a short core drilling program in November 2014 to obtain additional materials for metallurgical testing, as well as geotechnical analysis, geochemistry and geology. 2 core holes were drilled at each the Jumbo and Grey Eagle resource areas providing material from all of the different ore types in both areas. This material is being utilized in bucket and for the full sized (2-metre high) column tests.

Permitting

On March 27, 2014, the US Bureau of Land Management (“BLM”) Caliente Office of the State of Nevada accepted TMI's Environmental Assessment (“EA”) covering the Nevada portion of the Gold Springs project (NR 14-07, April 3, 2014). On September 22, 2015, the BLM Cedar City Office of the State of Utah accepted TMI’s EA covering the Utah portion of the Gold Springs project (NR 15-11, September 29, 2015). The acceptance of the EA by the BLM offices of both States means that the Company’s exploration and resource expansion activities are now authorized to proceed in Nevada and Utah without the need for additional permitting. The Company envisions staged exploration activities

[1] *Gold equivalent calculations reflect gross metal content using a gold/silver price ratio of 57.14 and have not been adjusted for metallurgical recoveries.*

focused on the expansion of the Jumbo and Grey Eagle resource estimates, the future testing of the 8-kilometre long Jumbo trend, and the exploration of the other outcropping gold targets that are located in Utah and Nevada.

Escalones copper-gold project, Chile

The Escalones copper-gold project is located in the central Chilean mining district which includes the nearby El Teniente deposit – the world's largest underground copper mine. The project is accessible by road and is approximately 100 kilometres south-east of Santiago.

On August 12, 2013, the Company filed a NI 43-101 Technical Report which was later amended and refiled on July 11, 2014 that includes an updated resource estimate for Escalones (See News Releases 13-13 dated June 28, 2013 and 13-17 dated August 12, 2013). The updated resource estimate, which was prepared by Jeffrey Choquette and Jennifer J. Brown, both of Hard Rock Consulting, LLC, who are both "qualified persons" as defined in NI 43-101 and "independent" of the Company as defined in NI 43-101, is based on 24,939 metres of drilling carried out on Escalones to date and is as follows (note that Indicated resource is in addition to the Inferred resource):

- An Indicated resource of 232.6 million tonnes of mineralized material containing 1.6 billion lbs. of copper, 498,012 oz. of gold, 4.9 million oz. of silver and 31.9 million lbs. of molybdenum, at a grade of 0.31% copper, 0.07 g/t gold, 0.66 g/t silver and 0.006% molybdenum using a 0.25% Cu Equivalent cut-off grade. This is a copper-equivalent [1] content of 1.9 billion lbs. of copper grading 0.38%.

- An Inferred resource of 527.7 million tonnes of mineralized material containing 4.0 billion lbs. of copper, 609,437 oz. of gold, 14.4 million oz. of silver and 79.5 million lbs. of molybdenum at a grade of 0.34% copper, 0.04 g/t gold, 0.85 g/t silver and 0.007% molybdenum using a 0.25% Cu Equivalent cut-off grade. This is a copper-equivalent [1] content of 4.7 billion lbs. of copper grading 0.40%.

The Escalones deposit remains open to expansion laterally and at depth. Interpretation of ZTEM resistivity and aeromagnetic surveys show several large areas of untested conductivity and magnetic anomalies which may represent areas of potential additional mineralization.

In November 2014, the Company was granted an environmental permit to construct 20 drill pads from which 20,000 metres of diamond drilling can be performed. The permit authorizes work to be completed over 3 drilling seasons, which typically extend from October to May.

The Company believes that it needs a partner to develop this project due to its large size. Companies have been approached to gauge their level of interest in joint venturing the property. The pursuit of an appropriate partner is ongoing.

Arbitration claim against the Bolivian government for the expropriation of the Malku Khota project

The Malku Khota project is located approximately 200 kilometres north of Potosi, Bolivia. Malku Khota is one of the world's largest silver, indium and gallium resources with a NI 43-101-qualified Indicated Resource of 255 million tonnes of mineralized material containing 230.3 million ozs of silver, 1,481 tonnes of indium and 1,082 tonnes of gallium at a grade of 28.7 g/t silver, 5.8 g/t indium and 4.3 g/t gallium (43.8 g/t silver equivalent [2]), and an additional Inferred Resource of 230 million tonnes containing 140 million ozs of silver, 935 tonnes of indium, and 1,001 tonnes of gallium at a grade of 18.9 g/t silver, 4.1 g/t indium and 4.3 g/t gallium (33.0 g/t silver equivalent[2]).

Exploration commenced at Malku Khota in 2003 and work on the Project continued through to the expropriation in August 2012. After completing a total of 42,700 metres of drilling in 121 diamond core holes, and undertaking metallurgical testwork, process development and engineering design, a Preliminary Economic Assessment study was published in May 2011 showing a bulk-mineable heap leach operation with the potential to be one of the largest new silver, indium and gallium producing mines in development with over 13.2 million ounces of silver production annually over the first 5 years.

The Preliminary Economic Assessment showed a Pre-tax Net Present Value ("NPV") for the project, using a 5% discount rate, of $1.5 billion and a Pre-tax Internal Rate of Return ("IRR") of 63% at the "middle price case" of $25.00 per ounce of silver.

[1] *Copper equivalent (Cu Eq %) calculations reflect gross metal content using approximate 3 year average metals prices as of June 25, 2013 of $3.71/lb copper (Cu), $1549/oz gold (Au), $30.29/oz silver (Ag), and $14.02/lb molybdenum (Mo) and have not been adjusted for metallurgical recoveries. An economic cut-off grade of 0.25% copper equivalent was assumed. Contained metal values may vary from calculated values due to rounding.*
[2] *Silver equivalent calculated using total contained metal using base case metal pricing (Ag at $18/oz, In at $500/kg, Ga at $500/kg, Cu at $3/lb, Pb at $0.90/lb, and Zn at $0.90).*

After the publication of the Preliminary Economic Assessment, the pre-feasibility study ("PFS") phase was started in June 2011. The ongoing work program, which was designed to expand mineral resources and enhance project economics, included the development of social and community programs to benefit indigenous communities, baseline studies for the environmental review and assessment program, exploration, metallurgical testwork, flowsheet development, engineering design and preparations to construct a modern 150 person exploration camp near the exploration site. The planned work programs including the PFS were not completed due to the expropriation.

On July 10, 2012, the Bolivian government announced to the media its intention to nationalize the Malku Khota project and on August 1, 2012, issued Supreme Decree No.1308 nationalizing the Malku Khota project. On October 23, 2012 the Company's wholly-owned subsidiary, South American Silver Limited ("SASL"), delivered a formal letter to the Bolivian government notifying it of an investment dispute between SASL and Bolivia. The dispute has arisen as a result of acts and omissions of the Government of Bolivia including the issuance of Supreme Decree No.1308 which revoked mining concessions held by Compañia Minera Malku Khota S.A. ("CMMK"), a wholly-owned subsidiary of SASL, without any compensation.

SASL is a company incorporated in the Bermuda Islands, an overseas territory of the United Kingdom, which through its wholly owned Bahaman subsidiaries, Malku Khota Ltd., G.M. Campana Ltd. and Productora Limited., owns one hundred per cent of the outstanding shares of CMMK. SASL is a protected investor under the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Bolivia for the Promotion and Protection of Investments ("Treaty"), and the actions and omissions of the Bolivian Government are in violation of the Treaty and of international law. Bolivia has breached the Treaty's requirement to provide full protection and security to foreign investors and their investments, as well as the Treaty's protections against, among other things, expropriation without just and effective compensation, unfair and inequitable treatment, and less favorable treatment than afforded to Bolivian nationals or nationals of third states. Notification of the investment dispute triggered a six-month cooling-off period during which the disputing parties could negotiate a settlement.

Arbitration provides the forum for the Company to pursue fair value compensation for the expropriation of the Malku Khota project. Since the expropriation Supreme Decree, the Company has appointed the international legal firm, King & Spalding, to prepare and handle the claim. King & Spalding is being supported by prominent local counsel in Bolivia. Experts to assess the value of the damages have also been appointed.

On August 1, 2012, September 4, 2012, December 12, 2012, January 16, 2013 and February 14, 2013, SASL delivered letters to the Bolivian Government reiterating its willingness to attend meetings with Bolivian Government representatives to resolve the dispute amicably. The Government of Bolivia finally responded on February 21, 2013 and on April 17, 2013 a meeting was held but no resolution was reached and no compensation was offered.

The cooling-off period ended on April 23, 2013 and on April 30, 2013 the Company announced in News Release 13-09 that its wholly-owned subsidiary, SASL had commenced international arbitration proceedings against the Government of Bolivia under the Arbitration Rules of the United Nations Commission on International Trade Law ("UNCITRAL") pursuant to the Treaty seeking compensation based on fair market value of the Malku Khota project. Concurrent with the Notice of Arbitration issued to Bolivia, SASL appointed its arbitrator to the Arbitral Tribunal. On June 28, 2013, the Bolivian Government responded to the Notice of Arbitration and appointed its own arbitrator. Each party challenged the appointment of the other party's arbitrator on grounds of justifiable doubts as to his independence and impartiality but the challenges were ultimately rejected by the Permanent Court of Arbitration ("PCA"). The appointed arbitrators could not agree on the appointment of a third arbitrator to act as president of the three-person Arbitral Tribunal so on January 22, 2014 the Secretary General of the PCA appointed the presiding arbitrator (see News Release NR 14-01 dated February 3, 2014).

On May 13, 2014, SASL attended its first Procedural Meeting with representatives of the Government of Bolivia and the three members of the Arbitral Tribunal, Messrs. Eduardo Zuleta Jaramillo (President), Francisco Orrego Vicuña and Osvaldo Guglielmino, at the Center of Arbitration and Conciliation of the Bogota Chamber of Commerce in Bogota, Colombia under the oversight of the Permanent Court of Arbitration (see News Release NR 14-12 dated May 14, 2014).

On June 3, 2014, SASL received Procedural Order No. 1 from the Arbitral Tribunal (Tribunal's binding decisions on procedural matters). With Procedural Order No. 1 the Tribunal fixed the place of arbitration at The Hague, the Netherlands (where the arbitration is considered legally held) and stated that the meetings and hearings will take place in Bogota (Colombia) or Washington DC (U.S.A.), to be determined by the Tribunal after consultation with the Parties before each hearing or meeting. Procedural Order No. 1 also includes a procedural calendar with two rounds of pleadings (4 months to each party for the first round and 3 months to each party for the second round, with an additional 1 month to SASL for a potential rejoinder on jurisdiction). The Tribunal also limited the document production phase to approximately 5 months. Based on the procedural calendar, SASL's statement of claim and memorial on the merits was filed on time on September 24, 2014. SASL seeks monetary compensation for damages in the amount of US$385.7 million (NR 14-21, September 25, 2014), which includes US$ 307.2 million for all of its losses caused by Bolivia's breaches of the UK-Bolivia Treaty, plus US$78.5 million in pre-award interest but excludes fees and costs incurred in connection with the arbitration proceeding. Alternatively, SASL seeks restitution of the Malku Khota project along with monetary damages in the amount of US$ 176.4 million, including pre-award interest. On March 31, 2015, Bolivia filed its statement of defense and counter-memorial marking the conclusion of the preliminary written pleadings phase of the arbitration and the beginning of the document production phase. In accordance with the procedural calendar SASL's reply to Bolivia's statement of defense and counter-memorial is due for filing on November 30, 2015 and Bolivia's rejoinder on February 29, 2016. On April 30, 2015, after consultations with the parties, the Tribunal decided to postpone the oral hearing from May 2016 to July 2016. The oral hearing will last for approximately 10 days.

Orders of the Tribunal, including any awards, and pleadings (but not exhibits, witness statements or expert reports) are being posted on the Permanent Court of Arbitration's website at www.pca-cpa.org.

Based on the procedural calendar included in Procedural Order No.1, as amended in April and June 2015, and unless there is a negotiated settlement of the dispute, it is expected that any actual cash award, if there is one, would not be received until after July 2016.

On May 23, 2013, the Company entered into an agreement (the "Arbitration Costs Funding Agreement") with a third party funder (the "Fund") pursuant to which the Fund will cover most of SASL's future costs and expenses related to its international arbitration proceedings against Bolivia. The Fund will not cover the salaries or travel expenses of the employees and executives of the Company when working on arbitration related matters. The non-brokered funding is on a non-recourse basis and includes costs and expenses of the enforcement of any award rendered by the Arbitral Tribunal. The Fund specializes in the funding of international arbitration proceedings and in providing assistance in connection with the enforcement of arbitration awards.

Under the terms of the privileged Arbitration Costs Funding Agreement, the Company has given certain warranties and covenants to the Fund and has provided security for its obligations. In consideration for the funding, SASL and the Company have agreed to pay to the Fund a portion of any recoveries received by SASL pursuant to the arbitration proceedings or any settlement with Bolivia. SASL continues to have control over the conduct of the international arbitration proceedings and to have the right to settle with Bolivia, discontinue proceedings, pursue the proceedings to trial and take any action it considers appropriate to enforce any resulting judgment or award.

A large majority of the costs of the arbitration to be incurred by SASL or the Company are payable only in the event there is an award in favour of SASL and will be paid out of the proceeds of any such award. These costs include certain fees and other expenses incurred in connection with the arbitration, including the Fund's portion of any recoveries received pursuant to the arbitration proceedings or any settlement with Bolivia, the contingent success fee payable to SASL's lead arbitration counsel and other commitments. These fees, costs and expenses will be paid out of any such award, thus potentially reducing funds received by SASL by as much as one-third of the amount of any award in its favour.

San Antonio property, Mexico

The Company is seeking a joint venture partner for this property. No exploratory work has been conducted at San Antonio since 2011, as the Company's exploration efforts have been focused on the Gold Springs project.

Results of operations

Nine month results

During the nine months ended September 30, 2015, the Company reported a net loss of $559,604 ($0.00 per share) compared to net earnings of $2,898,889 ($0.02 per share) reported in the nine months ended September 30, 2014.

The 2015 and 2014 nine-month results were impacted by various non-cash income amounts. Under IFRS, the Class B shares are considered to be financial instruments, not equity instruments, and warrants and stock options exercisable into Class B and common shares are considered to be derivative liabilities. The Class B shares and derivatives are measured at fair value at each period-end, and changes in fair values are included in the determination of earnings/loss. During the nine months ended September 30, 2015, the Company recognized non-cash income amounts of $897,845 (2014 - $3,865,269) in respect of the change in fair value of the Company's Class B shares, $126,210 (2014 - $987,627) in respect of the change in fair value of stock options exercisable into Class B and common shares, and $nil (2014 - $156,922) in respect of the change in fair value of warrants exercisable into Class B and common shares.

General and administrative expenses decreased from $2,121,551 to $1,657,010. The favourable variance includes non-cash share-based payments which decreased from $183,758 to $102,232. Non-cash share-based payments expense tends to fluctuate significantly between quarters in accordance with the timing of stock option grants and the Company's share price, among other factors.

Excluding the impact of share-based payments, general and administrative expense decreased by a factor of 20% as the Company has continued to streamline its operations and administration. Wages and benefits expense decreased by

15% from $430,900 to $367,227; office and administration expense decreased by 10% from $278,424 to $251,958; professional fees decreased by 20% from $415,590 to $332,761; and shareholder information expense decreased by 32% from $124,165 to $83,845.

During the nine months, the Company incurred direct costs associated with the arbitration process amounting to $165,267 (2014 - $224,778). The nine-month 2015 costs are net of recoveries from the Fund amounting to $538,553 (2014 - $1,268,819).

Reconnaissance and sundry exploration costs of $99,599 (2014 - $158,259) include holding costs associated with the Company's Mexican properties acquired through the 2013 acquisition of High Desert Gold Corporation ("HDG"). These properties were attributed $nil value on acquisition and the Company is expensing various holding costs to keep the properties in good standing.

Expenses were offset by interest and other income of $44,007 (2014 - $91,379). The Company also recorded a foreign currency gain of $51,742 (2014 –$10,395) and incurred accretion expense on its convertible notes amounting to $22,398 (2014 - $nil). During the comparative nine months ended September 30, 2014, the Company recorded an equity loss of $91,152 on its investments.

The Company holds a large portion of its funds in Canadian currency and, as a result of the depreciation of the Canadian dollar against the U.S. dollar during the year, has recognized a currency translation loss of $322,976 (2014 – $274,581) on the accounting translation to U.S. dollars. This unrealized charge has been recorded as other comprehensive loss and has not been included in the determination of net loss for the period. Future changes in exchange rates could materially affect the Company's results in either a positive or negative direction.

Three month results

During the three months ended September 30, 2015, the Company reported net earnings of $790,427 ($0.01 per share) compared to net earnings of $5,255,718 ($0.04 per share) reported in the third quarter of 2014. Under IFRS, the Company's Class B shares are considered to be financial instruments and the 2014 third quarter earnings include non-cash income amounts of $1,330,402 (2014 - $5,470,562) in respect of the change in fair value of the Class B shares and $27,126 (2014 - $286,717) in respect of the change in fair value of stock options exercisable into Class B and common shares. The comparative 2014 third quarter loss also included an equity loss of $24,543 recognized on the Company's investments.

General and administrative expenses increased from $518,061 in the third quarter of 2014 to $585,669. Non-cash share-based payments expense increased from $9,525 to $71,554 as the Company granted 2.6 million stock options during the current quarter. Excluding the impact of share-based compensation, general and administrative expense increased by a factor of 1% quarter over quarter. Modest increases in wages and benefits and office and administration were offset by decreases in professional fees, shareholder information costs and direct costs incurred in respect of the arbitration process.

Expenses were offset by interest and other income of $12,649 (2014 - $24,407). The Company also reported a foreign currency gain of $28,317 (2014 – $16,636) and incurred accretion expense on its convertible notes amounting to $22,398 (2014 - $nil).

The Company holds a significant portion of its funds in Canadian dollars and recognized a currency translation loss during the third quarter of $113,691 (2014 – $193,875) on the accounting translation to U.S. dollars. This gain has been recorded as other comprehensive loss and has not been included in the determination of net earnings for the period.

Capital expenditures and investing activities

Total exploration spending for the nine months ended September 30, 2015 decreased to $1,545,334 from $2,700,341 incurred in the nine months ended September 30, 2014. The 2015 nine-month costs included $1,279,718 incurred at Gold Springs which mainly included costs associated with updating the resource estimate and PEA, and ongoing metallurgical testing. A total of $265,616 was incurred at Escalones, including a cash option payment of $100,000.

The comparative 2014 nine-month costs included $1,774,125 incurred at Gold Springs, including $391,912 in direct drilling costs as well as costs associated with the updated resource estimate for the Jumbo and Grey Eagle Zones, and a PEA. At Escalones, the Company incurred costs of $926,216, including a $500,000 cash option payment as well as costs associated with further analysis of existing data and core samples, the continuation of environmental and permitting activities and metallurgical testing.

Financing activities

On July 23, 2015, the Company raised net proceeds of $1,762,821 from a non-brokered private placement of units consisting of Cdn.$2,296,000 principal amount convertible notes bearing 6% interest and maturing July 23, 2018 (the "Notes") and 7,446,486 common share purchase warrants (the "Warrants") for gross proceeds of Cdn.$2,296,000.

If the repayment of the Notes on the maturity date would expose the Company to undue financial hardship, then the Company has the right to extend the maturity date to July 23, 2020 for no additional consideration. Notwithstanding the foregoing, if the Company receives a cash payment pursuant to any award or settlement in the arbitration by its subsidiary against Bolivia of at least $5 million (after the payment of all Malku Khota Arbitration Expenses and the Class B Share Entitlement, each as defined in the Company's Articles), the holders shall have the right to demand repayment of the outstanding principal amount of the Notes and accrued interest thereon, in cash, within 60 days of the first public disclosure by the Company of receipt of such net cash payment.

The holders of the Notes have the option to convert all or any portion of the outstanding principal amount of the Notes into common shares of the Company at any time at the conversion price of Cdn. $0.20 per share. If the closing price of the common shares of the Company on the TSX is at least Cdn. $0.40 for 10 consecutive trading days, the Company has the right to convert all or any portion of the outstanding principal amount of the Notes into common shares, without penalty. Shares issued to repay the principal amount of the Notes shall be issued at the Conversion Price, while accrued interest on the converted portion Notes shall be paid in cash.

The Notes will be secured by a pledge of approximately 20.7% of the shares of the Company's subsidiary in Chile, the holder of the Escalones property.

Each Warrant is exercisable to purchase one common share of the Company at the exercise price of Cdn. $0.10 per share until July 23, 2017.

Summary of quarterly results (unaudited)

Three months ended	Sept. 30, 2015	June 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	Mar. 31, 2014	Dec. 31, 2013
Total revenues	$nil	$nil	$nil	$nil	$nil	$nil	$nil	$nil
Deferred exploration costs	$444,681	$648,724	$451,929	$562,727	$943,395	$1,270,878	$486,068	$123,273
Net earnings (loss)	$790,427	($2,062,047)	$712,016	($2,579,338)	$5,255,718	($550,024)	($1,806,805)	($712 ,402)
Total comprehensive income (loss)	$667,419	($2,017,316)	$467,328	($2,706,272)	$5,061,843	($401,926)	($2,035,609)	($935,281)
Net earnings (loss) per share (Basic and diluted)	$0.01	($0.02)	$0.01	($0.02)	$0.04	($0.00)	($0.01)	($0.01)

Net earnings (loss) and total comprehensive income (loss) have been volatile for the eight most recent quarters. During Q3 2015, the Company recognized income of $1,330,402 (Q2 2015 - charge of $1,570,634; Q1 2015 – income of $1,138,077; Q4 2014 – charge of $2,110,574; Q3 2014 – income of $5,470,562; Q2 2014 - charge of $63,365; Q1 2014 – charge of $1,541,928) in respect of the change in fair value of the Company's Class B shares and income of $27,126 (Q2 2015 - $4,136; Q1 2015 - $94,948; Q4 2014 –$126,165; Q3 2014 –$286,717; Q2 2014 - $126,182; Q1 2014 –$574,728) in respect of the change in fair value of stock options exercisable into Class B and common shares. During Q4 2013, the Company reversed a portion of previous write downs of its investment in HDG, recognizing a recovery of $705,943. The Company also recognized an equity loss in respect of this investment amounting to $205,370 during Q4 2013. Quarterly results have also been impacted by non-cash share-based payments expense which fluctuated significantly between quarters in accordance with the timing of stock option grants and the Company's share price, among other factors.

Deferred exploration costs have also been volatile as exploration activities have fluctuated significantly on a quarterly basis. In Q2 2014, a drilling program started at Gold Springs and concluded in Q3 2014. In Q2 2015 and Q2 2014, respectively, $100,000 and $500,000 in cash option payments were made at Escalones.

Liquidity and capital resources

The Company's aggregate operating, investing and financing activities during the nine months ended September 30, 2015 resulted in a net cash outflow of $1,239,700. In an effort to preserve cash, the Company has entered into the

Arbitration Costs Funding Agreement with the Fund pursuant to which the Fund covers on a non-recourse basis most of the costs and expenses related to the Company's international arbitration proceedings against Bolivia in consideration for a portion of any recoveries received by the Company pursuant to the arbitration proceedings or any settlement with Bolivia.

As at September 30, 2015, the Company had working capital of $2,969,614, including cash and cash equivalents of $3,275,186. The Company remains in a strong financial position to continue with its planned activities at its Gold Springs and Escalones projects, to fund the costs and expenses related to its international arbitration proceedings against Bolivia that are not otherwise covered by the Fund, and to meet its other working capital requirements for the next twelve months.

The Company is not in commercial production on any of its mineral properties and, accordingly, it does not generate cash from operations. The Company is dependent on raising additional financing primarily through the issuance of equity securities or debt to fund further exploration and development requirements on existing properties and for general corporate costs. The Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Contractual obligations

The Company has the following contractual obligations as at September 30, 2015:

		Payments Due by Period		
	Total due over next 5 years	Less than 1 year	1-3 years	3-5 years
Lease agreements for office premises *(1)*	$119,100	$119,100	$nil	$nil
Option payments for Escalones (2)	$4,800,000	$900,000	$3,500,000	$400,000
Total	$4,919,100	$1,019,100	$3,500,000	$400,000

(1) The Company has sublet its main office in Vancouver and will recover a large portion of these costs.

(2) The Company is contractually obliged to make these payments only and as long as it is willing to exercise its option to acquire the Escalones property. The Company has the option to acquire the Escalones property by making total option payments aggregating $4,400,000, in stages, including a final option payment of $3,000,000 on June 30, 2018. Once Escalones is acquired and until exploitation begins the Company is required to make annual advance royalty payments of $200,000 for the first two years (increases to $300,000 annually thereafter).

Contingencies

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the consolidated financial condition or future results of the Company.

Under the terms of the privileged Arbitration Costs Funding Agreement, the Company has given certain warranties and covenants to the Fund and is obliged to pledge at least 35% of the shares of the Company's subsidiary in Chile, the holder of the Escalones property, as security for its obligations. In consideration for the funding, the Company has agreed to pay to the Fund a portion of any recoveries received pursuant to the arbitration proceedings or any settlement with Bolivia. As at September 30, 2015, the arbitration has not been settled and the amount of the contingent payment is deemed to be indeterminable. Accordingly nothing has been accrued for the Fund's portion of any recoveries in the arbitration.

The Company has agreed to a contingent success fee with its lead arbitration counsel to be determined based on the outcome of the arbitration. As at September 30, 2015, the arbitration has not been settled and accordingly the success fee is deemed to be indeterminable and accordingly nothing has been accrued.

A large majority of the costs of the arbitration to be incurred by SASL or the Company are payable only in the event there is an award in favour of SASL and will be paid out of the proceeds of any such award. These costs include certain fees and other expenses incurred in connection with the arbitration, including the Fund's portion of any recoveries received pursuant to the arbitration proceedings or any settlement with Bolivia, a contingent success fee payable to SASL's lead arbitration counsel and other commitments. These fees, costs and expenses will be paid out of any such award, thus potentially reducing funds received by SASL by as much as one-third of the amount of any award in its favour.

The convertible notes issued on July 23, 2015 will be secured by a pledge of approximately 20.7% of the shares of the Company's subsidiary in Chile, the holder of the Escalones property.

Outlook

The priorities of the Company are to (i) continue with the exploration program at Gold Springs and move the project closer to production; (ii) seek an appropriate joint venture partner for the Escalones copper-gold porphyry project in Chile; (iii) continue international arbitration proceedings against Bolivia to recover full compensation based on the fair market value for the Malku Khota project; and (iv) diligently continue managing the Company's cash resources.

Related party transactions

The Company's related parties consist of the Company's officers or companies associated with them and Gowling Lafleur Henderson LLP which is a legal firm in which Tina Woodside, a director of the Company, is a partner. The Company incurred the following expenditures during the three and nine months ended September 30, 2015 and 2014 that were charged by related parties. All transactions with related parties have occurred in the normal course of the Company's operations and have been measured at their fair value as determined by management.

	Three months ended Sept. 30, 2015 $	Three months ended Sept. 30, 2014 $	Nine months ended Sept. 30, 2015 $	Nine months ended Sept. 30, 2014 $
Consulting fees *(1)*	23,936	19,423	63,226	44,569
Legal fees for general corporate matters *(2)*	30,773	38,152	132,105	204,096
Consulting fees included in mineral property costs *(1)*	9,500	15,653	38,024	60,725
	64,209	73,228	233,355	309,390

(1) paid to Felipe Malbran and to a company owned by David Dreisinger as compensation to serve as officers of the Company.

(2) paid to Gowling Lafleur Henderson LLP.

Included in accounts payable at September 30, 2015 is an amount of $89,853 (December 31, 2014 - $68,487) due to related parties. The 2015 amounts include amounts payable to Gowling Lafleur Henderson LLP for legal services, to David Dreisinger and Felipe Malbran for accrued compensation as officers of the Company, to directors of the Company for their most recent directors' fees, and to officers of the Company for reimbursement of expenses incurred. These amounts are non-interest bearing and have no specific terms of repayment.

Key management includes the Chief Executive Officer, the Chief Financial Officer and all the directors. The compensation paid or payable to key management for services during the three and nine months ended September 30, 2015 and 2014 is as follows:

	Three months ended Sept. 30, 2015 $	Three months ended Sept. 30, 2014 $	Nine months ended Sept. 30, 2015 $	Nine months ended Sept. 30, 2014 $
Directors' fees	28,750	26,250	82,234	101,258
Wages and benefits	105,000	105,000	315,000	315,000
Share-based payments	61,267	4,025	73,675	163,361
	195,017	135,275	470,909	579,619

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, marketable securities, accounts payable and accrued liabilities, convertible notes, Class B shares, and stock options exercisable into Class B shares and common shares. Cash equivalents consist of term deposits with investment terms of less than three months at acquisition. The majority of the Company's cash and cash equivalents is held through a major Canadian chartered bank. The Company also maintains deposits for ongoing working capital at major banks in the jurisdictions in which its foreign subsidiaries operate.

A portion of the Company's financial assets and liabilities is denominated in foreign currencies giving rise to risks from changes in foreign exchange rates. The Company is exposed to currency exchange rate risks to the extent of its activities in the U.S., Bolivia, Chile and Mexico. At September 30, 2015, the Company's currency risk is related to approximately $994,000 of net financial assets denominated in U.S. dollars which are owned by the Canadian parent, or denominated in Bolivian Bolivianos, Chilean pesos, or Mexican pesos. Based on this exposure as at September 30, 2015, a 5% change in exchange rates would give rise to a change in net loss of approximately $49,700. The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

Off-balance sheet arrangements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

Disclosure controls and procedures and internal controls over financial reporting

The Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, engaged external consultants to evaluate the effectiveness of the Company's disclosure controls and procedures and internal control over financial reporting as at December 31, 2014. Based on this evaluation, management concluded that these disclosure and internal controls and procedures over financial reporting were effective.

As of the date of this report, management is not aware of any change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

It should be noted that all internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Critical accounting estimates and judgments

The accounting estimates and judgments considered to be significant to the Company include the carrying values of mining claims and exploration and Malku Khota project, the carrying value of marketable securities, the computation of share-based payments expense and warrants, the computation of convertible notes, and the computation of derivative liabilities and Class B shares which are disclosed as non-current liabilities.

Management reviews the carrying values of its mining claims and exploration and other deferred costs on at least an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs in respect of the Company's mining claims amounted to $26,108,138 as at September 30, 2015. These costs may ultimately prove not to be recoverable and there is a risk that these costs may be written down in future periods.

In July 2012 the Malku Khota project was expropriated by the State of Bolivia. The Malku Khota mining concessions were held by the Company's Bolivian subsidiary, CMMK, a wholly-owned subsidiary of SASL. A Bolivian Supreme Decree (the "Decree") revoked the applicable mining concessions and indicated the Bolivian Government would contract an independent company to conduct a valuation of CMMK's investments to establish an amount and conditions under which the Bolivian Government will recognize and compensate CMMK for the investment previously made at the Malku Khota project. Prior to the expropriation the Company had capitalized approximately $18.7 million to the project. The Company has determined that the Decree revoking the mining concessions and indicating that compensation will be forthcoming does not represent a financial instrument under IFRS. However, an asset exists for the compensation expected from the State of Bolivia. SASL has initiated an international arbitration to seek compensation.

On September 24, 2014, SASL filed its statement of claim and memorial on the merits. SASL seeks monetary compensation for damages in the amount of $385.7 million which includes $307.2 million for all of its losses caused by Bolivia's breaches of the UK-Bolivia Treaty, plus $78.5 million in pre-award interest but excludes fees and costs incurred in connection with the arbitration proceeding. Alternatively, SASL seeks restitution of the Malku Khota project along with monetary damages in the amount of $176.4 million, including pre-award interest. On March 31, 2015, Bolivia filed its statement of defense and counter-memorial marking the conclusion of the preliminary written pleadings phase of the arbitration and the beginning of the document production phase. In accordance with the procedural calendar, SASL's reply to Bolivia's statement of defense and counter-memorial is due for filing on November 30, 2015 and Bolivia's rejoinder on February 29, 2016. The oral hearing is scheduled to take place in July 2016.

Management reviewed the carrying amount of the Malku Khota project asset by comparing the unamortized book value to the higher of value in use and fair value less costs to sell as at September 30, 2015 and concluded that no impairment adjustment is necessary at this time. If SASL is unsuccessful in its efforts to obtain compensation in excess of the unamortized book value of its investment in Malku Khota, the Malku Khota project asset may be written down in future periods.

In 2013 the Company entered into an Arbitration Costs Funding Agreement whereby a third party (the "Fund") has agreed to cover most of SASL's costs and expenses related to the international arbitration, including the costs and expenses of the enforcement of any award rendered by the arbitration tribunal, in exchange for a portion of any recoveries received pursuant to the arbitration proceedings or any settlement with Bolivia. No amounts are recognized in the Company's financial statements for most of the costs and expenses related to the arbitration because, under the agreement, they are deemed to be costs of the Fund in order to receive a portion of the recoveries.

A large majority of the costs of the arbitration to be incurred by SASL or the Company are payable only in the event there is an award in favour of SASL, and such costs will be paid out of the proceeds of any such award. These costs include certain fees and other expenses incurred in connection with the arbitration, including the Fund's portion of any recoveries received pursuant to the arbitration proceedings or any settlement with Bolivia, a contingent success fee payable to SASL's lead arbitration counsel and other commitments. These fees, costs and expenses will be paid out of any such award, thus potentially reducing funds received by SASL by as much as one-third of the amount of any award in its favour.

Marketable securities are valued at each balance sheet date on the basis of period-end market bid quotations. During the nine months ended September 30, 2015, the Company recorded an unrealized gain of $11 through other comprehensive income. The Company's marketable securities were valued at $136,083 as at September 30, 2015. There is a risk that these investments may be written down in future periods.

The Company uses the fair-value method of accounting for share-based payments related to incentive stock options and compensation warrants granted, modified or settled. Under this method, compensation cost attributable to options and awards granted is measured at fair value at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, and an estimated risk-free interest rate. Changes to these estimates could result in the fair value of the share-based payments costs being less than or greater than the amount recorded. During the nine months ended September 30, 2015, the Company the Company granted stock options, the estimated fair value of which totaled $85,065. During the nine months ended September 30, 2015, the Company recorded share-based payments costs of $115,429 (2014 - $203,195) in accordance with the vesting provisions of stock options.

For accounting purposes, each unit consisting of convertible notes and common share purchase warrants is separated into its liability and equity components using the effective interest rate method. The value of the liability component at the time of issue is calculated as the discounted cash flows for the convertible notes assuming a risk-adjusted interest rate which represents the estimated rate for a note without a conversion feature. At the date of issue on July 23, 2015, $1,349,618 was attributed to the liability component of the convertible notes based on an effective interest rate of 17%, The fair value of the equity component (conversion or warrant feature) is determined at the time of issue as the difference between the face value of the convertible notes and the fair value of the liability component. In determining the fair value of the warrants, the Company makes estimates of the expected volatility of the stock, the expected life of the options, and an estimated risk-free interest rate. Changes in the input assumptions can materially affect the fair value estimates and the Company's classification between debt and equity components.

The Class B shares carry redemption and retraction rights and rights on liquidation which entitle the holders collectively to 85% of the net cash, if any, (after deducting all costs, taxes and expenses and the third party funder's portion thereof) received from an award or settlement in relation to SASL's arbitration proceeding against the State of Bolivia for the expropriation of the Malku Khota project. As at September 30, 2015, the Class B shares have been determined to have a fair value of $12,633,500, based on the closing price of a Class B share on the Toronto Stock Exchange ("TSX") (Cdn. $0.145 per Class B share). The estimated fair value of the derivative liability related to stock options exercisable into common shares and Class B shares amounts to $92,164 as at September 30, 2015 and is measured using estimates for the expected value of the stock, the expected life of options, and an estimated risk-free rate.

Outstanding share data

Authorized Capital:

An unlimited number of common shares without par value and up to 127,328,790 Class B shares without par value.

Issued and outstanding as at November 6, 2015: 135,738,714 common shares and 116,278,647 Class B shares

The Class B shares carry redemption and retraction rights and rights on liquidation which entitle the holders collectively to 85% of the net cash, if any, (after deducting all costs, taxes and expenses and the third party funder's portion thereof) received by TMI from an award or settlement in relation to TMI's wholly-owned subsidiary SASL's arbitration proceeding against the State of Bolivia for the expropriation of the Malku Khota project. The Class B shares are non-voting and non-participating in regards to dividends and on liquidation other than as described above.

Fully diluted as at November 6, 2015: 166,095,116 common shares and 119,695,313 Class B shares.

Outstanding options and warrants as at November 6, 2015:

Type of Security	Number	Exercise Price Cdn. $	Expiry date
Stock options *(1)*	1,000,000	$2.09	April 15, 2016
Stock options *(1)*	1,050,000	$1.71	November 14, 2016
Stock options *(1)*	133,333	$0.34	October 10, 2017
Stock options *(1)*	1,233,333	$0.44	October 21, 2018
Stock options	160,875	$1.80	April 15, 2016
Stock options	200,750	$1.05	March 29, 2017
Stock options	658,625	$0.65	October 22, 2018
Stock options	600,000	$0.365	January 28, 2019
Stock options	2,117,500	$0.42	November 13, 2019
Stock options	2,592,500	$0.21	August 12, 2020
Warrants	1,133,000	$0.84	December 28, 2015
Warrants *(2)*	550,000	$0.84	January 31, 2016
Warrants	7,446,486	$0.10	July 23, 2017

(1) Each option is exercisable into one common share and one Class B share.

(2) In the event that the Company's common shares trade on the TSX at a price of not less than Cdn. $1.27 per share for a period of 10 consecutive trading days, the Company is entitled to accelerate the exercise period of these warrants to a period ending at least 30 days from the date notice of such acceleration is provided to the warrantholders.

Outstanding convertible notes as at November 6, 2015:

Type of Security	Principal Amount Cdn. $	Conversion Price Cdn. $	Number of Common Shares on Conversion	Expiry date
Convertible notes *(1)*	$2,296,000	$0.20	11,480,000	July 23, 2018

(1) If the closing price of the common shares of the Company on the TSX is at least Cdn. $0.40 for 10 consecutive trading days, the Company has the right to convert all or any portion of the outstanding principal amount of the Notes into common shares, without penalty. If the repayment of the Notes on the maturity date would expose the Company to undue financial hardship, then the Company has the right to extend the maturity date to July 23, 2020 for no additional consideration. Notwithstanding the foregoing, if the Company receives a cash payment pursuant any award or settlement in the arbitration by its subsidiary against Bolivia of at least $5 million (after the payment of all Malku Khota Arbitration Expenses and the Class B Share Entitlement, each as defined in the Company's Articles), the holders shall have the right to demand repayment of the outstanding principal amount of the Notes and accrued interest thereon, in cash, within 60 days of the first public disclosure by the Company of receipt of such net cash payment.

Changes in accounting policies including initial adoption

The Company adopted the following accounting policy during the nine months ended September 30, 2015:

- Convertible notes

  For accounting purposes, each unit consisting of convertible notes and common share purchase warrants is separated into its liability and equity components using the effective interest rate method. The value of the liability component at the time of issue is calculated as the discounted cash flows for the convertible notes assuming a risk-adjusted interest rate which represents the estimated rate for a note without a conversion feature. The fair value of the equity component (conversion or warrant feature) is determined at the time of issue as the difference between the face value of the convertible notes and the fair value of the liability component. Changes in the input assumptions can materially affect the fair value estimates and the Company's classification between debt and equity components.

The following new standard has been issued by the IASB but not yet applied:

- IFRS 9, *Financial Instruments,* was issued in July 2014 and replaces IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 was developed in phases by the IASB. As a result there are a number of transition options and requirements in relation to earlier versions of IFRS 9 prior to the mandatory effective date of IFRS 9 in its entirety. IFRS 9 is mandatory for annual periods beginning on or after January 1, 2018. IFRS 9 includes requirements for classification and measurement of financial assets and financial liabilities; impairment methodology for financial instruments; and general hedge accounting. IFRS 9 has specific requirements for whether debt instruments are accounted for at amortized cost, fair value through other comprehensive income or fair value through profit or loss. IFRS 9 requires equity instruments to be measured at fair value through profit or loss unless an irrevocable election for use of fair value through other comprehensive income which results in changes in fair value not being recycle to the income statement. The Company has not adopted IFRS 9 and has not completed its assessment of the impact of this standard.

Risks and uncertainties

The Company's business involves a high degree of risk due to the nature of exploring for and developing mineral resources, as well as pursuing new opportunities and the realization of value from the expropriated Malku Khota project in Bolivia through an arbitration process. Certain risk factors relate to the mineral exploration industry in general while others are specific to the Company. For a discussion of these risk factors, please refer to Annual MD&A and the Company's most recently filed Annual Information Form, which are available for viewing on SEDAR at www.sedar.com and at the Company's website at www.trimetalsmining.com.

About TriMetals Mining Inc.

TriMetals Mining Inc. is a growth focused mineral exploration company creating value through the exploration and development of the near surface Gold Springs gold-silver project in mining friendly Nevada and Utah in the U.S.A.

The Company's approach to business combines the team's track record of discovery and advancement of large projects, key operational and process expertise, and a focus on community relations and sustainable development. Management has extensive experience in the global exploration and mining industry.

The Company's common shares and Class B shares are listed on the Toronto Stock Exchange under the symbols "TMI" and "TMI.B" and the common shares and Class B shares also trade on the OTCQX market under the symbol "TMIAF" and "TMIBF". Additional information related to TriMetals Mining Inc. is available at www.trimetalsmining.com and on SEDAR at www.sedar.com.

Mr. Ralph Fitch, President and Chief Executive Officer of the Company, is the "qualified person" who reviewed and approved the disclosure of the technical information herein regarding Escalones and Malku Khota and Mr. Randall Moore, Executive Vice-President of the Company, is the "qualified person" who reviewed and approved the technical information herein regarding Gold Springs.

Cautionary notes

Forward-looking statements

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "will", "may", "expand", "continue", "estimated", "potential", "contingent", "develop", "plan", "future", "indications", "further", "could", "would', "expected", "nearing", "believes", "envisions", "ongoing", "possible", "creating", "advancing", "realization" and "pursuing" and similar expressions. This MD&A contains forward-

looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning mineral resource estimates, preliminary economic assessments, and the interpretation of exploration programs, drill results and metallurgical testing may also be considered as a forward-looking statement, as such information constitutes a prediction of what mineralization might be found to be present and economically mineable if and when a project is actually developed.

Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, uncertainties associated with the arbitration proceeding against Bolivia, including the advancement of the international arbitration process in a customary manner and in accordance with Procedural Order No. 1 (as amended in April and June 2015), the outcome of the international arbitration process including the timing and the quantum of damages to be obtained, management's expectation with regard to the final amount of costs, fees and other expenses and commitments payable in connection with the arbitration, and any inability or delay in the collection of the value of any award or settlement, and risks of the mineral exploration industry which may affect the advancement of the Gold Springs or Escalones projects, including possible variations in mineral resources or grade, recovery rates, metal prices, capital and operating costs, and the application of taxes, availability of sufficient financing to fund further required work in a timely manner and on acceptable terms, availability of equipment and qualified personnel, failure of equipment or processes to operate as anticipated, changes in project parameters as plans continue to be refined; and other risks more fully described in the Company's Annual Information Form filed and publicly available on SEDAR at www.sedar.com. The assumptions made in developing the forward-looking statements include: the ability of the Company to realize value from its investments in Bolivia, the arbitration proceeding along the timeline included in Procedural Order No. 1 issued by the Arbitral Tribunal (as amended in April and June 2015 following consultation with the parties), and the Fund honoring its contractual commitments; the accuracy of current resource estimates and the interpretation of drill, metallurgical testing and other exploration results; the continuing support for mining by local governments in Nevada, Utah and Chile; the availability of equipment and qualified personnel to advance exploration projects; and execution of the Company's existing plans and further exploration and development programs for its projects, which may change due to changes in the views of the Company or if new information arises which makes it prudent to change such plans or programs.

Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason. Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of November 6, 2015.

Readers are also cautioned that the preliminary economic assessments in this MD&A are preliminary in nature and include inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the results indicated in the preliminary economic assessments will or could be realized. Mineral resources that are not mineral reserves do not have economic viability.

Cautionary note regarding reserve and resource estimates

The material in this MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all resource and reserve estimates included in this press release have been prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission ("SEC"), and resource and reserve information contained herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. The estimation of quantities of resources and reserves is complex, based on significant subjective assumptions and forward-looking information, including assumptions that arise from the evaluation of geological, geophysical, engineering and economic data for a given ore body. This data could change over time as a result of numerous factors, including new information gained from development activities, evolving production history and a reassessment of the viability of production under different economic conditions. Changes in data and/or assumptions could cause reserve estimates to substantially change from period to period. No assurance can be given that the indicated level of mineral will be produced. Actual production could differ from expected production and an adverse change in mineral prices could make a reserve uneconomic to mine. Variations could also occur in actual ore grades and recovery rates from estimates.

Other information

Additional information related to the Company, including the Company's Annual Information Form, is available for viewing on SEDAR at www.sedar.com and at the Company's website at www.trimetalsmining.com.