TriMetals Mining Inc.
(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements
Third Quarter Ended September 30, 2014

(*Unaudited - expressed in U.S. dollars*)

TriMetals Mining Inc.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

TriMetals Mining Inc.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Financial Position

(Unaudited - expressed in U.S. dollars)

	Note	September 30, 2014 $	December 31, 2013 $
Assets			
Current assets			
Cash and cash equivalents		6,050,547	11,921,723
Receivables and prepaids	5	180,981	229,353
		6,231,528	12,151,076
Non-current assets			
Equity investment – Highvista Gold Inc. (“HGI”)	6	159,661	250,813
Equipment	7	176,627	253,549
Drilling advance	8	293,078	308,724
Reclamation deposit		145,000	-
Mining claims and deferred exploration costs	9	24,000,077	21,299,736
Malku Khota project	10	18,734,000	18,504,000
		43,508,443	40,616,822
Total assets		49,739,971	52,767,898
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		343,164	1,175,376
Provision for Mexican tax	11	546,603	560,003
		889,767	1,735,379
Non-current liabilities			
Class B shares	12	11,420,771	15,286,040
Stock options exercisable into Class B and common shares	13 c	344,539	1,332,166
Warrants exercisable into Class B and common shares	13 d	-	156,922
		11,765,310	16,775,128
Total liabilities		12,655,077	18,510,507
Equity attributable to shareholders			
Share capital	13	89,941,924	89,919,156
Contributed surplus		9,598,434	9,418,007
Accumulated other comprehensive income		290,019	564,600
Deficit		(62,745,483)	(65,644,372)
Total equity		37,084,894	34,257,391
Total liabilities and equity		49,739,971	52,767,898

Commitments (notes 9 and 16)
Contingencies (note 15)
Subsequent events (note 20)

Approved by the Board of Directors:

(signed) “Paul Haber”   (signed) “Roman Mironchik”

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

TriMetals Mining Inc.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three and nine months ended September 30

(Unaudited - expressed in U.S. dollars)

	Note	Three Month Period Ended Sept. 30, 2014 $	Three Month Period Ended Sept. 30, 2013 $	Nine Month Period Ended Sept. 30, 2014 $	Nine Month Period Ended Sept. 30, 2013 $
General and administrative expenses					
Arbitration		85,945	101,999	224,778	434,456
Consulting	14	12,835	9,800	49,285	55,198
Depreciation and amortization		24,683	18,939	80,501	62,863
Directors' fees	14	26,250	40,653	101,258	149,653
Filing and transfer agent fees		7,264	9,582	74,633	65,828
Office and administration		78,666	125,956	278,424	480,307
Professional fees	14	107,798	305,553	415,590	791,697
Reconnaissance and sundry exploration		35,509	-	158,259	17,645
Shareholder information and investor relations		33,135	59,675	124,165	187,350
Share-based payments	14	9,525	59,380	183,758	260,165
Wages and benefits	14	96,451	734,388	430,900	1,798,036
		(518,061)	(1,465,925)	(2,121,551)	(4,303,198)
Other income (expenses)					
Interest and other income		24,407	29,866	91,379	108,283
Foreign currency gain (loss)		16,636	(10,479)	10,395	(39,791)
Equity loss of High Desert Gold Corporation ("HDG")		-	(183,203)	-	(632,741)
Impairment of investment in HDG		-	(410,730)	-	(1,412,597)
Equity loss of HGI		(24,543)	-	(91,152)	-
Change in fair value of Class B shares		5,470,562	-	3,865,269	-
Change in fair value of warrants exercisable into Class B and common shares		-	-	156,922	-
Change in fair value of stock options exercisable into Class B and common shares		286,717	-	987,627	-
Loss on disposal of equipment		-	(1,154)	-	(1,731)
		5,773,779	(575,700)	5,020,440	(1,978,577)
Net earnings (loss) for the period		5,255,718	(2,041,625)	2,898,889	(6,281,775)
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences		(193,875)	160,160	(274,581)	(342,268)
Total comprehensive income (loss)		5,061,843	(1,881,465)	2,624,308	(6,624,043)
Basic and diluted net earnings (loss) per share		0.04	(0.02)	0.02	(0.05)
Weighted average number of shares outstanding		135,738,714	115,025,626	135,732,953	114,991,099

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

TriMetals Mining Inc.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2014 and 2013

(Unaudited - expressed in U.S. dollars)

	Share Capital					
	Number	Amount $	Contributed Surplus $	Deficit $	AOCI $	Total $
Balance, January 1, 2014	135,726,708	89,919,156	9,418,007	(65,644,372)	564,600	34,257,391
Shares issued on exercise of share appreciation rights (SAR's)	12,006	-	-	-	-	-
Share-based payments	-	-	203,195	-	-	203,195
Transfer to share capital on exercise of SAR's	-	22,768	(22,768)	-	-	-
Total comprehensive income (loss) for the period	-	-	-	2,898,889	(274,581)	2,624,308
Balance, September 30, 2014	135,738,714	89,941,924	9,598,434	(62,745,483)	290,019	37,084,894
Balance, January 1, 2013	114,973,549	98,925,930	10,996,227	(58,650,195)	1,129,747	52,401,709
Shares issued on exercise of share appreciation rights (SAR's)	249,293	-	-	-	-	-
Share-based payments	-	-	260,165	-	-	260,165
Transfer to share capital on exercise of SAR's	-	375,933	(375,933)	-	-	-
Total comprehensive loss for the period	-	-	-	(6,281,775)	(342,268)	(6,624,043)
Balance, September 30, 2013	115,222,842	99,301,863	10,880,459	(64,931,970)	787,479	46,037,831

TriMetals Mining Inc.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

For the nine months ended September 30, 2014 and 2013

(Unaudited - expressed in U.S. dollars)

	2014 $	2013 $
Cash flows from (used in) operating activities		
Net earnings (loss) for the period	2,898,889	(6,281,775)
Items not affecting cash		
Depreciation and amortization	80,501	62,863
Equity loss of HGI	91,152	-
Equity loss of HDG	-	632,741
Impairment of investment in HDG	-	1,412,597
Change in fair value of Class B shares	(3,865,269)	-
Change in fair value of warrants exercisable into Class B and common shares	(156,922)	-
Change in fair value of stock options exercisable into Class B and common shares	(987,627)	-
Interest income	(62,242)	(108,283)
Loss on disposal of equipment	-	1,731
Share-based payments	183,758	260,165
	(1,817,760)	(4,019,961)
Interest received	59,373	129,429
Changes in non-cash operating working capital		
Change in receivables and prepaids	41,887	251,099
Change in accounts payable and accrued liabilities	(963,671)	(429,700)
Change in provision for Mexican tax	(13,400)	-
	(2,693,571)	(4,069,133)
Cash flows (used in) from investing activities		
Investment in HDG	-	(89,326)
Mining claims and deferred exploration costs	(2,549,445)	(6,766,204)
Purchase of equipment	(3,579)	(17,403)
Malku Khota project	(230,000)	-
Reclamation deposit	(145,000)	-
Repayment of drilling advance	25,000	-
Proceeds on disposal of equipment	-	575
	(2,903,024)	(6,872,358)
Decrease in cash and cash equivalents	(5,596,595)	(10,941,491)
Foreign exchange effect on cash and cash equivalents	(274,581)	(342,268)
Cash and cash equivalents - Beginning of period	11,921,723	24,242,113
Cash and cash equivalents - End of period	6,050,547	12,958,354
Cash and cash equivalents are comprised of:		
Cash	781,631	2,668,725
Cash equivalents	5,268,916	10,289,629
	6,050,547	12,958,354

Supplemental cash flow information (note 18)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

(Unaudited - expressed in U.S. dollars)

1 Organization and nature of operations

TriMetals Mining Inc. ("TMI" or the "Company") was incorporated pursuant to the *Canada Business Corporations Act* by articles of incorporation dated September 28, 2006 and was continued under the *Business Corporations Act* (British Columbia) ("BCBCA") on December 17, 2013. Effective March 17, 2014, the Company changed its name from South American Silver Corp. to TriMetals Mining Inc.

On December 20, 2013, the Company completed a statutory plan of arrangement under the BCBCA (the "Arrangement"). Under the Arrangement, the Company exchanged each of its common shares for one new TMI common share and one TMI Class B share, and acquired all of the issued and outstanding shares of High Desert Gold Corporation ("HDG") that it did not already own in an all-share transaction. Shareholders of HDG (other than TMI) received 0.275 of a new TMI common share for each HDG common share previously held.

The new TMI common shares carry voting, dividend and liquidation rights similar to TMI's former common shares. The TMI 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 South American Silver Limited'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.

The Company's registered office is located at Suite 880, 580 Hornby Street, Vancouver, British Columbia, Canada and the Company's head office is located at Suite 240, 2696 S. Colorado Blvd., Denver, Colorado, USA. The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "TMI" and on the US OTCQX market as "TMIAF". The Company's Class B shares are listed on the TSX under the symbol "TMI.B" and on the US OTCQX market as "TMIBF".

The Company's principal activities include the acquisition, exploration and development of mineral properties. The principal countries where the Company has been undertaking exploration activities are United States, Chile, Bolivia and Mexico. Property interests in these countries are held through various wholly owned subsidiaries.

The recoverability of amounts shown as mining claims and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties. The recoverability of amounts shown as Malku Khota project is dependent upon the ability to achieve compensation in excess of the unamortized book value.

2 Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended December 31, 2013 except as outlined in Note 4.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

These financial statements were approved by the board of directors for use on November 7, 2014.

3 Changes in accounting policies including initial adoption

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2014.

The following new standards, amendments and interpretations that have been adopted for the Company's current fiscal year have not had a material impact on the Company:

- IAS 36, *Impairment of Assets,* seeks to ensure that an entity's assets are not carried at more than their recoverable amount. The IASB has made small changes to the disclosures required by IAS 36 when recoverable amount is determined based on fair value less costs of disposal. The IASB has amended IAS 36 as follows:
  - to remove the requirement to disclose the recoverable amount when a cash generating unit ("CGU") contains goodwill or indefinite lived intangible assets but there has been no impairment;
  - to require disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognized or reversed; and
  - to require detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognized or reversed.
- IFRIC 21, *Levies*, provides guidance for the accounting for levies in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation and confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs.
- IAS 32, *Financial Statements: Presentation,* has been amended to clarify some of the requirements for offsetting financial assets and liabilities on the balance sheet.

The following new standards have been issued by the IASB but not yet applied:

- IFRS 9, *Financial Instruments,* was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This new standard is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. The Company has not assessed the impact of this standard.

- IFRS 15, *Revenue from Contracts with Customers*, was issued in May 2014 and establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The required adoption date for IFRS 15 is the annual period beginning on or after January 1, 2017, with early adoption permitted. The Company has not assessed the impact of this standard.

4 Critical judgments and estimates

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2013, except as described below.

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, Compañia Minera Malku Khota S.A. ("CMMK"), a wholly-owned subsidiary of South American Silver Limited ("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 as mining claims and deferred exploration costs. 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 (see Note 10). Management regularly reviews the carrying amount of the Malku Khota project asset by comparing the carrying value to the amount of expected proceeds from the arbitration. If SASL is unsuccessful in the arbitration the Malku Khota project asset will be written down.

In 2013 the Company entered into an Arbitration Costs Funding Agreement whereby a third party (the "Fund") has agreed to cover most of SASL 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

(Unaudited - expressed in U.S. dollars)

recognized in the Company's financial statements for most of the costs and expenses related to the arbitration because they are deemed to be the cost of the Fund 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 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.

5 Receivables and prepaids

	September 30, 2014 $	December 31, 2013 $
GST receivable	7,777	55,577
Other receivables	10,747	24,186
Other prepaids and advances	162,457	149,590
	180,981	229,353

6 Equity investment – Highvista Gold Inc. ("HGI")

	September 30, 2014 $	December 31, 2013 $
Investment in HGI	159,661	250,813

In 2013, the Company acquired 10,683,125 shares of HGI (26.8% interest) through the acquisition of HDG. As at September 30, 2014, the HGI shares had a quoted value of $190,779 (December 31, 2013 - $251,107). The Company and HGI have two directors in common. The HGI shares are subject to a time-released regulatory escrow agreement. As at September 30, 2014, 6,409,876 shares of HGI had been released from escrow. The final 4,273,249 shares were released subsequent to September 30, 2014.

	$
Acquisition cost of HGI	250,813
Equity earnings of HGI	-
Carrying value as at December 31, 2013	250,813
Equity loss of HGI	(91,152)
Carrying value as at September 30, 2014	159,661

A summary of the Company's proportionate share of the book value in the financial statements of its equity investments as at September 30, 2014 and December 31, 2013 and the results of operations for the three and nine months ended September 30, 2014 are as follows:

(Unaudited - expressed in U.S. dollars)

	Sept. 30, 2014 Cdn. $ 000 (1)	Dec. 31, 2013 Cdn. $ 000 (1)
Total current assets	26	134
Total non-current assets	1,347	1,299
Total assets	1,373	1,433
Total current liabilities	201	161
Total equity	1,172	1,272
Total liabilities and equity	1,373	1,433

	Three months ended Sept. 30, 2014 Cdn. $ 000 (1)	Nine months ended Sept. 30, 2014 Cdn. $ 000 (1)
Income	-	-
Expenses	(27)	(100)
Net loss	(27)	(100)

(1) These figures are derived from the accounts of HGI, which reports in Canadian dollars.

7 Equipment

Nine months ended September 30, 2014	Furniture and equipment $	Computer hardware $	Computer software $	Vehicles $	Leasehold improvements $	Total $
Cost						
Balance, beginning of the period	174,720	83,322	167,085	63,857	52,609	541,593
Additions	2,390	176	1,013	-	-	3,579
Balance, end of the period	177,110	83,498	168,098	63,857	52,609	545,172
Accumulated amortization						
Balance, beginning of the period	47,053	58,953	156,767	573	24,698	288,044
Amortization for the period	30,768	17,470	9,827	14,545	7,891	80,501
Balance, end of the period	77,821	76,423	166,594	15,118	32,589	368,545
Net book value at September 30, 2014	99,289	7,075	1,504	48,739	20,020	176,627

(Unaudited - expressed in U.S. dollars)

Year ended December 31, 2013	Furniture and equipment $	Computer hardware $	Computer software $	Vehicle $	Leasehold improvements $	Total $
Cost						
Balance, beginning of the year	96,321	89,000	222,037	27,500	52,609	487,467
Additions	3,006	2,525	12,606	-	-	18,137
Disposals	(3,106)	(12,976)	(68,766)	(27,500)	-	(112,348)
Acquisition of HDG	78,499	4,773	1,208	63,857	-	148,337
Balance, end of the year	174,720	83,322	167,085	63,857	52,609	541,593
Accumulated amortization						
Balance, beginning of the year	31,053	44,735	199,805	27,500	14,178	317,271
Amortization for the year	19,106	24,519	25,728	573	10,520	80,446
Disposals	(3,106)	(10,301)	(68,766)	(27,500)	-	(109,673)
Balance, end of the year	47,053	58,953	156,767	573	24,698	288,044
Net book value at December 31, 2013	127,667	24,369	10,318	63,284	27,911	253,549

8 Drilling advance

	September 30, 2014 $	December 31, 2013 $
Drilling advance	293,078	308,724

During 2011and 2012, the Company advanced an aggregate $1,050,000 under the terms of a drill contract in respect of the Escalones drill program. These advances were being recovered through reductions on a per metre basis to amounts invoiced to the Company in respect of drilling costs and through payments on a per metre basis in respect of drilling by the contractor for other mining companies. During the third quarter of 2014, the parties renegotiated the terms of repayment. The balance outstanding bears interest at the compounded rate of 1% per month and is repayable in principal amounts of $25,000 due each calendar quarter.

9 Mining claims and deferred exploration costs – Schedule 1

Mining claims and deferred exploration costs are associated with the following projects.

	September 30, 2014 $	December 31, 2013 $
a) Escalones, Chile	14,607,309	13,681,093
b) Gold Springs, U.S.	9,392,768	7,618,643
	24,000,077	21,299,736

(Unaudited - expressed in U.S. dollars)

a) In 2004, the Company entered into an option agreement (the "Boezio Option") to acquire the remaining 4,689 hectares of the Escalones property located in Chile which are not already 100% owned by the Company. In each of 2005, 2007, 2009 and 2013, the terms were renegotiated. Pursuant to the Boezio Option, as revised effective June 27, 2013, the Company has the right until June 30, 2018 (formerly June 30, 2013) to purchase the claims upon payment to the owner of $7,600,000 (formerly $5,000,000). As at June 30, 2014, $3,100,000 has been paid, including $500,000 paid during the nine months ended September 30, 2014, and $150,000 paid by a former partner. The remaining $4,500,000 is payable as follows: $500,000 on each of June 30, 2015, 2016 and 2017 and a final payment of $3,000,000 on June 30, 2018.

   The Company is required to pay all amounts required to protect and maintain the property during the option period. There is a 2% net smelter royalty ("NSR") payable on production if the price of copper is greater than $0.75 per pound and a 1% NSR if the copper price is equal to or less than $0.75 per pound. The NSR may be purchased for $3,000,000 within the five years following the first sale of minerals produced and $5,000,000 after five years of the date of the first sale of minerals produced.

   If the Company purchases the concessions, the Boezio Option requires the Company to commence exploitation of the concessions within two years thereafter. Once Escalones is acquired and until exploitation begins, the Company is required to pay annual advance royalty payments of $200,000 which are credited against future royalty payments. Failure to commence exploitation within the two year period triggers an obligation to make annual indemnity payments of $300,000 until exploitation begins. In this event, the $200,000 annual payments made from the date of exercise of the option are deemed to be indemnity payments, not advance royalty payments. Royalty payments are suspended if exploitation of the mining concessions is suspended for reasons beyond the Company's control.

b) The Gold Springs mineral property was acquired through the 2013 acquisition of HDG. This property has been recorded on acquisition at its estimated fair value based on the consideration paid.

10 Malku Khota project

	September 30, 2014 $	December 31, 2013 $
Malku Khota project	18,734,000	18,504,000

On October 23, 2012, the Company's wholly-owned Bermudian subsidiary, SASL, delivered a formal letter to the State of Bolivia notifying it of an investment dispute between the Company 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 on August 1, 2012. The Decree revoked mining concessions held by the Company's Bolivian subsidiary, CMMK, a wholly-owned subsidiary of SASL.

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 ("UK-Bolivia Treaty"), and the actions and omissions of the Bolivian government are in violation of the UK-Bolivia Treaty and of international law. Notification of the investment dispute triggered a six-month cooling-off period during which the disputing parties could negotiate a settlement. That cooling-off

(Unaudited - expressed in U.S. dollars)

period ended on April 23, 2013 and on April 30, 2013, the Company commenced international arbitration against the Government of Bolivia under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) pursuant to the UK-Bolivia Treaty seeking compensation based on fair market value of the Malku Khota project.

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 May 23, 2013, the Company entered into the Arbitration Costs Funding Agreement pursuant to which the Fund will cover most of the Company’s future costs and expenses related to its international arbitration proceedings against Bolivia. See Note 15.

Management performed a review of the recoverability of the carrying amount of the Malku Khota project by comparing the unamortized book value to the higher of value in use and fair value less costs to sell as at September 30, 2014. Management has concluded that no impairment adjustment is necessary at this time.

If the Company is unsuccessful in its efforts to obtain compensation in excess of the unamortized book value of its investment in Malku Khota, the amount included in Malku Khota project may be written down in future periods.

11 Provision for Mexican tax

	September 30, 2014 $	**December 31, 2013 $**
Provision for Mexican tax	546,603	560,003

The Company assumed a provision for Mexican tax on the 2013 acquisition of HDG. The provision is denominated in Mexican pesos and relates to a 2011 transfer of a Mexican mineral property.

12 Class B shares

	September 30, 2014 $	**December 31, 2013 $**
Class B shares	11,420,771	15,286,040

An aggregate of 116,266,641 Class B shares were issued in connection with the Arrangement, with each Class B share having the attributes described in Note 13 a). During the nine months ended September 30, 2014, an additional 12,006 Class B shares were issued on the exercise of SAR’s. The Class B shares are recorded at their estimated fair value which is estimated based on the quoted price of the Class B shares on the TSX.

(Unaudited - expressed in U.S. dollars)

	$
Carrying value as at December 31, 2013	15,286,040
Change in fair value	(3,865,269)
Carrying value as at September 30, 2014	11,420,771

The Class B shares are financial instruments, not equity instruments. Accordingly, the Class B shares are disclosed as non-current liabilities.

13 Share capital

a) Authorized

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

The holders of the common shares are entitled to one vote per share. The holders of the common shares are entitled to dividends, when and if declared by the directors of the Company, and, subject to the rights of the holders of the Class B shares, to the distribution of the residual assets of the Company in the event of the liquidation, dissolution or winding-up of the Company. No dividends have ever been declared or paid as at September 30, 2014.

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 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.

b) Financings

There were no financings completed during the nine months ended September 30, 2014.

c) Stock options

(i) Changes in stock options

The Company's stock options outstanding as at September 30, 2014 and the changes for the nine months then ended are as follows:

(Unaudited - expressed in U.S. dollars)

	Number of options	**Weighted average price Cdn.$**
Balance outstanding – December 31, 2013	6,785,301	1.15
Options granted	600,000	0.365
Options exercised	(83,400)	0.35
Options forfeited	(631,251)	0.90
Balance outstanding – September 30, 2014	6,670,650	1.11

(ii) Share-based payments

During the nine months ended September 30, 2014, the Company recorded share-based payments of $203,195 (2013 - $260,165) in respect of stock options. Of this amount, $183,758 (2013 - $260,165) was recorded as a charge to operations and $19,437 (2013 - $nil) was included in deferred exploration costs and credited to contributed surplus.

During the nine months ended September 30, 2014, the Company granted stock options to non-management directors of the Company for the purchase of 600,000 common shares at a strike price of Cdn. $0.365 per share. These options are exercisable for a period of five years and vested immediately.

The fair value of each option grant was estimated at the time of the grant using the Black-Scholes option pricing model with assumptions for grants as follows:

	Nine months ended Sept. 30, 2014
Weighted average exercise price	Cdn. $0.365
Weighted average grant date share price	Cdn. $0.365
Risk-free interest rate	1.6%
Expected life	5.0 years
Expected volatility	101%
Dividend rate	0%

Grant date share price is the closing market price on the date before the options were granted. Expected volatility was determined by measuring the historical volatility of the Company's share price. The historical period used to measure historical volatility was the same as the expected life of the options granted. The weighted average grant date fair value of options granted during the nine months ended September 30, 2014 was $0.25.

(iii) Options outstanding at September 30, 2014

All of the outstanding options have associated share appreciation rights which allow the optionees to exercise their options on a cashless basis resulting in a lesser number of common shares to be issued to the optionee pursuant to their exercise.

Options to acquire one common share and one Class B share are outstanding at September 30, 2014 as follows:

(Unaudited - expressed in U.S. dollars)

Number of options outstanding	Number of options exercisable	Exercise price Cdn. $	Expiry date
125,000	125,000	2.09	November 30, 2014
500,000	500,000	1.71	November 30, 2014
400,000	400,000	0.69	June 8, 2015
608,734	608,734	0.63	September 16, 2015
1,000,000	1,000,000	2.09	April 15, 2016
1,050,000	1,050,000	1.71	November 14, 2016
133,333	-	0.34	October 10, 2017
1,233,333	950,000	0.44	October 21, 2018
5,050,400	4,633,734		

These stock options have been categorized as a financial liability. The fair values of these options have been estimated using the Black Scholes option-pricing model. Assumptions used in the pricing model are as follows: average risk-free interest rate – 1.3% to 2.0%; expected life – 0.2 to 4.1 years; expected volatility – 45% to 137%; and expected dividends – nil. The fair value of these options as at September 30, 2014 amounts to $344,539.

The weighted average exercise price of the outstanding options to acquire one common share and one Class B share is Cdn. $1.24 per share, and of the exercisable options is Cdn. $1.31 per share. At September 30, 2014, these options have a weighted average remaining contractual life of 2.0 years.

Options to acquire one common share are outstanding at September 30, 2014 as follows:

Number of options outstanding	Number of options exercisable	Exercise price Cdn. $	Expiry date
160,875	160,875	1.80	April 15, 2016
200,750	200,750	1.05	March 29, 2017
658,625	311,208	0.65	October 22, 2018
600,000	600,000	0.365	January 28, 2019
1,620,250	1,272,833		

The weighted average exercise price of the outstanding options to acquire one common share is Cdn. $0.71 per share, and of exercisable options is Cdn. $0.73 per share. At September 30, 2014, these options have a weighted average remaining contractual life of 3.7 years.

d) **Warrants**

(i) Changes in warrants

The Company’s warrants outstanding as at September 30, 2014 and the changes for the nine months then ended are as follows:

(Unaudited - expressed in U.S. dollars)

	Number of warrants	Weighted average price Cdn. $
Balance – December 31, 2013	6,721,499	1.70
Warrants expired	(5,000,000)	2.00
Balance – September 30, 2014	1,721,499	0.84

5,000,000 warrants to acquire one common share and one Class B share expired during the nine months ended September 30, 2014. These warrants had been categorized as a financial liability and the change in fair value of the expired warrants during the nine-month period amounting to $156,922 was included in earnings.

Warrants to acquire common shares are outstanding at September 30, 2014 as follows:

Number Outstanding		Exercise Price Cdn. $	Expiry Date
38,499	(1)	$0.73	January 31, 2015
1,133,000		$0.84	December 28, 2015
550,000	(2)	$0.84	January 31, 2016
1,721,499			

(1) Each broker warrant is exercisable until January 31, 2015 to purchase one unit at a price of Cdn. $0.73 per unit. Each unit comprises one common share and one share purchase warrant exercisable to acquire one additional common share at a price of Cdn. $0.84 per share until January 31, 2016.

(2) In the event that the trading price for the common shares on the TSX exceeds 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.

14 Related party transactions

The Company's related parties consist of the Company's officers or companies under controlling or significant influence and a legal firm in which a director is a partner. The Company incurred the following expenditures during the three and nine months ended September 30, 2014 and 2013 that were charged by related parties. These transactions were made on terms equivalent to those that prevail in arm's length transactions.

	Three months ended Sept. 30, 2014 $	Three months ended Sept. 30, 2013 $	Nine months ended Sept. 30, 2014 $	Nine months ended Sept. 30, 2013 $
Officer fees charged to operations	19,423	3,871	44,569	22,534
Legal fees	38,152	118,955	204,096	422,755
Officer fees included in mineral property costs	15,653	41,797	60,725	114,748
	73,228	164,623	309,390	560,037

(Unaudited - expressed in U.S. dollars)

Included in accounts payable at September 30, 2014 is an amount of $63,222 (December 31, 2013 - $380,085) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment.

Key management includes the current and former Chief Executive Officers, the former Chief Operating Officer, the Executive Chairman and all the directors. The compensation paid or payable to key management for services during the three and nine months ended September 30, 2014 and 2013 is as follows:

	Three months ended Sept. 30, 2014	**Three months ended Sept. 30, 2013**	**Nine months ended Sept. 30, 2014**	**Nine months ended Sept. 30, 2013**
	$	**$**	**$**	**$**
Directors' fees	26,250	40,653	101,258	149,653
Wages and benefits	58,750	133,750	176,250	401,652
Share-based payments	4,025	45,049	163,361	159,870
	89,025	219,452	440,869	711,175

15 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, beneficiary 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, 2014, the arbitration has not been settled and the amount of the contingent payment is deemed to be indeterminable. Accordingly $nil has been accrued for the Fund's portion of any recoveries in the arbitration.

The Company has agreed to a contingent success fee to its lead arbitration counsel to be determined based on the outcome of the arbitration. As at September 30, 2014, the arbitration has not been settled and accordingly the success fee is deemed to be indeterminable and accordingly $nil 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.

(Unaudited - expressed in U.S. dollars)

16 Commitments

The Company is committed under the terms of office lease agreements in Vancouver, Canada, and in Denver, U.S., for the following approximate annual rent and estimated operating costs.

	Amount $
Due on or before December 31,	
2014	40,000
2015	131,000
2016	77,000
	248,000

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

17 Segment information

The Company's operations are limited to a single industry segment, being mineral exploration and development. Geographic segment information of the Company's assets and liabilities as at September 30, 2014 and December 31, 2013 is as follows:

	September 30, 2014 $	December 31, 2013 $
Identifiable Assets		
Bolivia	18,757,914	18,526,603
Canada	6,270,370	12,234,568
Chile	14,968,511	14,084,811
United States and other	9,743,176	7,921,916
Total assets	49,739,971	52,767,898

	September 30, 2014 $	December 31, 2013 $
Identifiable liabilities		
Bolivia	13,009	9,399
Canada	119,128	967,311
Chile	39,032	42,907
United States and other	718,598	715,762
Total current liabilities	889,767	1,735,379

(Unaudited - expressed in U.S. dollars)

Additions to segmented non-current assets during the nine months ended September 30, 2014	**Bolivia** $	**Canada** $	**Chile** $	**United States and other** $	**Total** $
Balance, December 31, 2013	18,504,000	313,553	14,024,875	7,774,394	40,616,822
Additions	230,000	(115,581)	896,951	1,880,251	2,891,621
Balance, September 30, 2014	18,734,000	197,972	14,921,826	9,654,645	43,508,443

Geographic segmentation of the Company's net earnings (loss) for the three and nine months ended September 30, 2014 and 2013 is as follows:

	Three months ended Sept. 30, 2014 $	**Three months ended Sept. 30, 2013** $	**Nine months ended Sept. 30, 2014** $	**Nine months ended Sept. 30, 2013** $
Bolivia	(13,387)	(271,707)	(42,691)	(629,777)
Canada	5,503,320	(1,575,878)	3,878,170	(4,971,997)
Chile	(27,536)	(89,030)	(128,497)	(296,077)
United States and other	(206,679)	(105,010)	(808,093)	(383,924)
Net earnings (loss)	5,255,718	(2,041,625)	2,898,889	(6,281,775)

18 Supplemental cash flow information

The Company conducted non-cash investing and financing activities during the nine months ended September 30, 2014 and 2013 as follows:

	2014 $	**2013** $
Interest income included in receivables and prepaids	7,646	18,979
Investing activities		
Deferred exploration costs included in accounts payable	(201,957)	(78,911)
Financing activities		
Share-based payments included in deferred exploration costs	19,437	-

19 Financial instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities, Class B shares, and stock options exercisable into Class B shares and common shares. Cash equivalents consist of term deposits, the investment terms of which are less than three months at the time of acquisition. Cash and cash equivalents and receivables are designated as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are designated as other financial liabilities which are measured at amortized cost. Class B shares and stock options exercisable into Class B and

(Unaudited - expressed in U.S. dollars)

common shares are designated as FVTPL, which are measured at fair value, with changes in fair value recognized directly in earnings or loss in the period in which they arise.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

There have been no changes in any risk management policies since December 31, 2013.

20 Subsequent events

Subsequent to September 30, 2014:

a) the Company entered into an agreement to dispose of a previously written-off Chilean mineral property for proceeds of $150,000. The Company has retained an NSR royalty of 1% in respect of this property.

b) 4,273,249 shares of HGI, owned by the Company, were released from escrow.

TriMetals Mining Inc.

(An Exploration Stage Company)

Condensed Interim Consolidated Schedule of Deferred Exploration Costs

(Unaudited - expressed in U.S. dollars)

	Chile properties	U.S. properties	Total
	$	$	$
Balance at December 31, 2012	6,922,443	-	6,922,443
Land and option payments	648,191	930	649,121
Laboratory	260,047	-	260,047
Field supplies	51,028	924	51,952
Camp	208,773	-	208,773
Consulting and supervision	658,995	6,815	665,810
Maps and reproduction	61,311	-	61,311
Environmental	321,292	228	321,520
Technical consulting	85,973	731	86,704
Drilling	3,342,138	-	3,342,138
Trenching	228,608	-	228,608
Travel and accommodation	114,072	-	114,072
Value added tax credits	778,222	-	778,222
Land and option payments	6,758,650	9,628	6,768,278
Acquired on acquisition of HDG	-	7,609,015	7,609,015
	6,758,650	7,618,643	14,377,293
Balance at December 31, 2013	13,681,093	7,618,643	21,299,736
Land and option payments	541,160	242,796	783,956
Laboratory	5,650	120,940	126,590
Field supplies	210	7,195	7,405
Camp	16,496	61,803	78,299
Consulting and supervision	180,111	480,748	660,859
Surveying and staking	12,281	51,642	63,923
Environmental	66,328	127,006	193,334
Technical consulting	73,137	116,968	190,105
Drilling	-	391,912	391,912
Trenching	4,135	58,815	62,950
Travel and accommodation	22,836	94,863	117,699
Share-based payments	-	19,437	19,437
Value added tax credits	3,872	-	3,872
	926,216	1,774,125	2,700,341
Balance at September 30, 2014	14,607,309	9,392,768	24,000,077