TRI-STAR RESOURCES PLC

Management's Discussion and Analysis
of the Financial Condition and Results of Operations

For the three and nine months ended 30 September 2013

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Tri-Star Resources plc – Management's Discussion and Analysis
This Management's Discussion and Analysis ("MD&A") has been prepared based on information available to Tri-Star Resources plc ("Tri-Star" or the "Company") as at 31 October 2013 and compares its financial results for the three and nine months ended 30 September 2013 with the same periods in the previous year. This MD&A should be read in conjunction with the Company's 30 September 2013 unaudited Consolidated Interim Financial Statements, the 31 December 2012 and 31 December 2011 audited Consolidated Financial Statements and the related notes. The unaudited Consolidated Interim Financial Statements, the audited Consolidate Annual Financial Statements and the related notes have been prepared in accordance with International Financial Reporting Standards. The financial statements are presented in UK Pounds Sterling which is the functional currency of the Company. The Company and its subsidiaries carry out transactions in UK Pounds Sterling, United States dollars, Turkish Lira, Canadian dollars and United Arab Emirates dirhams. The directors are keeping under review the functional currency of the Company.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING AND CONTROLS

The unaudited Consolidated Financial Statements of the Company for the three and nine months ended 30 September 2013, and the comparative information for 2012, have been prepared by management of the Company ("Management") in accordance with International Financial Reporting Standards ("IFRS") and have been approved by the Company's Board of Directors (the "Board"). The integrity and objectivity of the unaudited Consolidated Financial Statements are the responsibility of Management. In addition, Management is responsible for ensuring that the information contained in this MD&A is consistent, where appropriate, with the information contained in the unaudited Consolidated Interim Financial Statements.

In support of this responsibility, Management maintains a system of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate, and that the Company's assets are appropriately accounted for and adequately safeguarded. When alternative accounting methods exist, Management has chosen those methods it deems most appropriate in the circumstances. The unaudited Consolidated Interim Financial Statements may contain certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis to ensure that the unaudited Consolidated Interim Financial Statements are presented fairly in all material respects. The Board is responsible for ensuring that Management fulfils its responsibilities for financial reporting and internal controls. The Board carries out this responsibility principally through its audit committee. The audit committee is appointed by the Board and its members are not involved in the Company's daily operations. The audit committee meets periodically with Management and the external auditor to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities.

INTRODUCTION

The following discussion is Management's assessment and analysis of the results and financial condition of the Company and should be read in conjunction with the Company's 2013 and 2012 Interim Reports, which can be accessed on the Company's website at www.tri-starresources.com.

COMPANY OVERVIEW AND STRATEGY

Tri-Star Resources plc is an independent mining and mineral processing company, which is quoted on the AIM market of the London Stock Exchange plc (Ticker: TSTR:LN), engaged in the exploration, mining and downstream value added processing for a minor metal - antimony (Sb).

The Company has antimony exploration licenses in Turkey and in Canada (New Brunswick) and a mining permit in Turkey. Tri-Star has designed and intends to fund and build a roaster in the Gulf Cooperation Council ("GCC") region which includes countries such as the United Arab Emirates, Oman, Qatar, Kuwait, Saudi Arabia and Bahrain to process antimony ores and is actively considering suitable sites, partners and investors.

The Company's strategy is to be the leading integrated antimony metal and value added product manufacturer, utilising its modern and environmentally compliant roasting technology, located in the GCC, with raw material supplied from its upstream resource projects as well as from third party sources of antimonal concentrates.

Antimony is an important minor metal with a wide range of industrial uses most notably as an additive in its trioxide form in flame retardant compounds particularly for printed circuit boards, computers and other electronic products. China has dominated antimony production for the last century and accounts for approximately 90% of the world supplies for the past decade according to reports by the US Geological Survey.

Tri-Star has a highly experienced management team with capabilities in exploration geology, mining, mineral processing, minor metal marketing and sales and finance.

Tri-Star is proceeding to design and construct an antimony roaster with a capacity of 20,000 tonnes per annum of metal and a value-added downstream antimony trioxide (ATO) manufacturing facility in the GCC, processing its own and third party concentrates.

In Western Turkey, the Company is advancing its mining and exploration antimony project. In addition, the Company is actively exploring for antimony at its Canadian permits.

The Company seeks to work to the highest environmental and social development standards in all of its activities, and have an internationally acceptable provenance on its products.

COMPANY HISTORY

Tri-Star (then Canisp plc) was re-admitted to trading on AIM in August 2010 by way of an acquisition of the Turkish company Üç Yildiz Antimon Madencilik İthalat Ve İhracat Sanayi ve Ticaret Anonim Şirketi ("Üç Yildiz") and the Company was re-named Tri-Star Resources plc. The principal activity of Üç Yildiz at that time was the holding of licences and permits in respect of the mining and exploration of mineral rights at the Göynük mine, located in the Gediz district of Turkey.

The Turkish company, Üç Yildiz was originally incorporated in Turkey in August 2007 and was majority owned by Mehmet Vehbi Eyi, a veteran commodity trader with over 40 years experience in trading minor metals, including antimony. Tri-Star owns 99% of Üç Yildiz, a company that owns all the licenses and permits at the Göynük site. The remaining 1% shareholding is owned by the members of the board of directors of Üç Yildiz resident in Turkey.

The original licenses are valid until November, 2013 or June, 2015, as the case may be, and will become applicable for extensions at those dates. Applications have been made for extension of the license expiring in November, 2013. An operational permit was granted in 2005 for a location inside the license area of 46.68 hectares which was reduced by the owner to 24.62 hectares in late 2008, with respect to antimony mining.

ANTIMONY

The name antimony is derived from the Greek word for 'never found alone'. The principal use is as an oxide synergist in the flame retardant chemical additive sector. China has dominated world supply for the past 110 years.

Antimony (Sb) is a silvery-white, shining, soft and brittle metal. It is a semiconductor and has thermal conductivity lower than most metals. Due to its poor mechanical properties, pure antimony is only used in very small quantities; larger amounts are used for alloys and in antimony compounds. Antimony's abundance in the earth's crust is 0.2 ppm, making the element about as scarce as some of the heavier Rare Earth Elements and a little above silver. Antimony is a member of the Group V elements in the Periodic Table, accompanied by tin and tellurium. The atomic number is 51 and atomic weight of 122. The metal is brittle and has a low melting point of 630°C and boils at 1380°C.

There are over 40 common minerals of antimony but the most important is the sulphide mineral stibnite (Sb_2S_3), which has a Sb content of 72%. The element also occurs as an oxide, valentinite (Sb_2O_3) and as antimonides and sulphoantimonides of metals like lead, copper, zinc, silver and gold. Stibnite has been and to date remains the main source for metallic antimony to be commercially mined.

In Europe, the principle use of antimony is in flame retardants as antimony trioxide (ATO), which accounts for 72% of its primary antimony consumption. In China this figure is estimated to be 50% and in the US, nearer to 60%.

In this use, antimony trioxide is most commonly used as a synergist to improve the performance of other flame retardants such as aluminium hydroxide, magnesium hydroxide and halogenated compounds. This enhanced performance minimises the amount of flame retardant required. Antimony trioxide is used in this way in many products including plastics, textiles, rubber, adhesives and plastic covers for aircrafts and automobiles. Around 90% of flame retardant production ends up in electronics and plastics, while the remaining 10% ends up in coated fabrics and furniture upholstery and bedding.

The second most common use of antimony alloy is as a hardener for lead electrodes in lead acid batteries. This use is in decline as the antimony content of typical automotive battery alloys has declined by weight to 1.6%, having been 7% in the past, hence the use of antimony in batteries will reduce further as calcium, aluminium and tin alloys are expected to replace it over time. However, demand from this segment has risen in recent years due to automotive production in countries such as Brazil, India and China.

The EU and The British Geological Survey have included antimony as one of the key "critical" minerals important to the industrial economy of western economies.

PROJECT SUMMARY

1. Turkey - Göynük Project

Tri-Star's Göynük Project is the evaluation and redevelopment of a historical artisanal mine in a known antimony belt in the Murat Dagi mountains of western Turkey. The mine is about 250 kilometres east of the port of Izmir on the west coast and 50 kilometres north of Uşak.

The regional industry comprises of forestry, marble mining and agriculture. There are active coal mining licences immediately to the north west of the deposit. Historically, the Antimony (Sb) deposit on the Göynük property was producing intermittently around 100 – 300 tonnes of Sb over multiple years, in crude reduced metal form or as high-grade ores as and when the previous operators have funds to mine and process. Such artisanal workings resulted in the formation of substantial dumps.

The property comprises a mining licence of 24.68 hectares and is within an exploration area of 783.28 hectares. A further exploration area was awarded in June 2011 contiguous to the East of the original area (Göynük East) of 685.9 hectares bringing the total exploration area holding to approximately 1,479 hectares. The historical mine workings are at approximately 1,200 metres to 1,310 metres elevation. The area is predominantly forestry land supervised by the Turkish Department of Forestry.

The Company has a category 4 exploitation concession covering non-ferrous metals including the normal suite of base metals, minor metals (including antimony) and precious metals.

Infrastructure to the property comprises of a paved highway for 30km from Gediz to the Altintas exit, a dirt road for 3 km to the Göynük village and a 2km forestry track to the Göynük mine site. Electric power from the National Grid is available at the mine site and the village and spring water is available on site. Unskilled and semi-skilled personnel with mining experience are available locally due to the nearby coal mine.

The Göynük deposit is undeveloped other than by small scale artisanal workings in the visible high grade mineralised zones. A dump of the former mine production is located on site.

In 2010 and 2011, the Company conducted geological review, mapping and geophysical study of the deposit. In 2011 and 2012, the Company drilled and assayed 67 diamond core holes (5,479m) adjacent to the former mine workings to establish continuity. The details and results of the exploration and drilling programs is contained in the technical report entitled "Technical Report on the Göynük Mine and Vicinity, Gediz Municipality, Kutahya Province, Turkey" dated July 31, 2013, with an effective date of June 19, 2012, authored by Allan P. Juhas ("Göynük Technical Report").

In June 2012, the Company was granted an environmental permit for a small scale processing facility at the Göynük mine site with a processing capacity limit of 14,400 tonnes per annum. The Company has acquired freehold land within the license area in order to plan a layout of the small scale processing facility. It intends to treat the existing dump material at the mine site, subject to receiving adequate funding, to treat these dumps and produce a gravity based concentrate for sale.

The deposit is comprised of high grade pods in a silica bound envelope that is hosted along the 4km contact zone. There are 9 other Sb occurrences documented in the near vicinity of Göynük, making the exploration zone of the project district scale not local for Sb. In the near future and subject to further funding, the plan for the Göynük deposit is to plan a layout of a small scale processing facility, treat the existing dump material at the mine site and produce a gravity concentrate feed for sale. The estimated cost of this plan is approximately US$1.0 million and it is anticipated that it will take approximately six months to bring into commissioning from the time of securing adequate funding.

2. Roaster Project

In July 2011, the Company began seeking partners in the GCC to investigate the siting and construction of a 20,000 tonne per annum name plate capacity antimony concentrate roasting facility designed to meet EU environmental and GCC based standards, producing antimony ingot and value added products.

As part of Tri-Star's work in respect of this proposed project, GBM Mineral Engineering Consultants Limited ("GBM"), an independent consultancy firm based in London, UK was commissioned to deliver a preliminary engineering report and cost benefit analysis ("GBM Report") for the facility, the conclusions of which are outlined below. In February, 2012, the Company announced the results of the GBM Report as further described below.

Cost estimates

The GBM Report estimates the total capital expenditure requirement for the proposed plant to be up to approximately US$60 million, comprised of US$36 million for direct capital costs, U$15 million of indirect costs and US$9 million of working capital for the plant.

The facility is designed to produce both antimony ingots and powdered antimony trioxide at high purity for sale to end users. The feedstock is designed around antimony sulphide concentrates supplied from either Tri-Star owned deposits or from purchases of third-party concentrates from various international sources. Working capital estimates for the project have been estimated by GBM to be US$63 million on a "base case" scenario, assuming all feedstock is sourced and paid for from third-party sources.

If constructed, the proposed facility would be one of the first sizeable Western World antimony roasters designed to be fully compliant with modern environmental legislation, high recoveries and relatively low energy input costs. Antimony metal and its products have been identified by independent sources as being of 'critical' importance to European industrial production. The largest operating cost item is expected to be the transportation costs of delivering feed concentrate to the facility and then exporting the finished products to European ports.

Cost benefit analysis

GBM has conducted a cost benefit analysis of the roaster economics and concluded that the project was "highly viable" under the limits of the model used and recommended that the project be taken to the next stage of development in the form of a Bankable Feasibility Study ("BFS").

Under the base case assumptions detailed in the GBM Report, it is estimated that the project could return an internal rate of return of up to 41%, a Net Present Value of up to US$241.5 million and full year EBITDA of up to US$59.6 million, based on steady state production estimates. Although these estimates are illustrative at this preliminary stage, sensitivity analysis was undertaken by GBM to demonstrate that the project could be "financially viable even with major changes in the inputs" and this will be further explored during the BFS stage of the project's development.

Since February of 2012, the Company and external engineering consultants, including SNC Lavalin, have progressed the engineering, design and environmental studies. In June, 2013, the Roaster Project Environmental and Social Impact Assessment was completed and submitted to the Environmental Protection and Development Authority in the UAE.

Memorandum of Understanding

Post the end of the period under review, the Company executed and announced, on 9 October 2013, the signing of a Memorandum of Understanding with proposed joint venture partners, Oman Investment Fund and Castell Investments Limited, to develop and build the roaster within the Port of Sohar Free Zone in the Sultanate of Oman. The further development of the project is subject, inter alia, to securing funding and other required environmental and regulatory permits.

3. Canada - Stanley Exploration Project

Tri-Star Antimony Canada Inc. ("Tri-Star Canada"), a subsidiary of the Company, acquired the Stanley claims in Fredericksburg, New Brunswick in April 2011 to assess a large antimony anomaly discovered in till geochemical mapping by the New Brunswick Department of Natural Resources. In 2012, the Stanley claim block was reduced from 252 blocks (5,619.6 Ha) to 66 blocks (1,472.3Ha) following a field program to confirm historic outcrop mapping to concentrate exploration on a sulphide-bearing leucogranite/granophyre and a quartz-feldspar porphyry that were detected along a forestry road. These granitoids were evaluated with a shallow drilling program sampling the bedrock under the local glacial till overburden. The drilling returned sufficient rock flour and chips to confirm that these granitoids are in-situ. A total of 64 sites along the road were tested, generally at 25 metre intervals and served to locate the approximate contacts of both granitoids, and demonstrated that the granitoids were consistently anomalous for antimony.

Tri-Star Canada registered 35 claim blocks (779.99Ha) in May 2012 that target another anomalous government till sample identified in early 2012 during a GIS survey of the area known as Greenhill.

Future work programs for both sites comprise establishing physical grids and subsequent geochemical sampling and mapping of the till and bedrock.

Safety Health and Environmental Policies

Tri-Star is committed to meeting international best industrial practice in each jurisdiction in which it operates with respect to Human rights, Safety, Health and Environmental (SHE) policies. Management, employees and contractors are governed by and required to comply with Tri-Star's SHE policies as well as all applicable international, national federal, provincial and municipal legislations and regulations. It is the primary responsibility of the supervisors and other senior field staff of Tri-Star and its subsidiaries to oversee safe work practices and ensure that rules, regulations, policies and procedures are being followed.

Qualified Person

Brian Spratley, BSc EurIng CEng MIMMM, Technical Director of Tri-Star is a Qualified Person in compliance with National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI 43-101") and has reviewed and approved the scientific and technical information in this MD&A.

HIGHLIGHTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2013

- Drawdown of the full £2.67 million remaining undrawn balance of the £4.0 million secured convertible notes due June, 2018 ("Convertible Notes") with Odey European Inc., of which £1.33 million was initially drawn down in June, 2013
- Amalgamation agreement signed with Portage Minerals Inc. ("Portage") for the all-share acquisition of Portage
- Portage shareholder approval obtained for the acquisition by Tri-Star (completion of the acquisition of Portage took place subsequent to 30 September 2013, on 4 October 2013)
- Continuing development funding discussions for the roaster facility in the GCC with potential joint venture / financing partners

Financing

In May 2013, the Company successfully completed an equity placing raising gross proceeds of £500,000 at a price of 0.3 pence per ordinary share ("Ordinary Share"). This was followed in June by the Company successfully completing a private placing of £4.0 million secured Convertible Notes due in June, 2018 with Odey European Inc., which carry a non-cash coupon of 15% per annum and which are secured by way of a guarantee and debenture granted by Tri-Star Antimony Canada Inc. (the Company's wholly owned subsidiary which holds all of the Company's Canadian assets), of which £1.33 million was drawn down immediately, with the balance being drawn down in September 2013. Both sources of financing have significantly strengthened the Company's financial stability and will assist the Company, in conjunction with other funding sources, to finance the Company's share of its roaster project in the GCC.

The Convertible Notes are redeemable at 100% of their principal amount plus accrued interest and, unless previously redeemed, converted or cancelled, will mature on the fifth anniversary of the issue of the Convertible Notes in June 2018. The Convertible Notes are convertible at 100% of their principal amount plus accrued interest at the holder's option into Ordinary Shares at a conversion price which will be fixed at the time of conversion at a 10% discount to the lower of:

(i) the latest equity funding round completed prior to the issue of the conversion notice; and
(ii) any equity funding round completed within 10 business days following the issue of the conversion notice.

Acquisition of Portage

In May 2013, the Company entered into a letter of intent for the acquisition of Portage (the "Acquisition"), a Canadian publicly-listed mineral exploration company with various antimony and gold deposits in Eastern Canada, in order to bring additional antimony projects (as well as Portage's gold assets) into the Company. The Company believes that the acquisition is an important step in the Company becoming an integrated antimony producer. Portage's Bald Hill deposit will contribute significantly to the Company's existing antimony exploration asset base, which together with the Company's Göynük property in Turkey, will have the potential to deliver antimony concentrate to the Company's proposed roaster facility.

The parties signed an amalgamation agreement as announced on 6 August 2013 and completion of the Acquisition took place post the period end, on 4 October 2013. The Acquisition was effected by way of a three-cornered amalgamation between Portage, the Company and Tri-Star Canada pursuant to which Tri-Star Canada and Portage amalgamated to form an amalgamated company name "Tri-Star Antimony Canada Inc.", which is a wholly-owned subsidiary of the Company. In connection with the Acquisition, the Company issued 1,085,999,844 new Ordinary Shares in exchange for the issued and outstanding common shares of Portage and an aggregate of 34,000,000 Ordinary Shares to creditors of Portage, collectively representing approximately 16.37 per cent of the issued share capital of the Company.

On completion of the Acquisition, Ken Hight, former Chairman and CEO of Portage, joined the board of Tri-Star as an Executive Director and Tri-Star Canada has engaged 1405875 Ontario Inc. (a consulting company owned by Ken Hight) to provide consulting services. Further, 13,900,000 options over Tri-Star Shares were issued fully vested to each of Ken Hight and Roger Dahn with an exercise price of £0.005 per share and an expiry date of 31 December 2017 under and in accordance with the terms of Tri-Star's share option scheme.

On completion of the Acquisition, Tri-Star became a reporting issuer in each of Ontario, Alberta and British Columbia and is subject to the continuous disclosure requirements of the relevant Canadian regulations in those jurisdictions, which include the publication of quarterly financial information.

GCC Roaster Project

The Company continued discussions with third parties concerning construction of the Company's proposed antimony roaster facility ("Roaster Project"). These discussions culminated in the signing of a Memorandum of Understanding on 9 October 2013 (as noted above) with each of the Companies, Oman Investment Fund and Castell Investments which outlined the proposed joint venture arrangements in respect of the structure, governance of the joint venture and other matters.

The Company, in conjunction with its joint venture partners, has now entered the detailed planning and execution phase of the project and further updates on progress will be announced to shareholders, as appropriate.

Future prospects

Going forward, the Company expects the remainder of 2013 and 2014 to be a period of significant advancement for the Company in its ambitions of becoming an integrated producer of antimony.

FINANCIAL RESULTS

Revenue

Given the early stage and exploratory nature of the Company's operations and projects the Company is not yet revenue generating.

Loss

In the three months to 30 September 2013, the Company recorded a loss before and after tax of £1,232,000 (30 September 2012: loss before and after tax of £789,000). In the nine months to 30 September 2013, the Company recorded a loss before and after tax of £2,464,000 (30 September 2012: loss before and after tax of £1,812,000)

Share based payments

The share based payment charge relating to share options, which is a non-cash item, was £Nil (30 September 2012: £460,000). Nine months to 30 September 2013 charge £400,000 (30 September 2012: 599,000).

Amortisation of Intangible Assets

The amortisation charge for the three months to 30 September 2013 was £5,000 compared to £5,000 in the previous year. For the nine months to 30 September 2013 charge of £14,000 (30 September 2012: £14,000).

Administrative Expenses

Administrative expenses in the period were £1,173,000 (30 September 2012: £324,000. Nine months to 30 September 2013 £1,991,000 (30 September 2012: £1,200,000). The changes are detailed below.

Financing

The operations of the Company are currently being financed from funds which the Company raised from private and public placings of its shares during the year and the Convertible Notes described above. The Company has not earned revenue during the three months to 30 September 2013 (30 September 2012: £nil) nor in the nine months to 30 September 2013 (30 September 2012: £nil) as it is still in the exploration phase of its business.

Exploration and evaluation

During the period the Company incurred expenditures of £Nil (30 September 2012: £1,000) on property, plant and equipment. For the nine months to 30 September 2013 expenditure was £8,000 (30 September 2012: £2,000).

All costs associated with mineral exploration prior to 30 September 2013 have been expensed through the statement of comprehensive income due to the uncertainty of the future revenues and speculative nature of the exploration costs. The Directors will continue to assess exploration of mineral resources on a project-by-project basis and will capitalise costs once the feasibility of the project is established.

Similarly all costs incurred in connection with the roaster project have been expensed through the statement of comprehensive income. Once funding has been agreed all future expenditure will be capitalised.

Staffing

During the three months to 30 September 2013 a total of 10 full time employees were employed by the Company compared to 12 full time employees as at 30 September 2012 (excluding non-executive directors). For the nine months to 30 September 2013 the total number was 10 full time employees (30 September 2012: 11).

Cash flow and cash resources

Cash resources as at 30 September 2013 were £3,452,000 (30 September 2012: £712,000).

OUTLOOK

Management continues to pursue the Company’s strategy of being an environmentally-compliant, vertically integrated antimony production company. See ‘Forward Looking Information’ for a description of the factors that may cause actual results to differ from forecast.

FINANCIAL REVIEW AND SUMMARY OF RESULTS

Summary results

	3 Months to 30 Sept 2013 £'000	3 Months to 30 Sept 2012 £'000	**9 Months to 30 Sept 2013 £'000**	9 Months to 30 Sept 2012 £'000
Share based payments	**-**	(460)	**(400)**	(599)
Amortisation of intangible assets	**(5)**	(5)	**(14)**	(14)
Administrative expenses	**(1,173)**	(324)	**(1,991)**	(1,200)
Total administrative expenses and loss from operations	**(1,178)**	(789)	**(2,405)**	(1,813)
Finance income	**-**	-	**1**	1
Finance cost	**(54)**	-	**(60)**	-
	(54)	-	**(59)**	1
Loss before and after taxation, and loss attributable to the equity holders of the Company	**(1,232)**	(789)	**(2,464)**	(1,812)
Other comprehensive income				
Exchange differences on translating foreign operations	**180**	22	**206**	(1)
Other comprehensive (loss)/income for the period, net of tax	**(1,052)**	(767)	**(2,258)**	(1,813)
Total comprehensive loss for the year, attributable to owners of the company	**(1,052)**	(767)	**(2,258)**	(1,813)
Loss per share				
Basic and diluted loss per share (pence)	**(0.02)**	(0.01)	**(0.04)**	(0.04)

Share based payments

All share based payment arrangements are recognised in the financial statements. The Company operates equity settled share based remuneration plans for remuneration of its employees and equity settled share based plans in respect of services received from external consultants.

All employee services received in exchange for the grant of any share based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Options or warrants granted for services received from external consultants are measured at their fair values at the date the option or warrant is granted. These are indirectly determined by reference to the fair value of the instruments awarded.

All share based remuneration is ultimately recognised as an expense in the statement of comprehensive income with a corresponding credit to the share based payment reserve, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment is made to the expense recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium. Upon exercise of warrants, the value of the warrants exercised is transferred from the share based payment reserve to share premium.

The options issued in 2010 were charged over an expected vesting period of 6 months with £231,000 being charged in 2010 and £115,000 charged in 2011.

The options issued in 2011 were charged over expected vesting periods of between twelve and thirty six months. This resulted in a charge of £Nil in the three months to 30 September 2013 (30 September 2012: £32,187).

Fees Settled in Shares

Where shares have been issued as consideration for services provided they are measured at the fair value of the services provided. These amounted to a charge of £Nil in the three months to 30 September 2013 (30 September 2012 £428,571).

Amortisation of Intangible Assets

Licences are recognised as an intangible asset at historical cost and are carried at cost less accumulated amortisation and accumulated impairment losses. The licences have a finite life and no residual value and are amortised over the life of the licence, being six years to 2015, and 29 months to October 2013, as applicable.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Intangible assets with an indefinite useful life and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash-generating unit’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro-rata to the other assets in the cash generating unit.

There are two exploration licences and one mining permit held by Üç Yildiz, the first attracted amortisation of £2,000 in the three months to 30 September 2013 and £2,000 in 2012. The second was acquired in June 2011 at a cost of £29,000 and was amortised by £3,000 in the three months to 30 September 2013 and £3,000 in 2012. Management made the decision to fully impair the Canadian licences on acquisition in 2011 as the value of the licences had not been determined at this stage. No charge is recognised against these licences in the periods reported.

Administrative Expenses

The table below shows the detailed breakdown of administrative expenses for the three months to 30 September 2013 and 2012.

	3 Months to 30 September 2013 £'000	3 Months to 30 September 2012 £'000	Variance £'000	% Variance
UAE Rent	**22**	23	(1)	-4%
Roaster costs	**277**	29	248	855%
Other exploration and evaluation costs (Goynuk)	**5**	12	(7)	-68%
Directors' remuneration, salaries and employment costs	**146**	138	8	6%
Office, listing and other admin costs	**249**	88	161	183%
Acquisition costs	**286**	-	286	-
Exchange rate differences	**188**	34	154	553%
TOTAL	**1,173**	324	849	262%

Material variations between 2013 and 2012 expenditure are detailed below.

UAE Rent
Land has been rented in the UAE since October 2011. The variation in rental costs was due to exchange differences.

Roaster costs
Roaster costs were £248,000 higher in 2013 compared with the same period in 2012. Of this variance, £103,000 relates to one-off costs associated with Emin Eyi's relocation to the GCC region. The remainder of the variance relates primarily to activity on the Roaster project, which substantially increased during Q3 2013.

Other exploration and evaluation costs (Göynük)
The majority of the evaluation had been completed prior to 2013.

Directors' remuneration, salaries and employment costs
The costs for 2013 and 2012 show no significant variations.

Office, listing and other admin costs
A one off fee of £168,000 was incurred in 2013 relating to the Odey loan. Other than this, there were no significant differences.

Acquisition costs
Acquisition costs were £286,000 during the third quarter of 2013, relating to the acquisition of Portage. There were no acquisition costs in 2012.

Exchange differences
The majority of the exchange rate fluctuations arise on restatement of intercompany balances which were higher in 2013 than 2012. The majority of these items are reversed in the exchange difference on translating foreign operations in other comprehensive income.

Selected Annual and Interim Information

The summary results for the Company's three most recently completed financial years are shown below.

(in £000, except per share amounts)	**2012**	**2011**	**2010**
Revenue	-	-	-
Loss from continuing operations attributable to the equity holders of the Company	(2,351)	(2,538)	(1,498)
Basic and diluted loss from continuing operations per share (pence)	(0.05)	(0.05)	(0.04)
Other comprehensive income	(6)	113	9
Total comprehensive loss for the year, attributable to owners of the Company	(2,357)	(2,425)	(1,489)
Total assets	786	1,058	517
Total non-current financial liabilities	-	-	

No dividends were declared in the years indicated above.

The summary results for the three and nine month periods ended 30 September 2013 are shown below.

(in £000, except per share amounts)	**3 months ended 30 September 2013**	3 months ended 30 September 2012	**9 months ended 30 September 2013**	9 months ended 31 September 2012
Loss from continuing operations attributable to the equity holders of the Company	**(1,232)**	(789)	**(2,464)**	(1,812)
Basic and diluted loss from continuing operations per share (pence)	**(0.02)**	(0.01)	**(0.04)**	(0.04)
Other Comprehensive income	**180**	22	**206**	(1)
Total comprehensive loss for the year, attributable to owners of the Company	**(1,052)**	(767)	**(2,258)**	(1,813)
Basic and diluted loss per share (pence)	**(0.02)**	(0.01)	**(0.04)**	(0.04)

Semi-annual financial information has been prepared by the Company for periods preceding the current period in accordance with requirements in the U.K. applicable to the Company. Summary results for the last four semi-annual periods are shown below.

(in £000, except per share amounts)	**6 months ended 30 June 2013**	6 months ended 31 December 2012	**6 months ended 30 June 2012**	6 Months ended 31 December 2011
Revenue	-	-	-	-
Loss from continuing operations attributable to the equity holders of the Company	**(1,232)**	(1,328)	**(1,023)**	(1,476)
Basic and diluted loss from continuing operations per share (pence)	**(0.02)**	(0.03)	**(0.02)**	(0.03)
Other Comprehensive income	**26**	17	**(23)**	98
Total comprehensive loss for the year, attributable to owners of the Company	**(1,206)**	(1,311)	**(1,046)**	(1,378)
Basic and diluted loss per share (pence	**(0.02)**	(0.03)	**(0.02)**	(0.03)

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

The Company is not yet revenue producing and is reliant on funds raised from the placing of Ordinary Shares and other securities to finance its development requirements. Positive cash flows are expected to commence following funding, construction and successful commissioning of its various projects; however there is no guarantee that expenses will not exceed income particularly during the start-up phase. If this is the case, liquidity risk could be material, even with current cash resources.

The Company's cash balances are kept under constant review. The Company takes a very risk averse approach to management of cash resources and Management and the Board monitor events and associated risks on a continuous basis. Cash and cash equivalents were as follows:

	30 September 2013 (£000)	**30 September 2012 (£000)**
Cash and cash equivalents	3,452	712

The cash reduction for the three month period ended 30 September 2013 from operating activities was £995,000, with investing activities contributing a net outflow of £Nil, and financing activities contributing net cash proceeds of £2,613,000. The cash reduction for the three month period ended 30 September 2012 from operating activities was £629,000, with investing activities contributing a net outflow of £1,000 and financing activities contributing net proceeds of £1,217,000.

At 30 September 2013, the Company had £3,452,000 in cash and cash equivalents and its net current assets were £3,251,000, with total net liabilities of £773,000. At 30 June 2013, the Company had £712,000 in cash and cash equivalents, with net current assets of £840,000 and total net assets of £912,000.

The Company completed the private placing of £4.0 million secured Convertible Notes with Odey European Inc. on June 20, 2013. As at 30 September 2013, the Convertible Notes had been drawn down in full. The Convertible Notes carry a non-cash coupon of 15% per annum which compounds half yearly and are secured by way of a guarantee and debenture granted by Tri-Star Antimony Canada, Inc., the Company's wholly owned subsidiary which holds all of the Company's Canadian assets including the assets of Portage.

The Convertible Notes are redeemable at 100% of their principal amount plus accrued interest and, unless previously redeemed, converted or cancelled, will mature on the fifth anniversary of the issue of the Convertible Notes in June 2018.

The Convertible Notes are convertible at 100% of their principal amount plus accrued interest at the holder's option into Ordinary Shares of 0.005 pence each in the capital of the Company at a conversion price which is fixed at the time of conversion at a 10% discount to the lower of:

- the latest equity funding round completed prior to the issue of the conversion notice; and

- any equity funding round completed within 10 business days following the issue of the conversion notice.

The Convertible Notes are not listed and are transferable.

The Board has prepared cash flow forecasts incorporating the Convertible Notes detailed above, for the period ending 31 December 2014. The forecasts identify unavoidable third party running costs of the Company and demonstrate that the Company has sufficient finance facilities available to allow it to continue in business for a period of at least twelve months from the date of approval of the interim financial statements for the three months ended 30 September 2013. Further development and exploration of the projects will continue as and when finance is available. Accordingly, the accounts have been prepared on a going concern basis.

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

The Company’s principal financial instruments comprise of cash, and other financial liabilities. The main purpose of these financial instruments is to raise finance for the Company’s operations. The Company has various other financial instruments such as trade receivables and trade payables, which arise directly from its operations.

There was no finance income in the period to 30 September 2013 nor in the period to 30 September 2012 associated with the Company’s cash balances.

An element of the Company’s exchange gains and losses (which in total amounted to a loss of £188,000 in the period ended 30 September 2013 and a loss of £34,000 in the period ended 30 September 2012) was associated with certain of the Company’s financial instruments, principally trade receivables and trade payables.

It is, and has been throughout the period under review, the Company’s policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company’s financial instruments are liquidity risk, price risk and foreign exchange risk. The Board reviews and agrees on policies for managing each of these risks and they are summarised below.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves to fund the Company’s exploration and operating activities. Management monitors the forecasts of the Company’s cash flows and cash balances monthly and raises funds in discrete tranches to manage the activities through to revenue generation.

Price risk

The Company is exposed to fluctuating commodity prices of antimony and the existence and quality of the antimony product within the licensed area. The Board will continue to review the prices of antimony when significant mining is undertaken and will consider how this risk can be mitigated at that stage.

Foreign exchange risk

The Company operates in a number of jurisdictions and carries out transactions in UK Pounds Sterling, Turkish Lira, Canadian dollars, US dollars and United Arab Emirates dirhams. The Company does not have a policy of hedge arrangements but will continue to keep this under review.

COMMITMENTS AND LOANS

The Company completed the draw-down of the balance of the private placing of £4.0 million of Convertible Notes with Odey European Inc. during the period under review. See 'Liquidity, Capital Resources and Financial Position' for more information.

RELATED PARTY TRANSACTIONS

During the three months ended 30 September 2013, the Company paid £6,000 (three months ended 30 September 2012: £6,000) for Company secretarial services and expenses to Kitwell Consultants Limited, a company controlled by Michael Hirschfield, a director of the Company.

During the three months ended 30 September 2013, the Company charged £62,314 (three months ended 30 September 2012: £85,006) to Üç Yildiz (a subsidiary of the Company) for services provided and invoices paid on its behalf. At 30 September 2013, Tri-Star was owed £1,595,177 (30 September 2012: £1,410,487) from Üç Yildiz.

During the three months ended 30 September 2013, the Company charged £375,721 (three months ended 30 September 2012: £51,684) to Tri-Star Union for services provided and invoices paid on its behalf. At 30 September 2013, Tri-Star was owed £1,351,816 (30 September 2012: £400,022) from Tri-Star Union. Tri-Star Union is a 90% owned subsidiary undertaking.

During the three months ended 30 September 2013, the Company paid £7,500 (three months ended 30 September 2012: £7,500) for accountancy services to Sirius Petroleum Plc, a company of which Michael Hirschfield is a director.

During the period the Company paid £75,000 in respect of fees regarding the Portage acquisition (2012: £Nil) and £168,000 in respect of fees for the Odey loan (2012: £Nil) to SP Angel Corporate Finance LLP ("SP Angel"). A further £7,206 of expenses were recharged. (2012: £Nil) by SP Angel. £Nil was paid in respect of placing commissions (2012: £3,789) and £Nil (2012 £9,000) for consultancy services to SP Angel. Emin Eyi, was a partner in SP Angel until 30th September 2011.

During the year the Company met certain of the director's expenses. At 30 September 2013 the balance due to Brian Spratley was £Nil (30 September 2012: £1,632) and the balance due to E Eyi £Nil (30 September 2012: £2,902).

All the above transactions having taken at an exchange amount equivalent to parity for the cash consideration.

SELECTED FINANCIAL INFORMATION & REVIEW OF OVERALL PERFORMANCE

Financial Highlights *(All amounts in 000s of British Pounds, except shares and per share figures)*	**3 months ended 30 September 2013**	3 months ended 30 September 2012	**9 months ended 30 September 2013**	9 months ended 30 September 2012
Revenue	-	-	-	-
Share based payments	-	(460)	**(400)**	(599)
Amortisation of intangible assets	**(5)**	(5)	**(14)**	(14)
Other administrative expenses	**(1,173)**	(324)	**(1,991)**	(1,200)
Total administrative expenses and loss from operations	**(1,178)**	(789)	**(2,405)**	(1,813)
Net cash outflow from operating activities	**(995)**	(629)	**(1,759)**	(1,313)
Net cash (outflow)/inflow from investing activities	**-**	(1)	**(7)**	(1)
Net cash inflow from financing activities	**2,613**	1,217	**4,408**	1,217
Net change in cash and cash equivalents	**1,827**	584	**2,851**	(100)
Cash and cash equivalents at end of period	**3,452**	712	**3,452**	712
Total Assets	**3,755**	1,258	**3,755**	1,258
Total Liabilities	**4,528**	346	**4,528**	346
Working Capital	**3,251**	840	**3,251**	840
Weighted average number of shares	**5,723,546,688**	5,431,818,686	**5,501,324,464**	5,092,085,806
Outstanding				
Loss per share	**(0.02)**	(0.01)	**(0.04)**	(0.04)

There are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The details of the Company's accounting policies are presented in accordance with International Financial Reporting Standards as set out in the notes to the financial statements. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

The following estimates are considered by management to be the most critical for investors to understand some of the processes and reasoning that go into the preparation of the Company's financial statements, providing some insight also to uncertainties that could impact the Company's financial results.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following critical accounting judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are discussed below:

Share based payment transaction
The Company measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The charge for the period ended 30 September 2013 of £Nil (2012: £32,187) is determined by using a Black-Scholes valuation model. The key assumptions in the model involving a critical estimate are the share price volatility of 67% and the life of the options. The former has been determined by calculating the historical volatility of the Tri-Star share price. The board have assumed the options will be exercised between 12 and 36 months after they have vested.

Services received from external consultants are measured at their fair values. The Board considers this to be comparable to the fair value of the share warrants awarded, therefore these warrants have been measured in the same way as the employee options noted above, with a charge of £Nil (2012: £428,571) recognised in the financial statements for the period ended 30 September 2013.

Treatment of exploration and evaluation costs
IFRS 6 "Exploration for and Evaluation of Mineral Resources" requires an entity to consistently apply a policy to account for expenditure on exploration and evaluation of a mineral resource. The Board has chosen to expense the exploration and evaluation costs to date on the basis that the future development of the projects remains uncertain as at 30 September 2013.

VAT in Turkey
Under Turkish law, VAT on purchases is not refunded, instead it can be offset against the VAT arising and due on sales made. As the timing and extent of the recoverability of VAT on future sales is not yet known, the Board has provided against the full VAT balance in the financial statements at 31 December 2012 of £106,132. At 31 December 2011 the balance of £98,890 was not provided.

Treatment of warrants issued
The warrants issued to shareholders in conjunction with the share placing on 29 March 2011 were outside the scope of IFRS 2 as they were issued to shareholders in their capacity as shareholders. The warrants have therefore been accounted for under IAS 32. The warrants meet the definition of fixed for fixed under IAS 32 as they are for a fixed number of Ordinary Shares for a fixed price. There is no alternative settlement for the warrants and as such they are equity only instruments. The warrants were issued, along with the share placing for consideration of £nil. The directors consider the fair value of the warrants to not be materially different to the proceeds received and not material to the financial statements.

CHANGES IN ACCOUNTING POLICIES

The Directors anticipate that the adoption of new standards which are in issue but not yet effective and have not been early adopted by the Company will be relevant to the Company but will not result in significant changes to the Company's accounting policies. These are:

- IFRS 9 Financial Instruments (effective date 1 January 2015) applies to disclosures only and will have no impact on the financial statements.

- IFRS 10 Consolidated Financial Statements (effective date 1 January 2014), IFRS 11 Joint Arrangements (effective date 1 January 2014) and IFRS 12 Disclosure of Interests in Other Entities (effective date 1 January 2014) may potentially change the way in which some of the Company's joint arrangements are accounted for. Management are considering the implications of existing arrangements and future arrangements.

- IFRS 13 Fair Value Measurement (effective date 1 January 2013) relates to the definition of fair value and will not have a material impact on the Company.

- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective date 1 January 2013) will only become material if Turkey becomes a significant segment.

- IAS 28 (Revised), Investments in Associates and Joint Ventures (effective 1 January 2014) may potentially change the way in which some of the Company's joint arrangements are accounted for. Management are considering the implications of existing arrangements and future arrangements.

There are other standards in issue, but not yet effective, which are not likely to be relevant to the Company and which have therefore not been listed.

Details of the main accounting policies of the Company are included in the Company's financial statements for the year ended 31 December 2012.

OTHER MATTERS

OUTSTANDING SHARE & OPTION DATA

As at the date of this MD&A the following securities are outstanding:

Classification	**Shares issued or issuable**	**Weighted average exercise price (£)**
Ordinary Shares	6,843,546,532	-
Options	471,800,000	0.01633
Warrants(1)	333,768,837	0.1406
Deferred Shares (A)	1,363,925,475	-
Deferred Shares (B)	856,547,275	-

Notes:

(1) Warrant figures include former warrants of Portage which are exercisable for Ordinary Shares following completion of the Acquisition and which are exercisable in Canadian dollars, with a weighted average exercise price of CAD$0.2363. The exercise price of the former warrants of Portage has been converted into U.K. Pounds Sterling based on the exchange rate published by the Bank of Canada on 30 October 2013.

The options and warrants are all in respect of Ordinary Shares carrying full voting rights. The deferred shares have no voting rights and are not eligible for dividends.

Additionally the Company has issued £4 million of Convertible Notes.

The Convertible Notes are convertible at 100% of their principal amount plus accrued interest at the holder's option into Ordinary Shares at a conversion price which is fixed at the time of conversion at a 10% discount to the lower of:

(i) the latest equity funding round completed prior to the issue of the conversion notice; and
(ii) any equity funding round completed within 10 business days following the issue of the conversion notice.

FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the Company's objectives and strategy, future financial or operating performance of the Company and its projects, exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining exploration and development, environmental risks, title disputes or claims and limitations of insurance coverage. All statements, other than statements of historical fact, constitute forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking information is necessarily based on a number of estimates and assumptions that, while considered reasonable by the Company, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such assumptions and factors relate to, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; availability and cost of credit; fluctuations in interest rates; fluctuations in exchange rates; changes in planned parameters as plans continue to be refined; fluctuations in the market and forward prices of antimony or certain other commodities; possible variations of ore grade or recovery rates; failure of equipment; accidents and other risks of the mining exploration industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled “Risk Factors” in the Report of Directors contained in the Company’s 2012 Annual Report and the risk factors identified in the management information circular of Portage dated August 9, 2013.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Unless stated otherwise, forward-looking information contained herein is stated as of the date of this MD&A. Other than as required by applicable securities law, the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.

There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking information contained in this MD&A are qualified by these cautionary statements. Accordingly, readers should not place undue reliance on forward-looking information.

Any financial outlook or future-oriented financial information in this MD&A, as defined by applicable Canadian securities laws, has been approved by the Directors as of the date of this MD&A. Such financial outlook or future oriented financial information is provided for the purpose of providing information about the Company’s current expectations and plans relating to the future. Readers are cautioned that such outlook or information should not be used for purposes other than for which it is disclosed in this MD&A.

FURTHER INFORMATION

Additional information relating to the Company is on the Company’s website at www.tri-starresources.com and on SEDAR at www.sedar.com under the Company’s profile.