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 2014

Dated 21 November 2014

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 30 September 2014 and compares its financial results for the three and nine months ended 30 September 2014 with the same period in the previous year. This MD&A should be read in conjunction with the Company's 31 December 2013 and 31 December 2012 audited Consolidated Financial Statements and the related notes. The audited Consolidated 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, Omani Rial 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 Interim Financial Statements of the Company for the three and nine months ended 30 September 2014, and the comparative information for 2013, 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 Interim 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 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 an important minor metal - Antimony (Sb).

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 with raw material supplied from its upstream resource projects as well as from third party sources of antimonal concentrates.

The Company has antimony exploration licenses in Turkey and in Canada (New Brunswick) and a mining permit in Turkey. Tri-Star is proceeding to design and construct an antimony roaster with a capacity of 20,000 tonnes per annum in the Sultanate of Oman.

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

BUSINESS SUMMARY

The following is a summary of the Company's activities for the periods under review.

Results for the Period

In the three months to 30 September 2014, the Company recorded an operating loss of £1,146,000 (2013: loss of £1,232,000) and a total comprehensive loss of £1,132,000 (2013: loss of £1,052,000). In the nine months to 30 September 2014, the Company recorded an operating loss of £1,913,000 (2013: £2,464,000, year to 31 December 2013: £2,701,000) and a total comprehensive loss of £2,014.000 (2013: loss of £2,258,000, year to 31 December 2013 £2,996,000).

Roaster Project

On 14 April 2014, the Company announced that it had entered into a shareholders' agreement in respect of Strategic & Precious Metals Processing LLC ("SPMP"), a joint venture company which is intended will construct and operate a 20,000 tonne per annum nameplate capacity antimony metal and tri-oxide manufacturing roasting facility in the Sultanate of Oman (the "Roaster Project").

SPMP has since been incorporated in the Sohar Free Trade Zone in Oman. During the period under review, SPMP extended its existing option over to enter into a land lease over a 22.1 hectare plot in Sohar FTZ to 31 March 2015 to allow for complex negotiations regarding the finalisation of the Roaster Project to continue. The project remains subject to a number of conditions including securing banking finance and obtaining the necessary permits to operate the Roaster, including environmental approvals.

Canada

On 31 October 2014, Tri-Star announced that it had received an updated independent Technical Report on the Bald Hill Antimony Project. On 24 November 2014, the Company provided a further update detailing that reconnaissance exploration programs had highlighted two new prospective antimony trends in the Bald Hill area which had returned prospecting assays of 4.61% Sb and 21.7% Sb, respectively. These new areas together with the existing 3 trend areas are within a 4 km radius of the original Bald Hill deposit.

The Bald Hill deposit, one of the largest undeveloped antimony projects in Canada, is located within the Annidale Belt, approximately 40 kilometres northwest of Sussex, New Brunswick.

Financing

On 27 August 2014, the Company successfully completed a private placing of £2.0 million secured convertible bonds due June 2018 with Odey European Inc. This financing strengthened the Company's financial position and will assist the Company in further developing its projects and meeting other working capital requirements.

Outlook

The Company expects the remainder of 2014 and 2015 to be periods of advancement for the Company.

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.

FINANCIAL RESULTS FOR THE THREE AND NINE MONTHS TO 30 SEPTEMBER 2014

	3 Months ended 30 September 2014	3 Months ended 30 September 2013	**9 Months ended 30 September 2014**	9 Months ended 30 September 2013
	£'000	£'000	**£'000**	£'000
Share based payments	**(4)**	-	**(16)**	(400)
Amortisation of intangible assets	**(1)**	(5)	**(4)**	(14)
Share of losses in jointly controlled entity	**(164)**	-	**(164)**	-
Exploration expenditure and other administrative expenses	**(382)**	(1,173)	**(1,597)**	(1,991)
Total administrative expenses and loss from operations	**(551)**	(1,178)	**(1,781)**	(2,405)
Finance income	**-**	-	**433**	1
Finance cost	**(595)**	(54)	**(565)**	(60)
Loss before and after taxation, and loss attributable to the equity holders of the Company	**(1,146)**	(1,232)	**(1,913)**	(2,464)
Loss before and after taxation attributable to				
Non-controlling interest	**(9)**	-	**(53)**	-
Equity holders of the parent	**(1,137)**	(1,232)	**(1,860)**	(2,464)
Other comprehensive income				
Exchange differences on translating foreign operations	**14**	180	**(101)**	206
Other comprehensive (loss)/income for the period, net of tax	**14**	180	**(101)**	206
Total comprehensive loss for the year, attributable to owners of the company	**(1,132)**	(1,052)	**(2,014)**	(2,258)
Total comprehensive loss attributable to				
Non-controlling interest	**(9)**	-	**(53)**	
Equity holders of the parent	**(1,123)**	(1,052)	**(1,961)**	(2,258)
Loss per share				
Basic and diluted loss per share (pence)	**(0.02)**	(0.02)	**(0.03)**	(0.04)

Revenue

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

Share based payments

The share based payment charge relating to share options, which is a non-cash item, was £4,000 for the three months and £16,000 for the nine months to 30 September 2014 (2013: three months £Nil, nine months £400,000).

Amortisation of Intangible Assets

The amortisation charge to 30 September 2014 for the three months was £1,000 and nine months was £4,000 compared to £5,000 for three months and £14,000 for nine months in 2013.

Share of losses in jointly controlled entity

Share of losses in jointly controlled entity referrers to Tri-Star's share of SPMP, in of which Tri-Star owns 40%. The losses for the three month period to September 2014 were £164,000 and there were no losses prior to this period.

Administrative Expenses

Administrative expenses in the three month period to 30 September 2014 were £382,000 (2013: £1,173,000). For the nine month period they were £1,991,000 (2013: £818,000).

	3 Months to 30 September 2014 £	**3 Months to 30 September 2013 £**	**Variance £**	**% Variance**
UAE Rent	(65,422)	21,294	(86,716)	133%
Roaster costs	87,364	277,004	(189,640)	-217%
Other exploration and evaluation costs (Göynük)	3,660	4,798	(1,138)	-31%
Other exploration and evaluation costs (Canada Bald Hill and Stanley)	(1,996)	(0)	(1,996)	100%
Directors' remuneration, salaries and employment costs	222,693	146,411	76,282	34%
Office, listing and other admin costs	135,387	249,310	(113,923)	-84%
Acquisition costs	-	286,185	(286,185)	100%
Exchange rate differences	-	187,852	(187,852)	100%
Total	**381,685**	**1,172,853**	**(791,168)**	**-207%**

The principal variances are commented on below.

UAE Rent

The results for 2014 reflect a release in the provision for rent in United Arab Emirates subsequent to notice having been served on the lease.

Roaster costs

Roaster costs show a decrease now that a number of costs are being paid for directly by the Oman joint venture company, SPMP.

Other exploration and evaluation costs (Göynük)

The Göynük site is currently only being maintained with no exploration being carried out.

Other exploration and evaluation costs (Bald Hill)

Bald Hill was acquired with the Portage acquisition in October 2013 and the expenditure relates to maintenance of claims, a rebate was received during the period for work already carried out.

Directors' remuneration, salaries and employment costs

There are additional costs of £25,000 for Canadian directors and staff in 2014, and the 2014 figures reflect a review of Directors’ remuneration during 2013.

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 2014.

Exchange rate differences

Exchange rate variances are classified under other comprehensive income in 2014.

Staffing

During the three months to 30 September 2014 a total of 13 full time employees were employed by the Company compared to 10 full time employees as at 30 September 2013 (excluding non-executive directors).

Cash resources

Cash resources as at 30 September 2014 were £2,322,000 (30 September 2013: £3,452,000).

STRATEGY & OUTLOOK

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

SUMMARY ANNUAL AND INTERIM FINANCIAL INFORMATION

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

(in £000, except per share amounts)	**2013**	**2012**	**2011**
Revenue	-	-	-
Loss from continuing operations attributable to the equity holders of the Company	(2,747)	(2,351)	(2,538)
Basic and diluted loss from continuing operations per share (pence)	(0.05)	(0.05)	(0.05)
Other comprehensive income	(249)	(6)	113
Total comprehensive loss for the year, attributable to owners of the Company	(2,996)	(2,357)	(2,425)
Total assets	7,172	786	1,058
Total non-current financial liabilities	5,030	-	

The summary results for the three month and nine month periods ended 30 September 2014 and 30 September 2013 are shown below.

(in £'000 except per share amounts)	Three months ended 30 September 2014	Three months ended 30 September 2013	Nine months ended 30 September 2014	Nine months ended 30 September 2013
Profit/loss from continuing operations attributable to the equity holders of the Company	(1,146)	(1,232)	(1,913)	(2,464)
Basic and diluted profit/(loss) from continuing operations per share (pence)	(0.02)	(0.02)	(0.03)	(0.04)
Other Comprehensive income	14	180	(101)	26
Total comprehensive profit/(loss) for the year, attributable to owners of the Company	(1,132)	(1,052)	(2,014)	(2,258)

Basic and diluted profit/(loss) per share (pence)	(0.02)	(0.02)	(0.03)	(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.

LIQUIDITY, COMMITMENTS AND LOANS 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 2014 (£000)	**31 December 2013 (£000)**
Cash and cash equivalents	2,322	2,101

The cash reduction for the three month period ended 30 September 2014 from operating activities was £425,000 (2013: £995,000) with investing activities contributing a net outflow of £152,000 (2013: £Nil), and financing activities contributing a net inflow of £2,004,000 (2013: £2,613,000). The cash reduction for the nine month period ended 30 September 2014 from operating activities was £1,631,000 (2013: £1,759,000) with investing activities contributing a net outflow of £148,000 (2013: £7,000, and financing activities contributing a net inflow of £2,004,000 (2013: £4,408,000).

At 30 September 2014, the Company had £2,322,000 in cash and cash equivalents and its net current assets were £917,000 with total net assets of £158,000. At 31 December 2013, the Company had £2,101,000 in cash and cash equivalents, with net current assets of £541,000 and total net assets of £2,142,000.

The Company completed the private placing of £4.0 million secured Convertible Notes ("Convertible Bonds") with Odey European Inc. in 2013 and a further placing of £2.0 million in 2014. The Convertible Bonds 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 Bonds 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 Bonds in June 2018.

The Convertible Bonds 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 Bonds are not listed and are transferable.

GOING CONCERN

The Directors have prepared cash flow forecasts for the period ending 30 November 2015. The forecasts identify unavoidable third party running costs of the Company and demonstrate that the Company has sufficient cash resources available to allow it to continue in business for a period of at least twelve months from the date of approval of these interim financial statements. Further development of the Company's exploration and investment activities, including any direct investment in the Roaster Project, will continue as and when finance is available. Accordingly, the accounts have been prepared on a going concern basis.

RELATED PARTY TRANSACTIONS

During the three months ended 30 September 2014, the Company paid £6,000 (2013: £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 2014, the Company charged £44,728 (2013: £62,314) to Üç Yildiz (a subsidiary of the Company) for services provided and invoices paid on its behalf. At 30 September 2014, Tri-Star was owed £959,027 which has been fully provided for in Tri-Star Resources plc (30 September 2013: £1,595,177) from Üç Yildiz.

During the three months ended 30 September 2014, the Company charged £176,826 (2013: £375,721) to Tri-Star Union for services provided and invoices paid on its behalf. At 30 September 2014, Tri-Star was owed £2,180,502 (30 September 2013: £1,351,816) from Tri-Star Union. Tri-Star Union is a 90% owned subsidiary undertaking.

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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 three month charge for the period ended 30 September 2014 of £4,000 (2013: £Nil) and the nine month charge for the period ended 30 September 2014 of £16,000 (2013: £400,000) are determined by using a Black-Scholes valuation model.

Services received from external consultants are measured at their fair values, with a charge of £Nil recognised in the interim financial statements for the three and nine months ended 30 September 2014 (Q3 2013: £Nil; nine months 2013: £357,000).

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 Directors have chosen to expense the exploration and evaluation costs to date on the basis that the future development of mines remains uncertain as at 30 September 2014. The Directors will continue to asses this and when feasibility is determined will look to capitalise further costs in line with accounting standards.

Convertible Bond accounting
The Company has measured the carrying value of the liability component of the Convertible Bonds as the initial amount loaned plus costs, less the fair value of the derivative liability on issue plus interest, calculated using the amortised interest rate.

The fair value of the derivative liability embedded in the Convertible Bonds was calculated using the Black-Scholes option valuation model. The movement in fair value since issue is recorded in profit and loss in the statement of comprehensive income.

The following assumptions were used in calculating the fair value:

- The model assumes that the bonds will be exercised on 31 December 2015.

- The share price volatility is between 58% and 87% which was based on historic volatility.

- An exercise price of 0.27p being the exercise price which would have applied on 30 June 2014 and 30 September 2014 and share prices of 0.19p and 0.16p, being the market share prices at those times.

- The effects of potential dilution were not factored.

In valuing the derivative component of the Convertible Bonds, the Directors have assumed a conversion price of 0.27p which represents the current conversion price of the Convertible Bonds. The conversion price may be varied in the future as it is based on the most recent equity fund raising undertaken by the Company at the time of conversion. The Directors believe that until a further fund raising is undertaken the current conversion price represents the most appropriate basis on which to base valuation of the Convertible Bonds.

Other critical assumptions underlying the valuation of the derivative (or "option") component of the Convertible Bonds are: the period to conversion; volatility; the risk free rate and the impact of dilution.

The Directors believe that the Convertible Bond is likely to be subject to conversion during the life of the Bond and that it is unlikely that the Convertible Bond will run to term. Conversion is not in the control of the Company but it is the Directors' expectation that the Convertible Bond is likely to be the subject of conversion in the near term and so for the basis of the option valuation, a conversion date of 31 December 2015 has been assumed.

Volatility of the Company's ordinary shares has been calculated by reference to the actual observed volatility of the Company's ordinary shares for the twelve months to 30 September 2014. The risk free rate is currently 0.5% (UK Bank of England lending rate).

As regards the impact of dilution, as Tri-Star is a publicly traded company the impact of dilution on option valuation has not been factored into valuation model as the valuation has been based on Tri-Star's share price immediately after the Convertible Bond was issued. The Directors believe that the post announcement share price would have incorporated the potential dilution effect of the

Convertible Bond on Tri-Star's share capital as a whole and therefore the dilution impact has not been considered again when the option was valued.

OTHER MATTERS

Outstanding share and 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	6,942,287,328	-
Options	398,470,000	0.0194
Warrants	5,000,000	0.002
Deferred Shares (A)	1,363,925,475	-
Deferred Shares (B)	856,547,275	-

The options and warrants are all in respect of Ordinary Shares carrying full voting rights, with each option and warrant exercisable for one Ordinary Share. The deferred shares have no voting rights and are not eligible for dividends.

Forward-looking information

This MD&A may contain "forward-looking information", as defined under applicable Canadian securities laws. Forward-looking information typically contains statements that relate to future, not past, events and often contains words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. There can be no assurance that the forward-looking information contained in this MD&A will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information.

All statements, other than statements of historical fact, included in this MD&A including, without limitation, the viability of chemical processes, the financial assumptions, bases and outputs mentioned, constitute forward-looking information. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect, including, but not limited to, assumptions in connection with the ability to deliver any of the outcomes referred to, the availability of financing and general economic and market conditions. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks associated with changes in laws, the ability to raise finance on acceptable terms for any of the projects or facilities mentioned, the volatility of commodity and raw material prices, currency exchange rates and interest rates, global economic conditions and the additional risks identified in the Company's Annual Report and Financial Statements for the year ended 31 December 2013 or other reports and filings with applicable securities regulators. Forward-looking information in this MD&A is based on the Directors' beliefs, estimates and opinions on the date of this MD&A and the Company does not undertake to update publicly or revise the forward-looking information contained in this MD&A, except as required by applicable securities laws.

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.