Vancouver, British Columbia / TheNewswire / August 25, 2015- The following discussion of the results of operations of TriStar Gold Inc. ("TriStar" or "the Company") for the three and six months periods ended June 30, 2015 and 2014 should be read in conjunction with the unaudited condensed interim consolidated financial statements ("interim financial statements") and notes thereto for the periods ended June 30, 2015 and 2014, and with the audited annual consolidated financial statements and notes thereto of the Company for the periods ended December 31, 2014 and 2013 and the Management Discussion and Analysis for those years.

The consolidated financial statements referred above are available for review under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com, and the Company's website at www.tristarau.com

The Management's Discussion and Analysis ("MD&A) is prepared in conformity with NI 51-102F1 and has been approved by the Board of Directors prior to its release.

Forward-Looking Statements

Certain statements in the following MD&A constitute forward-looking statements. Such forward-looking statements 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 such forward-looking statements. Such factors include, among others, the following: general economic and business conditions; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; success of operating initiatives; the success (or lack thereof) with respect to the Company's exploration and development operations on its properties; the Company's ability to raise capital and the terms thereof; the acquisition of additional mineral properties; changes in business strategy or development plans; exploration and other property write downs; the continuity, experience and quality of the Company's management; changes in or failure to comply with government regulations or the lack of government authorization to continue certain projects; the outcome of litigation matters, and other factors referenced from time to time in the Company's filings with securities regulators. The use in the following Management's Discussion and Analysis of such words as "believes", "plans", "anticipates", "expects", "intends" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. The success of the Company is dependent on the efforts of the Company, its employees and many other factors including, primarily, its ability to raise additional capital and establishing the economic viability of any of its exploration properties.

When relying on the forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on behalf of the Company, except as required by law.

Business Overview and Summary

The Company was incorporated under the British Columbia Business Corporations Act ("BCBCA") under the name of TriStar Gold Inc., on May 21, 2010.

TriStar was created to hold certain existing Brazauro assets as a result of an Arrangement Agreement (the "Arrangement") between Brazauro Resources Corporation ("Brazauro") and Eldorado Gold Corp. ("Eldorado").

The completion of the Arrangement occurred on July 20, 2010.

TriStar's primary business focus is the acquisition, exploration and development of precious and base metal prospects, including the further exploration of the Castelo de Sonhos and Bom Jardim properties in the Tapajos Gold District of Brazil's northerly Para State. The Company is concentrating its current acquisitions and exploration efforts on those properties which the Company believes may have large scale gold potential.

The Tapajos Gold District has a rich history of alluvial gold production. During the 1970's and 1980's, the Tapajos area annually produced approximately 30% to 40% of Brazil's total gold output. Geologically, the Tapajos region is situated within the gold-productive, Archaean to Middle Proterozoic-aged Brazilian Shield that extends from Brazil through Guyana and into Venezuela. In the immediate area of the Company's projects, meta-sediments and granitic basement rocks are intruded by subvolcanic andesitic and rhyolitic bodies, all of lower Proterozoic age. The widespread alluvial gold deposits point to the area's strong bedrock exploration potential.

The Company's current properties are in the exploration stage and have not been proven to be commercially developable to date. The Company's existing properties are gold prospects in Brazil which were acquired between fiscal years 2007 and 2011. The Company defers and capitalizes expenditures associated with the direct acquisition, evaluation and exploration of mineral properties. When an area is disproved or abandoned, the acquisition costs and related deferred expenditures are written-off. The net capitalized cost of each mineral property is periodically compared to management's estimation of the net realizable value and a write-down is recorded if the net realizable value is less than the cumulative net capitalized costs.

The Company is subject to regulation by the Federal Mines Department in Brazil, the Departamento Nacional de Producao Mineral ("DNPM"). The Company holds exploration licenses or applications for exploration licenses granted by the DNPM for the Castelo de Sonhos property ("CDS"). Certain licenses for the Castelo de Sonhos Properties are subject to requirements to maintain rights over the properties. With respect to the core exploration license on the CDS property, the Company was required to file a report by August, 2014 demonstrating sufficient exploration work has been conducted to determine the existence of a deposit, as defined by Brazilian regulations. The Company filed the mentioned report at the end of July 2014. If the report is approved by the DNPM, the Company will have twelve (12) months from the date of that approval to file an application for a mining concession. If the DNPM determines insufficient exploration work has been completed it could result in forfeiture of the core license by the Company.

Since its inception, the Company has had limited revenues from operations other than interest income on invested cash balances. The company relies on the sale of securities to fund its operations and the company's cash position is currently insufficient to maintain its operations for a full year. There can be no assurance that the Company will be able to raise any, or sufficient funds.

Company Dissolution

On January 15, 2014 the Company decided to dissolve its wholly-owned British Virgin Islands subsidiary, Brazauro Holdings (BVI) Ltd. ("BHL"). The Company considers it has no need to maintain the existence of BHL and there are costs associated with BHL's maintenance. At time of dissolution BHL had no assets or liabilities. The legal process was completed during the second quarter of 2014.

Properties

Castelo de Sonhos (Brazil)

Castelo de Sonhos consists of 32,031 hectares of mineral rights located approximately 15 kilometers ("km") east of the Cuiaba-Santarem road. The host rocks for the property's gold mineralization are quartzites, meta-arenites and metaconglomerates of the Early Proterozoic (+2 Ga years) Castelo de Sonhos Formation. Geologically, the property shows strong similarities with Tarkwa in Ghana and Jacobina in Brazil. The property encompasses a 15 km by 12 km plateau with an average elevation of 300 meters above the surrounding ground. The main creeks and drainages that flow from the plateau were extensively mined for alluvial gold from 1987 to 1992 and the historic gold output from these artisanal mining operations has been estimated at 250,000 to 320,000 ounces.

Barrick Gold Corp. conducted significant exploration at Castelo de Sonhos from June 1995 to November 1996 for which TriStar has recovered the exploration data, consisting of 509 stream sediment samples; 3,093 soil samples; 1,472 rock samples; 2,313 trench samples and 23 diamond drill holes for a total of 2,027 meters. All these activities led to the definition of two large strong gold in-soil anomalies each of which extends for more than 2.5 km as well as positive gold intercepts in trench and drill core samples.

The soil anomalies as identified by Barrick were in the Esperanca South target and the Esperanca Center target. Esperanca South anomaly was 2.5 km long and 0.8 km wide with gold assays higher than 100 ppb ("parts per billion") gold. The soil anomaly in the Esperanca Center target was also 2.5 km long and 0.8 km wide but with gold assays higher than 250 ppb. These two anomalies both run north-south and are located in the same trend, being split only by the existence of a narrow valley between them. Most of the Barrick trenches and drill-holes (22 holes) were located in the Esperanca South target, and only one (1) hole was drilled in Esperanca Center. Of the 23 holes drilled, 11 are vertical and 16 have an average depth of about 50 meters.

TriStar's initial exploration program included a review of all Barrick's results, followed by a more detailed soil sampling program over the two main soil anomalies, soil sampling over areas that Barrick did not cover, geological mapping, an airborne geophysical survey and diamond drilling.

From December 2010 through June 2014, the Company completed the construction of a camp, worked at Esperanca Center, Esperanca South and other targets involving the collection and assaying of 7,529 soil samples, conducted geological mapping over 4,016 points with geological descriptions, completed an airborne geophysical survey and completed 16,213.20 meters of core drilling in 144 drill holes. The geochemical soil sampling was conducted to confirm Barrick's results, to identify new targets and to prepare sites for the drilling campaign which the Company started in September, 2011. In 2011, an airborne geophysical survey (magnetometry and radiometry), was flown by Fugro-Lasa Brasil, covering a total of 7,019 linear kilometers in two contiguous blocks encompassing the entire mineral rights area.

The soil geochemistry sampling program performed by the Company at Castelo de Sonhos confirmed the previous results obtained by Barrick in 1995-1996 and has not only extended the anomalous zones, but also identified new anomalous zones with the discoveries of the Esperanca East and West anomalies. The Esperanca East anomaly has been identified to the East of Esperanca Center and is 2,000 meters long by 800 meters wide (gold assays higher than100 ppb and with a maximum value of 1,617 ppb). Also, a narrower soil anomaly, which was only suggested by Barrick's sampling survey, has been better defined with the continuation of the soil sampling being carried out. This anomaly, named Esperanca West, extends for approximately 4,000 meters with an average width of 400-500 meters and highest gold assays between 250 ppb and 422 ppb. At Castelo de Sonhos, the main conglomerate package, which is the host for the gold mineralization, has a horseshoe shape and extends for approximately 14 kilometers. The continuing exploration performed by TriStar has expanded the gold-in-soil anomalies to a total length of approximately 18 kilometers coincident with the outcropping conglomerates.

The Company contracted Layne-Christensen do Brasil Ltda. to conduct a three phase drilling program with a minimum of 16,213 meters of core drilling to cover: the Esperanca Center and Esperanca South geochemical anomalies along with the newly discovered Esperanca East and Esperanca West targets. The first drilling campaign (33 holes for 5,662.65 meters) started in September 2011 and was completed on February 2012. The second phase drilling campaign (60 holes for 6,440.40 meters) started in July 2012 and was completed in November 2012. The third phase drilling campaign (51 holes for 4,110.15 meters) started in April 2014 and was completed in June 2014. Total drilling in the three campaigns amounted to 16,213.20 meters distributed as follow:

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  - Esperanca South target; 103 holes; 9,565.40 meters

  - Esperanca Center target; 34 holes; 5,666.65 meters

  - Esperanca East target; 5 holes; 587.50 meters

  - Esperanca West target; 2 holes; 393.65 meters

The significant assays for all holes have been disclosed in the news releases of February 27, 2012; April 10, 2012; October 02, 2012, November 13, 2012; January 07, 2013; June 11, 2014 and July 09, 2014.

The principal goals for the drilling at the Esperanca South and Esperanca Center targets were to add more drill holes in previously drilled sections and to fill in and extend the drilling grid in these target areas. The drill holes at Esperanca East and Esperanca West were the first investigative holes in these targets.

At Esperanca South, the drilling was focused on extending the known mineralization along strike as well down dip. At this target, the Company has already drilled 103 holes along a 2,800 meters long drilling line which follows the strike of the soil anomaly and the open cuts worked by the local garimpeiros. Mineralization at Esperanca South is still open to the South and to the North, where the known mineralization has a strike length of 2,800 meters inside a soil geochemistry anomaly that extends for over 5,500 meters. The current spacing between the traverse drilling lines, range from 50 meters to 100 meters.

At the Esperanca Center target, 34 holes have been drilled to date to investigate a 2,500 meters long by 800 meters wide soil anomaly, the drilling campaigns were designed to fill in the grid, which has drilling lines spaced from 200 meters to 400 meters and also in a fence-like pattern, to follow mineralization along the cross-sections. At Esperanca Center, the current results enhance the previous drilling results, and a mineralized zone of approximately 1,000 meters has now been defined at this target. The strong geochemical anomaly continues further north for at least another 1,500 meters and further drilling will be planned for this area.

The new anomaly named Esperanca East (to the East of Esperanca Center) is 2,000 meters long by 800 meters wide (100 ppb curve) and its gold assays range from 100 ppb to 1,617 ppb. At this target the initial drilling results on five holes are encouraging and additional drilling is needed to better define the mineralization. At Esperanca West, the drilling aims to investigate its soil anomaly as well a magnetic high anomaly identified by the airborne survey and one of the two holes drilled shows positive results.

During the second quarter of 2014 the Company completed a total of 4,110 meters of infill drilling as part of a campaign designed to demonstrate sufficient economic potential for converting one of its exploration licenses to an exploitation license. Due to the success of the drill program, the Company filed a positive report with the DNPM in Brazil on July 31, 2014.

On August 18, 2014, the Company announced the results of a maiden NI 43-101 Resource Estimate, later filed on October 1, 2014, completed by RBM Consultoria Mineral Ltda. of Saquarema, Brazil which calculated a contained resource of 182,000 Indicated and 98,000 Inferred ounces of gold in the Esperanca South and Esperanca Center zones as set out in the table below.

Castelo de Sonhos Mineral Resource Statement at 0.40 g/t cut-off grade

	Indicated			Inferred		
Target	K tonnes	Au (g/t)	Au (KOz)	K tonnes	Au (g/t)	Au (KOz)
Esperanca Sul	2,788	2.03	182	769	2.41	60
Esperanca Centro				661	1.81	38
Total	2,788	2.03	182	1,430	2.13	98

Castelo de Sonhos Resources at Various Gold cut-off grades

	Indicated			Inferred		
Cut-off grade (Au g/t)	K tonnes	Au (g/t)	Au (KOz)	K tonnes	Au (g/t)	Au (KOz)
0.3	2,895	1.96	182.7	1,515	2.03	99.1
0.6	2,527	2.18	177.3	1,245	2.38	95.2
0.8	2,231	2.38	170.6	1,112	2.58	92.3

The resource estimate was calculated to an average vertical depth of only 70 meters and the area covering the resource estimate represents only approximately 4 linear kilometers of the 16 linear kilometers of the gold anomaly area which is currently under exploration.

The resource is hosted in conglomerate horizons along the shallow dipping (30?) east flank of a 10 km basin with a maximum width of 7km. The same conglomerate horizon varying in width from 100 to 200m at surface, outcrops along the East, North and West flanks of this basin and are in all instances associated with strong gold in soil anomalies along the 16km strike length.

Preliminary metallurgical testing indicates promising high recovery rates. The testing shows gravity recoveries of 73% and 88.6% for size fractions of respectively 80% passing 150 microns (100 mesh) and 80% passing 53 microns (270 mesh). Through cyanidation of the gravity rejects, the recovery was increased to 95.9% and 99.6% respectively for the two size fractions. Another test was performed on column cyanide leaching on 2 mm crushed samples with an average recovery of 78.7% which could indicate the possibility of recovery by heap leaching or vat leaching.

During 2014 the Company surrendered five areas totaling 49,320 hectares as described below:

- - Relinquishment of two claimed areas totaling 19,328 hectares.

  - Filing of final negative exploration reports for three areas totaling 29,992 hectares.

The surrendered areas were considered to be of no interest and surround the main areas which cover the gold fertile rock units of the Castelo de Sonhos formation, which the Company has kept in good standing.

For further details on the current status of the Castelo de Sonhos property, please refer to the Company press releases on SEDAR at www.sedar.com, and the Company's website at www.tristarau.com.

Bom Jardim (Brazil)

The Bom Jardim area is located approximately 30 km north-east of the Crepori river mouth along the Tapajos river. Bom Jardim is a circular structure suggesting a large volcanic caldera. The geology of the area is composed of intermediate-acid volcanic rocks of the Uatuma Tectono-Magmatic event (1,900-1,882 Ma). The volcanic rocks are rhyodacites and latites of the Bom Jardim Formation and dacites and rhyolites of the Salustiano Formation.

In this area TriStar Gold explored for deposits related to epithermal and porphyry copper and gold systems like those existent in the Phanerozoic mountain belts. This model is supported by the discovery made by Rio Tinto Exploration do Brasil (1998) of the oldest Au-epithermal system preserved in the world, the V3-Botica. The porphyry model was also proven by Rio Tinto in 1998 with the discovery of the V6 Cu-Mo property located some kilometers north of V3-Botica. Like Bom Jardim, the mineralized volcanic rocks at V3-Botica and at V6 have also evolved during the Uatuma Tectono-Magmatic in the early Proterozoic. Both prospects, V3 and V6 have not been explored by any other company as a National Forest was created over this area and, regulations for exploration and mining in that national Forest have not been established yet by the Brazilian government.

TriStar Gold has retained one exploration license for the Bom Jardim area measuring a total of 8,829 hectares.

A magnetic and radiometric airborne survey, completed in May 2008 by the Company, totaling 4,353 linear kilometers, with flight lines spaced 200 meters, highlighted several exploration targets.

The combined interpretation of the airborne survey and remote sensing images led to the definition of ten targets which were followed up from October 2008 to July 2009. The exploration program was carried out along two fronts. One front had teams walking all the creeks draining the caldera in search of rock float and out-cropping rocks which could eventually indicate hydrothermalism and mineralization. At the same time these crews collected pan concentrate samples for gold analysis and fine sediments for ICP multi-element analysis. Along the other front, crews carried out grid soil sampling for gold and base metals over the pre-defined targets.

A total of 134 kilometers of lines were cut for soil sampling and mapping. A total of 1,625 soil samples, 152 pan concentrate samples and 83 sediment samples were collected. During the mapping of the creeks and grids, 462 rock samples were collected and out of these, 111 were assayed. The results of this first phase of exploration led to a definition of one target made up of coincident copper, zinc and vanadium anomalies. Sediment samples from creeks draining the same area also had anomalous copper, zinc and vanadium values.

Under DNPM regulations the Company is subject to periodic renewal requirements for its exploration licenses. The Bom Jardim exploration licenses' initial three year terms expired during fiscal 2010. The Company has complied with the renewal requirements and is waiting to receive the renewal of the exploration license to continue exploration activities in the area.

Summary of Quarterly Results

The following table includes selected quarterly financial information of the Company and is derived from unaudited interim consolidated financial statements prepared by management and the Company's audited consolidated financial statements for the years ended December 31, 2014 and 2013. The Company's consolidated financial statements are prepared in accordance with IFRS and the US dollar was considered to be the functional currency for each period:

Selected Quarterly Financial Information

(000's except for income (loss) per common share data)

For the three months ended	Total Revenue	Income (loss) from continuing operations			Net income (loss)		
		Total	Basic Income (Loss) Per Share	Diluted Income (Loss) Per Share	Total	Basic Income (Loss) Per Share	Diluted Income (Loss) Per Share
September 30, 2013	Nil	1,189	0.02	0.02 (3)	(8,424)	(0.15)	- (1)
December 31, 2013	Nil	1,788	0.03	0.03 (3)	11,595	0.20	0.19 (3)
March 31, 2014	Nil	(581)	(0.01)	(0.01) (4)	(581)	(0.01)	(0.01) (4)
June 30, 2014	Nil	(1,203)	(0.015)	(0.015) (4)	(1,203)	(0.015)	(0.015) (4)
September 30, 2014	Nil	(889)	(0.01)	(0.01) (5)	(889)	(0.01)	(0.01) (5)
December 31, 2014	Nil	2,110	0.03	0.009(6)	2,110	0.03	0.009(6)
March 31, 2015	Nil	(80)	(0.001)	(0.001) (4)	(80)	(0.001)	(0.001) (4)
June 30, 2015							

Nil

(0.00003)

(0.00003) (5)

(0.00003)

(0.00003) (5)

(1) Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

(2) The stock options were excluded from the computation of diluted loss per share as their inclusion would be anti-dilutive.

(3) The warrants were excluded from the computation of diluted loss per share as their inclusion would be anti-dilutive.

(4) The warrants and stock options were excluded from the computation of diluted loss per share as they were out-of the-money.

(5) The warrants and stock options were excluded from the computation of diluted loss per share as their inclusion would be anti-dilutive.

(6) Out-of the-money warrants and stock options were excluded from the computation of diluted loss per share.

While the information set out in the previous table is mandated by National Instrument 51-102, it is management's view that the variations in financial results that occur from quarter to quarter are not particularly helpful in analyzing the Company's performance. It is in the nature of the business of junior exploration companies that unless they sell a mineral interest for a sum greater than the costs incurred in acquiring such interest, they have no significant net sales or total revenue. Because the majority of their expenditures consist of exploration costs that are capitalized, exploration companies' quarterly losses usually result from costs that are of a general and administrative nature.

Significant variances in the Company's reported income (loss) from quarter to quarter most commonly arise from several factors that are difficult to anticipate in advance or to predict from past results. These factors include: (i) the vesting of incentive stock options, which results in the recording of amounts for share-based compensation expense, and (ii) the periodical valuation at fair value of warrants liabilities, which results in the recording of amounts for warrant liability fair value change; both amounts can be quite large in relation to other general and administrative expenses incurred in any given quarter.

The net loss during the quarter ended September 30, 2013 includes a loss on sale of subsidiary in the amount of $9,612,825. Additionally; the fair value of the warrants liabilities decreased and income in the amount of $1,538,608 was recorded to adjust the warrant liability fair value change.

The net income during the quarter ended December 31, 2013 includes a gain on deconsolidation of accumulated deficit on sale of subsidiary in the amount of $9,807,122. Additionally, the fair value of the warrants liabilities decreased and income in the amount of $2,103,321 was recorded to adjust the warrant liability fair value change.

During the quarter ended March 31, 2014 the fair value of the warrant liabilities increased and an expense in the amount of $359,631 was recorded to adjust the warrant liability fair value change.

During the quarter ended June 30, 2014 the fair value of the warrants liabilities increased and an expense in the amount of $779,382 was recorded to adjust the warrant liability fair value change. Additionally, the Company issued stock options and recorded share-based compensation expenses in the amount of $140,597.

During the quarter ended September 30, 2014 the fair value of the warrants liabilities increased and an expense in the amount of $808,163 was recorded to adjust the warrant liability fair value change. Additionally, the Company issued stock options that vested 25% in December 2, 2014 and 25% each quarter after that.

During the quarter ended December 31, 2014 the fair value of the warrants liabilities decreased and income in the amount of $2,263,303 was recorded to adjust the warrant liability fair value change.

During the quarter ended March 31, 2015 the warrant liability fair value change in the amount of $187,582 and the income was recorded in the results from continuing operations. Additionally, the Company issued stock options and recorded share-based compensation expenses in the amount of $185,701.

During the quarter ended June 30, 2015 income for the warrant liability fair value change in the amount of $140,832 was recorded in the results from continuing operations. Additionally, the Company recorded share-based compensation expenses in the amount of $7,708.

Discussion of Operations

In the three and six month periods ended June 30, 2015, the Company recorded a net loss of $2,873 and $83,341, respectively (net loss of $1,202,798 and $1,783,428, respectively; in the three and six month periods ended June 30, 2014).

Income from Operations

The Company has not received any revenues from mining operations since inception. During the three months periods ended June 30, 2015 and 2014 the Company's revenues were comprised primarily of interest income on proceeds received from prior financings.

Mineral Properties and Deferred Expenditures

The Company's mineral properties and deferred expenditures increased to $11,218,457 at June 30, 2015 from $11,086,343 at December 31, 2014 as a result of exploration costs totaling $132,114 related to the activities on the Company's Castelo de Sonhos properties. As of June 30, 2015, the capitalized costs related to the Company's properties Castelo de Sonhos and Bom Jardim, totaled approximately $11,013,000 and $206,000; respectively.

The Company's mineral properties and deferred expenditures increased to $10,612,258 at June 30, 2014 from $9,110,215 at December 31, 2013 as a result of acquisition costs totaling $412,867 and exploration costs totaling $1,089,176 related to the activities on the Company's Castelo de Sonhos properties. As of June 30, 2014, the capitalized costs related to the Company's properties Castelo de Sonhos and Bom Jardim, totaled approximately $10,407,000 and $206,000; respectively.

General and Administrative Expenses

General and administrative expenses totaled approximately $134,000 during the three months ended June 30, 2015 as compared to approximately $427,000 during the three months ended June 30, 2014, representing a net decrease of approximately $293,000.

A devaluation of approximately 22% in the average exchange rate of the Brazilian Real at June 2015 as compared to June 2014 has an effect in the amount of approximately $47,000 in Brazilian expenses during 2014.

Included in general and administrative expenses, under consulting fees, during the three months ended June 30, 2015 were approximately $8,000 of stock compensation expense recorded using the fair value method.

During the three months ended June 30, 2014 were approximately $141,000 of stock compensation expense recorded using the fair value method, included in general and administrative expenses. A total of 1,975,000 options were granted in the quarter ended June 30, 2014 and the effect was recorded under consulting fees and salary expenses.

After the adjusting for the effects of Brazil exchange rates and stock compensation expenses on general and administrative expenses, the remaining general and administrative expenses totaled approximately $126,000 and $262,000 for the three months ended June 30, 2015 and 2014, respectively, representing a decrease of approximately $135,000 or 52%. The most significant variances were caused by:

(i) a decrease in the second quarter of fiscal 2015 of salary expenses in the amount of $62,634 as compared with the second quarter of fiscal 2014. In the second quarter of fiscal 2015 salary expenses totaling approximately $68,000 were paid (approximately $131,000 in the quarter ended June 30, 2014). After completing the 2014 drilling campaign in Brazil some employees were dismissed, the effect in the amount of approximately $22,000 is included in the 2014 salary expenses.

(ii) a decrease of $43,063 in the amount of consulting and directors' fees paid. During the three months period ended June 30, 2015 the Company paid $10,040 as consulting and directors' fees as compared to the amount of $53,103 paid during the quarter ended June 30, 2014. In November 2013, senior officers of the Company volunteered to stop payment of their salaries or consulting fees until the Company completed a new funding. Reduced salaries or consulting fees payment resumed in April 2014, but were again stopped in July 2014.

(iii) a decrease in the second quarter of fiscal 2015 of travel expenses in the amount of $8,132 as compared with the second quarter of fiscal 2014. In the second quarter of fiscal 2015 travel expenses totaling approximately $400 were paid (approximately $8,000 in the quarter ended June 30, 2014).

(iv) during the three month periods ended June 30, 2015 and 2014 the Company paid office expenses in the amounts of $8,885 and $15,548, respectively, representing a decrease of $6,663.

The Company anticipates that general and administrative expenses will increase from the level experienced in the first semester of fiscal 2015 during the second semester of fiscal 2015, if the company is able to fund a new drilling campaign, as the Company will incurs in additional salary, consulting and exploration expenditures related to the Brazilian Properties.

Warrant liabilities

Warrants issued by the Company have exercise prices denominated in Canadian dollars, and therefore do not qualify under IFRS for classification as equity as their exercise price is not in the Company's functional currency of the US dollars. These warrants have been reclassified as warrant liabilities and are recorded at the estimated fair value at each reporting date, computed using the Black-Scholes valuation method. Changes in fair value for the periods of three months ended June 30, 2015 and 2014 in the amounts of $140,832 and $779,382; respectively, are included in other income (expenses) in the consolidated statement of comprehensive income (loss).

Impact of Inflation

As the Company does not anticipate recording sales and revenues from operations in the short term, a discussion of the effect of inflation and changing prices on its operations is not relevant.

Trend Information

The cyclical nature of the prices of metals, particularly the price of gold, is reasonably likely to have an effect on the Company's liquidity and capital resources. If the price of gold or the worldwide demand for gold decreases, there would likely be an adverse effect on the Company's ability to raise additional funding and attract exploration partners for its Properties.

Risk Factors

An investment in the Company's common shares is highly speculative and subject to a number of risks. Additional risks that the Company is unaware of or that are currently believed to be immaterial may become important factors that affect the Company's business. If any of the following risks occur, or if others occur, the Company's business, operating results and financial condition could be adversely impacted.

The Company's business plan to acquire additional exploration prospects, continue exploration activities on its current projects, and, if warranted, undertake development and mining operations, is subject to numerous risks and uncertainties, including the following:

Lack of Proven Properties and Development Funds

At this point, all of the Company's exploration prospects and property interests (collectively the "properties") are gold prospects in Brazil, and the Company has no income from operations. Certain of the Company's planned expenditures are discretionary and may be increased or decreased based upon funds available to the Company.

On July 6, 2015 the Company closed a private placement. The funds were used partially to maintain its interest in the area covered by the company's principal Exploration License at the CDS Project. Additional funds will be required to meet general and administrative expenses and to continue drilling and exploration activities after the third quarter of 2015.

The Company cannot estimate with any degree of certainty either the time or the amount of funds that will be required to meet the company's obligations to the vendor of the CDS project and to conduct additional exploration activities and there is no certainty that such additional funds will be raised.

The inability of the Company to raise further equity financing could adversely affect the Company's business plan, including its ability to acquire additional properties and perform exploration activities on, and maintain its existing properties.

Limited Exploration Prospects

The Company's existing properties are all gold prospects in Brazil. Accordingly, the Company does not have a diversified portfolio of exploration prospects either geographically or by mineral targets. The Company's operations could be significantly affected by changes in the market price of gold, as the economic viability of the Company's projects is heavily dependent upon the market price of gold. Additionally, the Company's projects are subject to the laws of Brazil and can be negatively impacted by the existing laws and regulations of that country, as they apply to mineral exploration, land ownership, royalty interests and taxation, and by any potential changes of such laws and regulations.

Title to Properties

The Company cannot guarantee title to all of its properties as the properties may be subject to prior mineral rights applications with priority, prior unregistered agreements or transfers or native land claims, and title may be affected by undetected defects. Certain of the mineral rights held by the Company are held under applications for mineral rights or are subject to renewal applications and, until final approval of such applications is received, the Company's rights to such mineral rights may not materialize and the exact boundaries of the Company's properties may be subject to adjustment. The Company does not maintain title insurance on its properties.

Environmental Laws

The exploration programs conducted by the Company are subject to national, state and/or local regulations regarding environmental considerations in the jurisdiction where they are located. Most operations involving exploration or production activities are subject to existing laws and regulations relating to exploration and mining procedures, reclamation, safety precautions, employee health and safety, air quality standards, pollution of stream and fresh water sources, odor, noise, dust, and other environmental protection controls adopted by federal, state and local governmental authorities as well as the rights of adjoining property owners. The Company may be required to prepare and present to federal, state or local authorities data pertaining to the effect or impact that any proposed exploration or production of minerals may have upon the environment. All requirements imposed by any such authorities may be costly, time consuming, and may delay commencement or continuation of exploration or production operations. However, at this time, the Company is exploring its Properties and does not anticipate preparing environmental impact statements or assessments until such time as the Company believes one or more of its Properties will prove to be commercially feasible.

Exploration and Development Risks

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Company's properties are an early stage exploration prospects and the Company has formed no estimate of a potential ore body. The grade of any ore ultimately mined may differ from that indicated by drilling results. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current development programs planned by the Company will result in a profitable commercial mining operation. Mineral deposits and production costs are affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

Competition

The mineral industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees.

Political Risk

Properties in which the Company has an interest are located in the Amazon basin in Brazil, which may be of particular interest or sensitivity to one or more interest groups. Consequently, mineral exploration and mining activities in those areas may be affected in varying degrees by political uncertainty, expropriations of property and changes in applicable government policies and regulation such as business laws, environmental laws, native land claims entitlements or procedures and mineral rights and mining laws, affecting the Company's business in that area. Any changes in regulations or shifts in political conditions are beyond the control or influence of the Company and may adversely affect its business, or if significant enough, may result in the impairment or loss of mineral concessions or other mineral rights, or may make it impossible to continue its mineral exploration and mining activities in such areas.

Potential Dilution to Existing Shareholders

The Company will require additional financing in order to complete full exploration of its mineral properties. The Company anticipates that it may sell additional equity securities including, but not limited to, its common stock, share purchase warrants or some form of convertible security. The effect of additional issuances of equity securities will result in dilution to existing shareholders.

Insurance Coverage

Mineral exploration is subject to risks of human injury, environmental and legal liability and loss of assets. The Company may elect not to have insurance for certain risks because of the high premiums associated with insuring those risks or, in some cases, insurance may not be available for certain risks. Occurrence of events for which the Company is not insured could have a material adverse effect on the Company's financial position or results of operations.

Key Executives

The Company is dependent on the services of key executives, including its Chairman and Chief Executive Officer, Mark E. Jones, III, its Director and retired President, Leendert G. Krol, and its Vice President of Exploration, Elton L. S. Pereira. Each of the above individuals has many years of background in the mining industry. The Company may not be able to replace that experience and knowledge with other individuals.

Financial Condition; Liquidity and Capital Resources.

The Company has properties that have not proven to be commercially developable, and has no significant revenues from mining operations. The rights and interests in the Castelo de Sonhos and Bom Jardim properties in Brazil constitute the Company's current mineral holdings. The Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company and its management. The Company has implemented cash conservation measures and continues to review any and all opportunities for additional reduction in expenditures. The majority of the Company's financial commitments are related to property payments in Brazil. During the first quarter of 2014 the Company signed the second amending agreement with the vendor of the CDS Property amending the terms of payment. On May 6, 2015 The Company reached an agreement with the vendor of the Castelo de Sonhos property under which the final payment of $1,500,000, originally due in July, 2015 has been extended with payments of $500,000 paid in July, 2015, $300,000 due in January, 2016 and $800,000 due in July, 2016. The Company will also issue 1,000,000 shares of TriStar to the vendor in July, 2016. The payment in the amount of $300,000 is subject to the Company completing a financing to raise at least Cad$3,000,000 prior January 2016.

The Company believes it will have insufficient working capital after October 2015 to fund its corporate overhead activities for the rest of the calendar year, and/or for a future drilling campaign. Additional funds will be required to maintain title to the area covered by the Company's principal Exploration License at the CDS Project after December 2015.

To date, the Company has financed its activities by the private placement of equity securities. In order to continue funding their exploration activities and corporate costs, exploration companies are usually reliant on their ongoing ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for the commodities that are being explored for, a company's track record, and the experience and caliber of a company's management. The Company will seek additional equity financing during 2015, including the potential exercise of outstanding options and warrants. If additional equity is not available, the Company may seek exploration partners to assist in funding acquisition or exploration efforts. The Company has historically been able to successfully raise capital as required for its business needs; however, no assurances can be made by the Company that it can continue to raise debt or equity capital in the future.

At June 30, 2015, the Company had current assets of $360,293 ($154,789 at December 31, 2014), including $350,817 in cash and cash equivalents ($138,798 at December 31, 2014) and $9,476 in other current assets ($15,991 at December 31, 2014) compared to total current liabilities of $332,476 ($396,286 at December 31, 2014).

Of the $350,817 in cash and cash equivalents as of June 30, 2015, the amount of $2,550 and $34,106 was denominated in Canadian dollars and Brazilian Reales, respectively, with the remaining balance in US dollars. The Company's major exploration and development expenditures for the first semester of 2015 were denominated in US dollar and Brazilian Reales.

As of June 30, 2015, the Company had working capital of $27,817 as compared to negative working capital of $241,497 at December 31, 2014. During the second quarter of 2015 the company received funds from financing activities in the amount of $436,801; paid $66,257 in mineral properties exploration expenses and $143,058 in operating activities.

Disclosure of Outstanding Share Data, Warrants and Options

As of August 25, 2015, the Company has issued and outstanding a total of 93,907,966 common shares (146,573,423 fully diluted common shares).

On February 3, 2015, a total of 175,000 common shares were issued as a result of exercise of the same number of share purchase warrants with an exercise price of Cad$0.13 for gross proceeds of Cad$18,127 which in addition to $11,641 representing the fair value of the warrants liability, were settled to common shares in the period.

On February 12, 2015 the Company granted an option to a Director and to a consultant to purchase 1,500,000 and 100,000 common shares of the Company; respectively, at Cad$0.20 per share. The options expire on February 11, 2020 and had an estimated fair value at grant date of $166,846 and $11,125; respectively.

During the six months period ended June 30, 2015 a total of 125,000 stock options, representing the 50% of options granted to an investor relations consultant of the Company on September 2, 2014, vested and the estimated fair value of $15,416 was recorded in Contributed Surplus. The options expire on September 2, 2019 and have an exercise price of Cad$0.20 per share.

On July 6, 2015 the Company closed its private placement, announced February 12, 2015, consisting of 9,366,413 units at the price of Cad$0.15 per unit for gross proceeds of $1,112,753. Each unit consists of one common share and one half (1/2) non-transferable common share purchase warrant. Each of the 4,683,207 common share purchase warrants entitles the holder to purchase one additional common share of the Company at Cad$0.20 per share until January 2017.

As at August 25, 2015, the Company outstanding warrants are as follows:

Number of Warrants	Weighted Average Exercise Price	Issuance Date	Expiry Date
18,985,000	Cad$0.30	December 20, 2010	December 20, 2015
2,700,000	Cad$0.30	July 30, 2012	December 20, 2015
19,782,250	Cad$0.13	March 7, 2014	December 21, 2015
4,683,207	Cad$0.20	July 6, 2015	January 7, 2017
46,150,457			

TriStar has established a stock option plan for directors, senior officer employees, management company employees and consultants of TriStar and its subsidiaries. Under the terms of the plan, the options are exercisable over periods of up to ten years, and the exercise price of each option equals the closing market price of the Company's stock on the trading day immediately before the date of grant. Options are issued at the discretion of the Board of Directors.

The Company had a total of 6,515,000 options to purchase common shares outstanding as of August 25, 2015.

During the period ended June 30, 2015 a total of 1,600,000 stock options were granted to a director and a consultant of the Company with an exercise price of Cad$0.20 per share. The options expire on February 11, 2020. The weighted average fair value at grant date was $177,949 (Cad$0.14 per option).

During the period ended June 30, 2015 a total of 500,000 options were cancelled. The estimated forfeiture rates was nil.

On July 15, 2015 a total of 1,725,000 options with an exercise price of Cad$0.20 expired unexercised.

Financial Instruments

Non-derivative financial assets

The Company recognizes all financial assets initially at fair value and classifies them into one of the following four categories: held-to-maturity, available-for-sale ("AFS"), loans and receivables or other financial liabilities, or fair value through profit or loss ("FVTPL"). Financial assets held to maturity and loans and receivables are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss). Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in net income (loss).

The fair value of financial instruments traded in active markets (such as FVTPL and AFS securities) is based on quoted market prices at the date of the statement of financial position. The quoted market price used for financial assets held by the Company is the last bid price of the day.

The Company has classified cash and cash equivalents and receivables as loans and receivables.

The fair value of cash and cash equivalents and accounts receivable are approximated by their carrying value due to the short term nature of these financial instruments.

Non-derivative financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the statement of comprehensive income (loss). Other financial liabilities, are initially measured at fair value net of transaction costs, and subsequently measured at amortized cost.

Accounts payable and accrued liabilities and provisions are classified as other financial liabilities.

The fair value of accounts payable and accrued liabilities are approximated by their carrying value due to the short term nature of these financial instruments.

Derivative instruments

Derivative instruments are recorded at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are recorded in net earnings.

The Company's share purchase warrants with Canadian dollar exercise prices are derivative liabilities and accordingly, they are recorded at fair value at each reporting period, with the gains or losses recorded in the statement of comprehensive income (loss) for the period.

Financial Instruments and Management of Financial Risk

The Company is exposed to potential loss from various risks including currency risk, interest rate risk, liquidity risk, market risk and commodity price risk.

Market Risks

The significant market risks to which the Company is exposed include commodity price risk and interest rate risk.

Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and accounts receivable. The Company invests any excess capital in short-term, highly liquid and highly-rated financial instruments such as cash and short-term guaranteed deposits, all held within Canadian and United State of America financial institutions.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents balances. Liquidity requirements are managed based on expected cash flow to ensure there is sufficient capital to meet short-term obligations. The Company estimates that is contractual obligations pertaining to accounts payable and accrued liabilities will be satisfied within one year.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market price of gold. The Company does not have any sales currently and accordingly no hedging or other commodity-based risks respecting its operations.

Market prices for gold historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

In respect of financial assets, the Company's policy is to invest cash at variable rates of interest in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return. The Company is exposed to interest rate risk on its short-term investments which are included in cash and cash equivalents. The short-term investment interest earned is based on prevailing one to 90 days market interest rates which may fluctuate. The Company has not entered into any derivative contracts to manage this risk.

Currency risk

The Company operates in United States of America, Canada, and Brazil. As a result, the Company has foreign currency exposure with respect to items not denominated in United States dollars. The three main types of foreign exchange risk of the Company can be categorized as follows:

Transaction exposure

The Company operates and incurs costs in different currencies. This creates exposure at the operational level, which may affect the Company's profitability as exchange rates fluctuate. The Company has not hedged its exposure to currency fluctuations.

Translation exposure

A strengthening of the U.S. dollar by 10% against the Canadian dollar and the Brazilian Real at June 30, 2015, with all other variables held constant would have decreased the Company's before tax net loss by approximately $172,000 (at June 30, 2014 would have decreased the Company's before tax net loss by approximately $367,000) as a result of a change in value of the financial assets and liabilities denominated in those currencies.

Exposure to currency risk

The Company is exposed to currency risk through the following assets and liabilities denominated in currencies other than the United States dollar: cash and cash equivalents, accounts receivables, prepaid expenses, accounts payables and other liabilities, provisions and warrants liability. The currencies of the Company's financial instruments and other foreign currency denominated liabilities, based on notional amounts, were as follows:

	June 30, 2015		December 31, 2014	
	Canadian dollar	Brazilian Real	Canadian dollar	Brazilian Real
Cash and cash equivalents	$ 2,550	$ 34,106	$ 87,379	$ 10,801
Accounts receivable	1,184	3,515	423	1,523
Prepaid expenses	2,771	155	9,785	1,933
Accounts payable and accrued liabilities	(12,809)	(22,350)	(6,112)	(34,787)
Provisions	-	(290,811)	-	(317,321)
Warrants liability	(1,122,202)	-	(1,462,257)	-
Net balance sheet exposure	$ (1,128,506)	$ (275,385)	$ (1,370,782)	$ (337,851)

Off-Balance Sheet Arrangements

As of August 25, 2015, the Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from relevant markets.

The fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value.

- - Level 1 inputs are unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the entity can access at the measurement date.
- - Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (for example, interest rate and yield curves observable at commonly quoted interval and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means.
- - Level 3 inputs are prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at June 30, 2015, the Company's assets and liabilities measured at fair value on a recurring basis were as follows:

	Level 1	Level 2	Level 3
Assets			
Cash and cash equivalents	$ 350,817	$ -	$ -
Liabilities			
Warrants liability	-	1,122,202	-
	$ 350,817	$ 1,122,202	$ -

The following table provides the carrying value and the fair value of financial instruments at June 30, 2015:

	Carrying Amount	Fair Value
Financial assets		
Cash and cash equivalents	$ 350,817	$ 350,817
Accounts receivable	4,700	4,700
	$ 355,517	$ 355,517
Financial liabilities		
Accounts payable and accrued liabilities	$ 41,665	$ 41,665
	$ 41,665	$ 41,665
Derivative instruments		
Warrants liability	$ 1,122,202	$ 1,122,202

Commitments and Contingencies

The Company leases offices in United States and Brazil, with expiry dates ranging between July 2015 and September 2016, for an estimated cost of $3,200 per month and are cancellable within one to four months' notice.

The Company has various property access agreements, which are renewed periodically, related to its projects at an estimated cost of approximately $1,700 per month.

Additionally, the Company has option payment obligations related to the Castelo de Sonhos property. Option payments in the amount of $300,000 and $800,000; due in January 2016 and July 2016; respectively, are contingent on exploration results and can be cancelled at any time (Note 7).

There are no materials pending legal proceedings to which the Company or any of its subsidiaries is a party or to which any of their property is subject.

Related Party Transactions

During the six month periods ended June 30, 2015 and 2014, the Company paid consulting fees of $60,840 and $87,505 respectively to directors and officers for advisory services, and paid directors' fees of nil to directors.

During the six month periods ended June 30, 2015 and 2014, the Company paid legal fees in the amounts of zero and $17,512, respectively, to a company where one director has ownership interests.

Key management personnel compensation comprised:

	Three months ended		Six months ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Short term employee benefits	$ -	$ 51,988	$ -	$ 51,988
Consulting fees	29,232	54,728	60,840	87,505
Stock Option Compensation	-	99,663	166,868	99,663
	$ 29,232	$ 206,379	$ 227,708	$ 239,156

As of June 30, 2015 the total number of outstanding warrants and options held by directors and officers of the Company was 4,823,000 units and 6,275,000 units, respectively.

As of June 30, 2015 a director has advanced $318,673 to be subscribed at the Private Placement announced February 12, 2015.

As of June 30, 2014 the total number of outstanding warrants and options held by directors and officers of the Company was 6,273,000 units and 5,775,000 units, respectively.

Directors participated for a total of 1,925,000 units in the Private Placement completed on March 7, 2014.

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Critical Accounting Estimates

The following are critical judgments and key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that management has made in applying the Company's accounting policies which have the most significant effect on the amounts recognized in the consolidated financial statements and a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Going concern

Management considers whether there exists any event(s) or condition(s) that may cast doubt on the Company's ability to continue as a going concern. Considerations take into account all available information about the future including the availability of debt and equity financing as well as the Company's working capital balance and future commitments.

Functional currency

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The functional currency of all entities within the group is the United States dollar. Functional currency of each of the entities was determined based on the currency that mainly influences sales prices for goods and services, labor, material and other costs and the currency in which funds from financing activities are generated.

Impairment of assets

Management assesses each cash-generating unit at each reporting period to determine whether any indication of impairment exists. In addition, management assesses a cash-generating unit for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell and its value in use. These assessments require the use of estimates and assumptions such as future capital requirements and assessments of preliminary assay results. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

Fair value of derivative financial instruments

Management assesses the fair value of the Company's financial derivatives in accordance with the accounting policy stated in Note 4 to the consolidated financial statements. Fair values of warrants have been measured using the Black-Scholes model, taking into account the terms and conditions upon which the warrants are granted. These calculations require the use of estimates and assumptions. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the Company's financial derivatives. When these assumptions change or become known in the future, such differences will impact asset and liability carrying values in the period in which they change or become known.

At June 30, 2015 the fair value of the Company's warrants was estimated using the Black-Scholes option-pricing model with the following assumptions:

Expected dividend yield	0%
Expected volatility	84.01%
Risk-free interest rate	0.64%
Expected life	2 - 6 month
Share Price	Cad$0.18

Fair value of stock options

The Company provides additional compensation benefits to employees and non-employees through a stock-based compensation plan. Management assesses the fair value of stock options granted in accordance with the accounting policy stated in Note 4 to the consolidated financial statements. The fair value of the options granted is measured using the Black-Scholes model, taking into account the terms and conditions upon which the options are granted. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the Company's stock options.

The fair value of options granted on February 12, 2015 has been estimated as of the date of grant using the Black-Scholes option-pricing model with the following assumptions:

Expected dividend yield	0%
Expected volatility	113.53%
Risk-free interest rate	0.57%
Expected life	3.5 years
Share Price	Cad$0.195
Weighted average fair value of options granted	Cad$0.14

Option pricing models require the input of subjective assumptions including the expected price volatility and the expected life. Changes in these assumptions can materially affect the estimated fair value of the stock options granted. The expected price volatility used was based on the historic volatility of the Company's share price.

Stock-based compensation related to options granted to employees and non-employees increased the following expenses in the consolidated statements of comprehensive income (loss) as follows:

	Three months ended		Six months ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Consulting	$ 7,708	$ 83,647	$ 193,709	$ 83,647
Salaries	-	56,950	-	56,950
	$ 7,708	$ 140,597	$ 193,709	$ 140,597

These amounts have been recorded as contributed surplus on the consolidated statements of financial position.

Provisions

Provisions recognized in the financial statements involve judgments on the occurrence of future events which could result in a material outlay for the Company. In determining whether an outlay will be material, the Company considers the expected future cash flows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported.

Recent and Future Changes in Accounting Pronouncements

The IASB and IFRIC have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods. Management has not yet determined the potential impact the adoption of the new and revised Standards and Interpretations will have on the Company's consolidated financial statements.

- - IFRS 9, "Financial instruments" (IFRS 9) was issued by the IASB in November 2009 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" (IAS 39). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

  - IFRS 15, "Revenue from Contracts with Customers" replaces IAS18, Revenue, IAS11, Construction Contracts and related interpretations. IFRS 15 establishes a new control-based revenue recognition model, changes the basis for deciding when revenue is recognized at a point in time or over time, provides new and more detailed guidance on specific topics and expands and improves disclosures revenue. This standard is effective for reporting periods beginning on or after January 1, 2017.

Controls and Procedures

In connection with the Exemption Orders issued in November 2007 by each of the British Columbia Securities Commission and Ontario Securities Commission, the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the annual consolidated financial statements for the years ended December 31, 2014 and 2013, and this accompanying MD&A.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

1. i)controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
2. ii)a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's General Accepted Accounting Principles.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Qualified Person

Mr. Rodrigo Mello, FAusIMM, a qualified person as defined in NI 43-101, has read and approved the technical portions of this Management's Discussion and Analysis.

Additional Information

Additional Information related to TriStar including material change notices, certifications of annual and interim filings, and press releases are available for review under the Company's profile in SEDAR at www.sedar.com, and the Company's website at www.tristarau.com.