



Trigon Metals Inc.
(Formerly Kombat Copper Inc.)

Consolidated Financial Statements

For the years ended March 31, 2017 and 2016

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Trigon Metals Inc. (formerly Kombat Copper Inc.)

We have audited the accompanying consolidated financial statements of Trigon Metals Inc. (formerly Kombat Copper Inc.) and its subsidiaries, which comprise the consolidated statements of financial position as at March 31, 2017 and 2016, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Trigon Metals Inc. (formerly Kombat Copper Inc.) and its subsidiaries as at March 31, 2017 and 2016, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that Trigon Metals Inc. (formerly Kombat Copper Inc.) had continuing losses during the year ended March 31, 2017, a cumulative deficit as at March 31, 2017, and a need for additional financings. These conditions along with other matters set forth in Note 1 indicate the existence of material uncertainties which cast significant doubt about the ability of Trigon Metal Inc. (formerly Kombat Copper Inc.) to continue as a going concern.

UHY McGovern Hurley LLP



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
July 20, 2017

Trigon Metals Inc.
(Formerly Kombat Copper Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	March 31, 2017	March 31, 2016
ASSETS			
Current assets			
Cash		\$ 391,870	\$ 39,120
Restricted cash	2	30,000	-
Amounts receivable	4	80,977	37,303
Prepaid expenses	12	19,650	9,000
Total current assets		522,497	85,423
Non-current Assets			
Property and equipment	5	354,434	416,600
Total Assets		\$ 876,931	\$ 502,023
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7,12	\$ 350,159	\$ 381,894
Total Liabilities		350,159	381,894
EQUITY			
Equity attributable to shareholders of Trigon Metals Inc.:			
Share capital	10	32,429,180	30,698,100
Warrants	11	404,821	1,801,499
Contributed surplus	11	932,686	1,095,486
Deficit		(33,118,824)	(33,423,722)
Total equity attributable to shareholders of Trigon Metals Inc.		647,863	171,363
Non-controlling interest		(121,091)	(51,234)
Total Equity		526,772	120,129
Total Liabilities and Equity		\$ 876,931	\$ 502,023
Going concern (note 1)			
Commitments and contingencies (note 13)			
Subsequent events (note 15)			

Approved by the Board of Directors on July 20, 2017.

"Stephan Theron"

Stephan Theron
Director

"Justin Reid"

Justin Reid
Director

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

Trigon Metals Inc.
(Formerly Kombat Copper Inc.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		For the years ended March 31,	
	Notes	2017	2016
Expenses			
Consulting fees	12	\$ 556,738	\$ 451,489
Professional fees		42,960	57,430
Share-based payments	11	75,019	207,690
Travel and related costs		69,229	64,269
Shareholder communications and filing fees		159,377	56,513
General and administrative costs		99,878	81,451
Exploration and evaluation expenditures	6	759,088	497,662
Depreciation	5	21,072	24,992
Write down of equipment	5	58,824	-
Foreign exchange (gain) loss		(3,798)	53,184
Total expenses		\$ 1,838,387	\$ 1,494,680
Other items			
(Loss) gain on equipment disposal	5	(3,401)	20,334
Other income		37,511	72,206
Net loss before income tax		(1,804,277)	(1,402,140)
Deferred income tax recovery	15	-	1,091,000
Net loss and comprehensive loss		\$ (1,804,277)	\$ (311,140)
Net loss and comprehensive loss attributable to:			
Shareholders of Trigon Metals Inc.		\$ (1,734,420)	\$ (236,360)
Non-controlling interest		(69,857)	(74,780)
		\$ (1,804,277)	\$ (311,140)
Loss per share			
Basic and diluted		(0.11)	(0.02)
Weighted average number of common shares outstanding			
Basic and diluted		16,341,314	14,519,205

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

Trigon Metals Inc.
(Formerly Kombat Copper Inc.)
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Notes	Attributable to equity owners of Trigon Metals Inc.						Total shareholders' equity	Non-Controlling Interest	Total equity
		Number of common shares	Share Capital	Contributed surplus	Warrants	Deficit				
Balance as at March 31, 2015		14,519,189	\$ 30,698,100	\$ 960,095	\$10,034,326	\$ (40,401,488)	\$ 1,291,033	\$ 23,546	\$ 1,314,579	
Net loss for the year		-	-	-	-	(236,360)	(236,360)	(74,780)	(311,140)	
Expired warrants	11	-	-	-	(8,232,827)	8,232,827	-	-	-	
Expired options	11	-	-	(72,299)	-	72,299	-	-	-	
Share-based payments	11	-	-	207,690	-	-	207,690	-	207,690	
Tax impact on expired warrants	15	-	-	-	-	(1,091,000)	(1,091,000)	-	(1,091,000)	
Balance as at March 31, 2016		14,519,189	\$ 30,698,100	\$ 1,095,486	\$ 1,801,499	\$ (33,423,722)	\$ 171,363	\$ (51,234)	\$ 120,129	
Net loss for the year		-	-	-	-	(1,734,420)	(1,734,420)	(69,857)	(1,804,277)	
Private placement	10	3,686,274	2,159,936	-	-	-	2,159,936	-	2,159,936	
Warrants issued	11	-	(411,179)	-	411,179	-	-	-	-	
Share and warrants issued costs	10,11	-	(17,677)	-	(6,358)	-	(24,035)	-	(24,035)	
Share-based payments	11	-	-	75,019	-	-	75,019	-	75,019	
Expired options	11	-	-	(237,819)	-	237,819	-	-	-	
Expired warrants	11	-	-	-	(1,801,499)	1,801,499	-	-	-	
Balance as at March 31, 2017		18,205,463	\$ 32,429,180	\$ 932,686	\$ 404,821	\$ (33,118,824)	\$ 647,863	\$ (121,091)	\$ 526,772	

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

Trigon Metals Inc.
(Formerly Kombat Copper Inc.)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Notes	For the years ended March 31,	
		2017	2016
Cash provided by (used for):			
Operating activities			
Net loss for the period from continuing operations		\$ (1,804,277)	\$ (311,140)
Adjustments for items not affecting cash:			
Deferred income tax recovery	15	-	(1,091,000)
Share-based payments	11	75,019	207,690
Depreciation	5	21,072	24,992
Foreign exchange		(22,064)	40,186
Write down of equipment	5	58,824	-
Loss (gain) on equipment disposal	5	3,401	(20,334)
Net cash from operating activities before changes in working capital		(1,668,025)	(1,149,606)
Net changes in non-cash working capital		(89,042)	158,497
Net cash flows used in operating activities		(1,757,067)	(991,109)
Investing activities			
Purchase of property and equipment	5	-	(12,512)
Proceeds on equipment disposal / scrap sales		3,916	43,490
Increased in restricted cash		(30,000)	-
Net cash flows provided by investing activities		(26,084)	30,978
Financing activities			
Private placement	10	2,159,936	-
Share and warrant issuance cost	10	(24,035)	-
Net cash flows provided by financing activities		2,135,901	-
Increase (decrease) in cash during the year		352,750	(960,131)
Cash - Beginning of year		39,120	999,251
Cash - End of year		\$ 391,870	\$ 39,120

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

Trigon Metals Inc.
(Formerly Kombat Copper Inc.)
Notes to the Consolidated Financial Statements

For the years ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Trigon Metals Inc. (formerly Kombat Copper Inc.) (the “Company” or “Trigon”) was incorporated under the Business Corporations Act of Canada on April 1, 2005. On December 28, 2016, the Company changed its name from Kombat Copper Inc. to Trigon Metals Inc. and its stock symbol from “KBT” to “TM”. The Company’s head office is located at 65 Queen Street West, Suite 805, Toronto, Ontario, M5H 2M5.

These consolidated financial statements were reviewed, approved and authorized for issue by the Board of Directors on July 20, 2017.

The principal business activities of Trigon and its subsidiaries (collectively, the “Company”) are the acquisition, maintenance, exploration and development of mines and mineral properties in the African country of Namibia. 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. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the amounts shown for property and equipment is dependent upon the Company obtaining the necessary financing to complete the exploration and evaluation properties, the discovery of economically recoverable reserves and future profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, social and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with current cash on hand, potential proceeds from exercise of warrants/stock options, and further private placements, if available. Subsequent to March 31, 2017, the Company was able to close a private placement financing (see Note 15), however, there is no assurance that additional financing will be available on terms acceptable to the Company, or at all. If additional financing is not available to the Company, there will be material uncertainty casting significant doubt about the Company’s ability to continue as a going concern.

These consolidated financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary should the Company be unable to continue operations. Such adjustments could be material.

Trigon Metals Inc.
(Formerly Kombat Copper Inc.)
Notes to the Consolidated Financial Statements

For the years ended March 31, 2017 and 2016
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by International Accounting Standards Board (“IASB”), applicable to the preparation of consolidated financial statements and in accordance with accounting policies based on IFRS standards and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations. The Company has consistently applied the accounting policies used in the preparation of these consolidated financial statements throughout all periods presented, as if these policies had always been in effect.

Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis using the accrual basis of accounting except for cash flow information.

Basis of Consolidation

These consolidated financial statements incorporate the accounts of Trigon Metals Inc. and its subsidiaries, PNT Financeco Corp. (Barbados) 100%, Kombat Holdings Namibia (Pty) Ltd. (Namibia) 100%, Kombat Copper Mine (Pty) Ltd. (Namibia) 100%, and Manila Investments (Pty) Ltd. (“Manila”) (Namibia) 80%. All intercompany transactions, balances, income and expenses are eliminated on consolidation. The 20% of Manila not owned by the Company is owned by the Government of Namibia and a local Namibian partner.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

For non-wholly owned, controlled subsidiaries, the net assets attributable to outside equity shareholders are presented as “non-controlling interests” in the equity section of the consolidated statement of financial position. Profit for the period that is attributable to non-controlling interests is calculated based on the ownership of the minority shareholders in the subsidiary. Warrants and stock options issued by subsidiaries, exercisable into subsidiary shares, are presented as a component of non-controlling interest in the consolidated statement of financial position.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Company ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

The partial disposal of an interest resulting in loss of control meets the definition of a disposal group. A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Consolidation (Continued)

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of loss.

Foreign currency transactions

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The Canadian dollar has been determined as the functional currency of the Company and all subsidiaries, and is the currency in which funds from financing activities (i.e., issuing debt and equity instruments) are generated and because the activities of the foreign operation are carried out as an extension of the reporting entity, rather than being carried out with a significant degree of autonomy.

Foreign currency transactions are translated into the functional currency of the entity in which they occur using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in currencies other than functional currency at period-end exchange rates are recognized in the consolidated statement of loss.

Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and impairment losses. All property and equipment, with the exception of buildings, are depreciated on a straight-line basis over three to five years. Buildings are depreciated over 40 years.

Significant components of the property and equipment are recorded and depreciated separately. Residual values, method of depreciation and the useful lives of assets are revised annually and adjusted prospectively, if appropriate, if there is an indicator of a significant change since the last reporting date.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews and evaluates the recoverable amount of its property and equipment and when events or changes in circumstances indicate that the carrying amounts of related assets or groups of assets might not be recoverable.

For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset). Any resulting write-down of the excess of carrying value over the recoverable amount is charged to the consolidated statement of loss.

Trigon Metals Inc.
(Formerly Kombat Copper Inc.)
Notes to the Consolidated Financial Statements

For the years ended March 31, 2017 and 2016
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and evaluation costs

Field exploration, supervisory costs and costs associated with maintaining a mineral property are expensed until the Company has a reasonable expectation that the property is capable of commercial production, supported by a positive economic analysis showing a NI 43-101 compliant mineral reserve and approved by the Board of Directors.

Financial instruments

Financial assets:

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or derivatives. The Company determines the classification of its financial assets at initial recognition.

The Company's financial assets include cash, restricted cash and amounts receivable. Initially they are recognized at fair value, and subsequently measured at amortized cost using the effective interest method. Amortized cost approximates fair value due to the short-term maturity of these assets. They are included in current assets, except for maturities greater than twelve months after the year-end.

Regular purchases and sales of financial assets are recognized on the date on which the Company commits to purchase or sell assets.

Financial assets are derecognized when the rights to receive cash flows from investments cease and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities:

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Company's financial liabilities include accounts payable and accrued liabilities. Initially they are recognized at fair value, and subsequently measured at amortized cost using the effective interest method.

Financial instruments are initially recorded at fair value. The fair values of cash, restricted cash, amounts receivables, accounts payable and accrued liabilities approximate their recorded amounts because of their short-term nature.

Impairment of financial assets (including receivables):

A financial asset not carried at fair value through profit or loss is assessed at each reporting date for impairment if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise or indicators that debtor or issuer will enter bankruptcy.

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(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (including receivables): (continued)

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Cash and restricted cash

Cash and restricted cash are comprised of cash on hand and deposits that generally mature within 90 days from the date of acquisition. Deposits are held in Canadian chartered banks or in a financial institution controlled by a Canadian chartered bank. At March 31, 2017, the Company had a \$30,000 (2016 - \$Nil) GIC deposit as security for the Company's corporate credit card.

Provisions

Provisions are recognized when: (i) the Company has a present obligation (legal or constructive) as a result of a past event, and (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The Company had no material provisions at March 31, 2017 and 2016.

Operating segments

The Company has concluded that it has only one material operating segment (the development of its Namibian mining and exploration permits) for financial reporting purposes.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes (Continued)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Loss per share

Basic loss per share is calculated by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding for the year. In the event of the Company reporting net profit, the diluted loss per share will be similar to basic loss per share, except that the denominator will be increased to include the number of additional shares that would have been outstanding if the dilutive potential common shares in connection with the issued share options and warrants had been issued using the treasury stock method. The Company's options and warrants were anti-dilutive for the years ended March 31, 2017 and 2016.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The fair value of stock based compensation is determined using the Black-Scholes option pricing model. The compensation expense is recognized over the period during which the options vest based on the estimate of equity instruments expected to vest. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in contributed surplus is recorded as an increase to share capital. Unexercised expired stock options are transferred to deficit.

Prepaid expenses

Prepaid expenses represent payments made or obligations incurred in advance of the receipt of goods or rendering of services. Prepaid expenses are typically included in other current assets on the consolidated statement of financial position.

Contingencies

In assessing loss contingencies related to legal proceedings that are pending against us or unasserted claims that may result in such proceedings, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or unasserted claims of the amount of relief sought or expected to be sought.

If the assessment of a contingency suggests that a loss is probable, the amount can be reliably estimated, and there is a present obligation as a result of a past event, then a loss is recorded. The details of a contingent loss are disclosed unless the possibility of any outflow in settlement is remote. Legal fees incurred with pending legal proceedings are expensed as incurred.

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2. SIGNIFICANT ACCOUNTING POLICY (Continued)

Warrants

Warrants are recognized at fair value on the date of grant and are measured using the Black-Scholes option pricing model. Upon exercise of warrants, consideration paid by the warrant holder together with the amount previously recognized in warrants is recorded as an increase to share capital. Unexercised expired warrants are transferred to deficit.

Decommissioning obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a property interest.

Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company had no material decommissioning obligations as at March 31, 2017 and 2016.

Changes in accounting policies

Current accounting changes:

During 2017, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS 7, IAS 1 and IAS 27. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

New and future accounting changes:

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on April 1, 2017 or later. Updates that are not applicable or are not consequential to the Company have been excluded.

IFRS 2 – Share-based Payment (“IFRS 2”) was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Company has not yet considered the potential impact of the adoption of IFRS 2.

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(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICY (Continued)

Changes in accounting policies (Continued)

New and future accounting changes: (continued)

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. 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. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new 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. Earlier adoption is permitted. The Company has not yet considered the potential impact of the adoption of IFRS 9.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration (“IFRIC 22”) was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognized in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The Company has not yet considered the potential impact of the adoption of IFRIC 22.

IAS 7 – Statement of Cash Flows (“IAS 7”) was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017. The Company has not yet considered the potential impact of the adoption of IAS 7.

IAS 12 – Income Taxes (“IAS 12”) was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. The Company has not yet considered the potential impact of the adoption of IAS 12.

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3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant areas of estimation and uncertainties considered by management in preparing the consolidated financial statements include:

Critical judgement in applying accounting policies:

- Control of subsidiaries

The Company consolidates subsidiaries over which it has control. Management assesses control in accordance with IFRS 10 - Consolidated Financial Statements and has determined it controls each of its subsidiaries.

- Determination of functional currency

Based on the primary indicators in IAS 21 – The Effects of Change in Foreign Exchange Rates – the Canadian dollar has been determined as the functional currency of the Company and all subsidiaries as the Canadian dollar is the currency in which funds from financing activities (i.e., issuing debt and equity instruments) are generated and because the activities of the foreign operation are carried out as an extension of the reporting entity, rather than being carried out with a significant degree of autonomy. Effects of changes in foreign exchange rates are recorded as foreign exchange gain (loss) on the statement of loss. If the functional currency of the Namibian entities had been the Namibian dollar, the effect of changes in foreign exchange rates would have been reflected as other comprehensive income and carried as a cumulative translation adjustment within accumulated other comprehensive income in the equity section of the consolidated statement of financial position.

- Assets' carrying values and impairment charges

Events or changes in circumstances can give rise to significant impairment charges or reversals of impairment in a particular year. Management exercises its judgment in determining when such events or changes in circumstances have arisen and where such circumstances evidence a significant or prolonged decline of fair value on assets indicating impairment.

Key sources of estimation uncertainty:

- Depreciation rates

All property, plant and equipment, with the exception of buildings, are depreciated on a straight-line basis over three to five years, which the Company believes is the best approximation of the asset utility to the Company. If the estimated life had been longer than management's estimate, the carrying amount of the asset would have been higher.

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3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS (Continued)

- Mineral reserve and resource estimates

The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control.

Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operation.

- Assets' carrying values and impairment charges

The determination of carrying values and impairment charges and their individual assumptions require that management make an estimate based on the best available information at each reporting period. Under situations where management has determined indicators of impairment are present, an impairment assessment will be performed by management whereupon management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets.

- Share-based payment transactions

The Company records share-based compensation at fair value over the vesting period. The fair value of the grant is determined using the Black-Scholes options pricing model and management assumptions regarding expected dividend yield, expected volatility, forfeiture rate, risk free rate and expected life. Should the underlying assumptions change, it will impact the fair value of the share-based compensation. Similar calculations are made in order to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Taxes, income taxes and deferred taxes

The Company is subject to income and other taxes in various jurisdictions. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax filings are subject to audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made. Any estimates for value added and withholding taxes have been included in accounts payable and accrued liabilities.

- Contingencies

Refer to Note 13.

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4. AMOUNTS RECEIVABLE

	March 31,	March 31,
	2017	2016
Sales tax receivable	\$ 80,970	\$ 24,171
Other	7	13,132
	\$ 80,977	\$ 37,303

5. PROPERTY AND EQUIPMENT

Property and equipment are carried at cost less accumulated depreciation and consist of the following:

	March 31, 2017			March 31, 2016		
	Cost	Accumulated Depreciation	Net book value	Cost	Accumulated Depreciation	Net book value
Furniture	\$ 6,300	\$ 6,300	\$ -	\$ 6,300	\$ 6,300	\$ -
Vehicles	104,590	84,223	20,367	104,590	68,843	35,747
Land and buildings	242,811	4,569	238,242	232,951	3,046	229,905
Equipment	161,946	66,121	95,825	154,076	3,128	150,948
	\$ 515,647	\$ 161,213	\$ 354,434	\$ 497,917	\$ 81,317	\$ 416,600

Included in the 2017 accumulated depreciation changes for the year is \$58,824 relating to the write down of equipment.

Reconciliation of the carrying amounts for the years ended March 31, 2017 and 2016 are as follows:

Cost	Land &					Total
	Furniture	Vehicles	Buildings	Equipment		
Balance as at March 31, 2015	\$ 6,300	\$ 104,590	\$ 182,578	\$ 204,906		\$ 498,374
Additions	-	-	50,373	12,512		62,885
Disposals	-	-	-	(23,156)		(23,156)
Effect of foreign exchange	-	-	-	(40,186)		(40,186)
Balance as at March 31, 2016	\$ 6,300	\$ 104,590	\$ 232,951	\$ 154,076		\$ 497,917
Additions	-	-	2,984	-		2,984
Disposals	-	-	-	(7,317)		(7,317)
Effect of foreign exchange	-	-	6,876	15,187		22,063
Balance as at March 31, 2017	\$ 6,300	\$ 104,590	\$ 242,811	\$ 161,946		\$ 515,647

Accumulated depreciation, depletion and impairment

Balance as at March 31, 2015	\$ (3,937)	\$ (50,865)	\$ (1,523)	\$ -	\$ (56,325)
Changes for the year	(2,363)	(17,978)	(1,523)	(3,128)	(24,992)
Balance as at March 31, 2016	(6,300)	(68,843)	(3,046)	(3,128)	(81,317)
Changes for the year	-	(15,380)	(1,523)	(62,993)	(79,896)
Balance as at March 31, 2017	\$ (6,300)	\$ (84,223)	\$ (4,569)	\$ (66,121)	\$ (161,213)
Net book value as at March 31, 2016	\$ -	\$ 35,747	\$ 229,905	\$ 150,948	\$ 416,600
Net book value as at March 31, 2017	\$ -	\$ 20,367	\$ 238,242	\$ 95,825	\$ 354,434

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6. EXPLORATION AND EVALUATION EXPENDITURES

	For the years ended March 31,	
	2017	2016
Drilling	\$ -	\$ 135,093
Geological studies and reports	-	17,351
Field office and support	163,291	106,669
PEA	37,216	-
Consulting and labour	442,344	207,072
Travel	116,237	31,477
Total exploration and evaluation expenditures	\$ 759,088	\$ 497,662

The Company retains an 80% interest in its five mining licenses in Northern Namibia through its Manila subsidiary. The mining licenses expire in March 2019.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2017	March 31, 2016
Trade payables	\$ 223,282	\$ 238,229
Accruals	126,877	143,665
	\$ 350,159	\$ 381,894

8. FINANCIAL INSTRUMENTS

Financial instruments measured at fair value on the consolidated statements of financial position are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, restricted cash, amounts receivable, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. The Company has no financial instruments recorded at fair value.

Financial assets and financial liabilities as at March 31, 2017 and 2016 were as follows:

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8. FINANCIAL INSTRUMENTS (Continued)

	Loans and receivables	Other liabilities	TOTAL
<u>At March 31, 2017</u>	\$	\$	\$
Financial assets:			
Cash	391,870	-	391,870
Restricted cash	30,000	-	30,000
Amounts receivable	7	-	7
Financial liabilities:			
Accounts payable and accrued liabilities	-	350,159	350,159
<u>At March 31, 2016</u>	\$	\$	\$
Financial assets:			
Cash	39,120	-	39,120
Amounts receivable	13,132	-	13,132
Financial liabilities:			
Accounts payable and accrued liabilities	-	381,894	381,894

9. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As the Company's properties are in the exploration and evaluation stage, the Company is currently unable to self-finance its operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable. The Company's share capital is not subject to any external restrictions.

Risk management is carried out by the management team under policies approved by the Board of Directors. The Board of Directors also provides reward guidance for overall risk management. The Company's capital management objectives, policies and processes have remained unchanged during the year ended March 31, 2017. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of March 31, 2017, the Company may not be compliant with the policies of the TSXV. The impact of any such violation is not known and is ultimately dependent on the discretion of the TSXV.

The Company's financial instruments comprise cash, restricted cash, amounts receivable and accounts payable and accrued liabilities. The main use of these financial instruments is to fund operations and the pursuit of capital transactions. The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are credit risk, liquidity risk and market risk. The Company has no interest rate risk as there are no outstanding bank borrowings and no interest rate exposure, as the Company finances its operations primarily through share offerings.

Management mandates and agrees policies for managing each of these risks. The Company is exposed to a variety of financial risks by virtue of its activities including but not limited to those summarized below.

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9. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS (Continued)

The following discussion also includes a sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and show the impact on income or loss and shareholders' equity, where applicable.

The sensitivity analysis has been prepared for the year ended March 31, 2017, using the amounts of other financial assets and liabilities held as at the consolidated statement of financial position date.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets. With respect to credit risk arising from financial assets of the Company, which comprise cash and cash equivalents and minimal receivables, the Company's exposure to credit risk arises from default of counterparties, with a maximum exposure equal to the carrying amount of these instruments. Cash and restricted cash balances are held with high credit quality financial institutions. The credit risk of the Company is considered minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances.

The Company manages its liquidity risk by forecasting cash flows required for operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at March 31, 2017, the Company had a cash balance of \$391,870 (March 31, 2016 – \$39,120). As at March 31, 2017, the Company's financial liabilities consisted of accounts payable and accrued liabilities of \$350,159 (March 31, 2016 - \$381,894) based on contractual undiscounted payments, all due in less than one year.

Subsequent to the year ended March 31, 2017, the Company was able to raise \$485,000 through private placement financing (see Note 15).

Market and foreign currency risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the Company's income or the value of its holdings of financial instruments.

The ability of the Company to explore and evaluate its exploration and evaluation properties and the future profitability of the Company are directly related to the price of copper. The Company monitors copper prices to determine the appropriate course of action to be taken.

Foreign currency risk is created by fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates and exposure as a result of investment in its subsidiaries. The Company is exposed to currency risk by incurring certain expenditures in US dollars, Namibian dollars and South African Rand for its operations in Namibia. The Company has sought to minimize this risk by keeping its cash reserves in Canadian dollars and only purchasing US dollars, Namibian dollars and South African Rand as needed.

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9. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk as it only holds cash and does not have any interest bearing debt.

Sensitivity analysis

The carrying amount of accounts receivable equals fair market value. The effect of changes in foreign exchange rates on net loss is deemed insignificant as the number and amount of foreign-currency transactions are relatively small. Had the foreign exchange rates been higher (lower) by 10%, the foreign exchange in the consolidated statement of loss would have been lower (higher) by approximately \$5,900.

10. SHARE CAPITAL

(a) Authorized:

Unlimited number of voting common shares
Unlimited number of non-voting preferred shares, issuable in series

(b) Issued:

Reconciliation of the number and value of common shares for the years ended March 31, 2017 and 2016 follows. All issued shares are fully paid.

	Number of shares	Issued Capital
Balance, March 31, 2016 and 2015	14,519,189	\$ 30,698,100
Shares issued pursuant to private placement	3,686,274	\$ 2,159,936
Cost of issue	-	(17,677)
Warrants issued	-	(411,179)
Balance, March 31, 2017	18,205,463	\$ 32,429,180

On December 6, 2016, the Company announced that it had consolidated its issued and outstanding Common Shares on the basis of one new common share for every existing ten common shares (the "Consolidation"). The Company's common shares commenced trading on the TSXV on a post-consolidated basis on December 6, 2016. All references to common shares, per share amounts, warrants and options for all periods presented have been retroactively restated to reflect the consolidation.

On May 17, 2016, the Company completed a non-brokered private placement financing comprising 1,106,750 units at a purchase price of \$0.80 per unit for gross proceeds of \$885,400. Each unit is comprised of one common share and one warrant. Each warrant will entitle the holder thereof to acquire one common share at a price of \$1.30 per share at any time before the date that is three years from the date of issue. The issue date fair value of the warrants was estimated at \$322,924 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 124%; risk-free interest rate of 0.67% and an expected life of 3 years. The Company paid cash finder's fees and other issuance costs of \$13,662.

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10. SHARE CAPITAL (Continued)

On September 16, 2016, the Company announced that the 325,000 subscription receipts issued to Routemaster Capital Inc. ("Routemaster") on July 5, 2017 had been converted into 325,000 common shares and 325,000 warrants. Each warrant entitles Routemaster to acquire one common share at a price of \$1.30 per warrant at any time on or before September 16, 2019, subject to an acceleration provision. If after the expiry of the statutory hold period, the common shares trade at \$3.00 or higher on the TSX Venture Exchange, on a volume weighted average basis for a period of 30 consecutive days, the Company shall have the right to accelerate the expiry date of the warrants to the date that is 30 days after the Company issues a news release announcing that it has elected to exercise the acceleration right. The issue date fair value of the warrants was estimated at \$88,255 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 113%; risk-free interest rate of 0.60% and an expected life of 3 years. The Company incurred issuance costs of \$4,050.

On December 12, 2016, the Company announced the closing of its previously announced non-brokered private placement offering of common shares. The Company issued 2,254,524 common shares for aggregate gross proceeds of \$1,014,535. The Company did not pay any finder's fees but incurred issuance costs of \$6,323.

11. EQUITY RESERVES

Options

	March 31, 2017	March 31, 2016
Balance - beginning of year	\$ 1,095,486	\$ 960,095
Expired/cancelled options	(237,819)	(72,299)
Share based compensation	75,019	207,690
Balance - end of year	\$ 932,686	\$ 1,095,486

Under the Company's stock option plan, the Company may grant options to its directors, officers, employees and consultants for up to 10% of the outstanding common stock. Under the plan, the exercise price of each option must not be less than the market price of the Company's stock on the date of grant, less any allowable discount. The maximum term of a stock option is five years.

On March 8, 2016, the Company granted 301,000 stock options to the directors, officers and consultants of the Company at an exercise price of \$0.85. The options vested immediately on the date of grant and will expire five years from the date of grant. The fair value of these options estimated on the date of the grant using the Black-Scholes option pricing model was \$207,690 with the following assumptions: expected volatility of 116%, expected dividend yield of 0%, risk-free interest rate of 0.72%, and expected life of 5 years.

On June 22, 2016, the Company granted the Company's President and CEO 150,000 stock options at an exercise price of \$0.50. The options vested immediately on the date of the grant and will expire five years from the date of grant. The fair value of these options estimated on the date of the grant using the Black-Scholes option pricing model was \$61,500 with the following assumptions: expected volatility of 120%, expected dividend yield of 0%, risk-free interest rate of 0.70% and expected life of 5 years.

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11. EQUITY RESERVES (Continued)

Options (Continued)

On October 19, 2016, the Company granted 25,000 stock options to a consultant of the Company. The options are exercisable at a price of \$0.50 for a period of five years and will vest in four equal installments of three months commencing on the grant date. The fair value of these options estimated on the date of the grant using the Black-Scholes option pricing model was \$7,793 with the following assumptions: expected volatility of 114%, expected dividend yield of 0%, risk-free interest rate of 0.71% and expected life of 5 years.

On November 10, 2016, the Company granted 20,000 stock options to a new director of the Company. The options vested immediately on the date of grant and are exercisable at a price of \$0.50 per option for a period of five years from the date of grant. The fair value of these options estimated on the date of the grant using the Black-Scholes option pricing model was \$8,052 with the following assumptions: expected volatility of 115%, expected dividend yield of 0%, risk-free interest rate of 0.87% and expected life of 5 years.

Reconciliation of the number of options for years ended March 31, 2017 and 2016 are as follows:

	March 31, 2017		March 31, 2016	
	Stock Options	Exercise price	Stock Options	Exercise price
Balance - Beginning of year	1,419,500	\$ 1.10	1,200,250	\$ 1.20
Granted	195,000	0.50	301,000	0.85
Expired	(222,500)	1.37	(81,750)	1.27
Outstanding, End of year	1,392,000	\$ 0.97	1,419,500	\$ 0.11
Exercisable, End of year	1,373,250	\$ 0.97	1,419,500	\$ 0.11

As at March 31, 2017 the Company had stock options outstanding and exercisable as follows:

Option Summary						Black-Scholes Assumptions				
Grant date	Expiry date	Number outstanding	Number exercisable	Exercise price (\$)	Grant date fair value (\$)	Dividend yield (%)	Expected volatility	Expected life (years)	Risk free rate (%)	Forfeiture rate
2-Jan-14	2-Jan-19	250,500	250,500	1.30	224,263	0	137	5	1.93	0
13-Mar-14	13-Mar-19	42,500	42,500	1.60	59,925	0	137	5	1.59	0
26-Feb-15	26-Feb-20	628,500	628,500	1.00	383,385	0	144	5	0.78	0
8-Mar-16	8-Mar-21	275,500	275,500	0.85	190,095	0	116	5	0.72	0
22-Jun-16	22-Jun-21	150,000	150,000	0.50	61,500	0	120	5	0.70	0
20-Oct-16	20-Oct-21	25,000	6,250	0.50	7,793	0	114	5	0.71	0
10-Nov-16	10-Nov-21	20,000	20,000	0.50	8,052	0	115	5	0.87	0
		1,392,000	1,373,250		935,013					

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11. EQUITY RESERVES (Continued)

Warrants

Share purchase warrant transactions for the years ended March 31, 2017 and 2016 are summarized as follows:

	March 31, 2017		March 31, 2016	
	Number of Warrants	Amount	Number of Warrants	Amount
Outstanding, Beginning of year	5,942,030	\$ 1,801,499	7,957,730	\$ 10,034,326
Issued	1,431,750	411,179	-	-
Expired	(5,942,030)	(1,801,499)	(2,015,700)	(8,232,827)
Warrant issue costs	-	(6,358)	-	-
Outstanding, End of year	1,431,750	\$ 404,821	5,942,030	\$ 1,801,499

As at March 31, 2017 the Company had share purchase warrants outstanding as follows:

Grant date	Expiry date	Number outstanding	Exercise price, \$	FMV at grant date
17-May-16	17-May-19	1,106,750	1.30	322,924
16-Sep-16	16-Sep-19	325,000	1.30	88,255
		1,431,750	\$	411,179

12. RELATED PARTY TRANSACTIONS

Compensation of Key Management

Key management includes the Company's directors and officers. Compensation awarded to key management included:

	For the year ended March 31,	
	2017	2016
Consulting fees	\$ 461,545	\$ 247,872
Share-based payments	69,552	179,400
	\$ 531,097	\$ 427,272

Included in accounts payable and accrued liabilities as at March 31, 2017 is approximately \$2,239 travel expenses (2016 - \$122,000 consulting fees) charged by officers and directors of the Company.

Included in prepaid expenses as at March 31, 2017 is approximately \$5,650 consulting fees (2016 – Nil) advanced to an officer and director of the Company.

During the May 2016 private placement financing, directors and officers of the Company acquired an aggregate of 127,500 units for gross proceeds in the amount of \$102,000. In addition, a related company which has a common director acquired 462,500 shares for gross proceeds of \$370,000.

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12. RELATED PARTY TRANSACTIONS (Continued)

During the December 2016 private placement financing, directors and officers of the Company acquired an aggregate of 123,444 shares for gross proceeds of \$55,550. In addition, a related company which has a common director acquired 128,889 shares for gross proceeds of \$58,000.

During the June 2017 private placement financing, a related company which has a common director acquired 666,667 units for gross proceeds of \$200,000.

13. COMMITMENTS AND CONTINGENCIES

Environmental

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Manila Investments (Pty) Ltd. – Property obligations

On April 23, 2012, the Company purchased through the acquisition of Manila, 80% of the mining assets commonly known as the Kombat mine whose assets include a 100% interest in five (5) Mining Licenses in northern Namibia. As at March 31, 2017, the Company has expended sufficient capital to ensure the licenses remain in good standing for the duration of the license period. The licenses expire in March 2019.

Management Contracts

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of up to \$972,000 be made to the officers of the Company upon the occurrence of certain events such as a change of control. As the triggering effect has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contractual commitments remaining under the agreements are approximately \$408,000, all due within one year. The Company also has a \$95,000 commitment for reallocation allowances and bonus payments for which the triggering event has not occurred as at March 31, 2017. Upon the occurrence of the triggering event, the Company will have an increase in commitments relating to the subsequent occurrence of certain events such as a change of control or termination of the management contracts.

Trigon Metals Inc.
(Formerly Kombat Copper Inc.)
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14. INCOME TAXES

a) Provision for income taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2016 - 26.5%) were as follows:

	2017	2016
	\$	\$
Combined Canadian statutory income tax rate	26.50%	26.50%
(Loss) before income taxes	(1,804,277)	(1,402,140)
Expected income tax recovery based on statutory rate	(478,000)	(372,000)
Adjustment to expected income tax benefit:		
Stock Based Compensation	20,000	55,000
Non-deductible expenses and other	90,000	273,000
Changes and differences in tax rates	(25,000)	(39,000)
Change in benefit of tax assets recognized	393,000	(1,008,000)
Deferred income tax provision (recovery)	-	(1,091,000)

b) Deferred income tax

Deferred tax assets and (liabilities) have been recognized as follows:

	2017	2016
	\$	\$
Property and equipment - Namibia	(60,000)	(64,000)
Non-capital loss carry-forward - Namibia	60,000	64,000
Total	-	-

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2017	2016
	\$	\$
Share issuance costs - Canada	49,000	424,000
Exploration and evaluation expenditures - Canada	295,000	295,000
Non-capital loss carry-forwards - Canada	8,278,000	6,962,000
Non-capital loss carry-forwards - Barbados	216,000	215,000
Non-capital loss carry-forwards - Namibia	2,138,000	1,757,000

Deferred tax assets have not been recognized in respect of these temporary differences as it is not probable that future taxable profit will be available against which the Company can utilize the benefits.

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14. INCOME TAXES (Continued)

c) Losses carried forward

As at March 31, 2017, the Company had estimated non-capital losses for Canadian income tax purposes of approximately \$8,287,000 (2016 - \$6,962,000) available to use against future taxable income. The non-capital losses expire between 2032 and 2037.

The Company's Barbados subsidiaries have non-capital losses of approximately \$216,000 (2016 - \$215,000) available to use against future taxable income, expiring between 2021 and 2026.

In addition, the Company's Namibian subsidiaries have non-capital losses of approximately N\$23,110,000 (2016 - N\$20,184,000) available to use against future taxable income. These non-capital losses may be carried forward indefinitely.

Expiry	Canada	Barbados	Namibia	Total
2021	\$ -	\$ 19,000	\$ -	\$ 19,000
2022	-	16,000	-	16,000
2023	-	13,000	-	13,000
2024	-	139,000	-	139,000
2025	-	14,000	-	14,000
2026	-	15,000	-	15,000
2032	1,951,000	-	-	1,951,000
2033	1,657,000	-	-	1,657,000
2034	976,000	-	-	976,000
2035	1,289,000	-	-	1,289,000
2036	1,089,000	-	-	1,089,000
2037	1,316,000	-	-	1,316,000
Indefinitely	-	-	2,298,000	2,298,000
	<u>\$ 8,278,000</u>	<u>\$ 216,000</u>	<u>\$ 2,298,000</u>	<u>\$ 10,792,000</u>

15. SUBSEQUENT EVENTS

Subsequent to March 31, 2017, on June 1, 2017, the Company announced the closing of a non-brokered first tranche of its previously announced private placement of units. The Company issued 1,616,667 units at a price of \$0.30 per unit for aggregate gross proceeds of \$485,000. Each whole unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of \$0.40 for a period of 36 months following the closing date. A related company which has a common director acquired 666,667 units for gross proceeds of \$200,000.

Subsequent to March 31, 2017, the Company granted an aggregate of 250,000 stock options to directors of the Company to purchase shares of the Company at \$0.29 per share, expiring on April 20, 2022. These options vest immediately.