



**ANNUAL INFORMATION FORM**

**For the year ended March 31, 2018**

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## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This annual information form contains forward-looking information under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the Corporation's development potential and timetable of the Corporation's properties; the results of the feasibility study for the surface mining areas of the Kombat Copper Project (as defined herein) and other economic studies discussed herein, including without limitation, capital and operating costs, economic analysis, expected mine life, production, cash costs, all-in sustaining costs, net present value, internal rate of return and payback period; future mineral prices; ability to raise additional financing; the estimation of mineral reserves and mineral resources; government regulation and permitting of mining operations; the timing of a pre-feasibility study in respect of the Asis Far West underground mine; the timing and amount of estimated future exploration and development; projected capital expenditures; success of exploration activities; currency exchange rates; reliance on qualified personnel; competition; dependence on outside parties; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the opinions and estimates of management and certain qualified persons as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of future exploration at the Kombat Copper Project are based on management expectations, exploration done to date and recommended programs, purchase orders placed by the Corporation to date, actual expenditures incurred, recent estimates of exploration costs and other factors that are set out in the Technical Report and herein. Estimates regarding the feasibility study and other economic studies relating to the Kombat Copper Project are based on various key assumptions set out herein and in the Technical Report (as defined herein). Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: uncertainties inherent to economic studies, which rely on various assumptions; unexpected events and delays during construction and start-up; variations in mineral grade and recovery rates; uncertainties inherent in estimating mineral resources and mineral reserves; lack of revenues; revocation of government approvals; corruption, uncertainty with court systems and the rule of law and other foreign country risks inherent to the jurisdictions where the Corporation operates; availability of external financing on acceptable terms; ability to finalize required agreements for operations; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future mineral prices; failure of equipment or processes to operate as anticipated; accidents, labour or community disputes and other risks of the mining industry; and other risk factors, including without limitation the risk factors described herein. Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

## **CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED MINERAL RESOURCES**

This annual information form uses the terms "indicated" and "inferred" mineral resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. Inferred mineral resources have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of pre-feasibility or feasibility studies. **United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an**

**inferred mineral resource exists, or is economically or legally mineable.**

## **CURRENCY PRESENTATION AND DATE OF INFORMATION**

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This AIF contains references to United States dollars and Canadian dollars. All dollar amounts referenced herein, unless otherwise indicated, are expressed in Canadian dollars and United States dollars are referred to herein as "United States dollars" or "US\$".

The following tables set out the exchange rates for Canadian dollars per United States dollar in effect at the end of the following periods based on the Bank of Canada noon spot rate of exchange.

### United States Dollars Exchange Rates

	Year Ended March 31 (Expressed in Canadian Dollars)		
	2018	2017	2016
Closing	1.2894	1.3322	1.2971
High	1.3743	1.3582	1.4589
Low	1.2128	1.2544	1.1951

On August 28, 2018, the noon buying rate for the United States Dollar as reported by the Bank of Canada was US\$1.00 = \$1.2919.

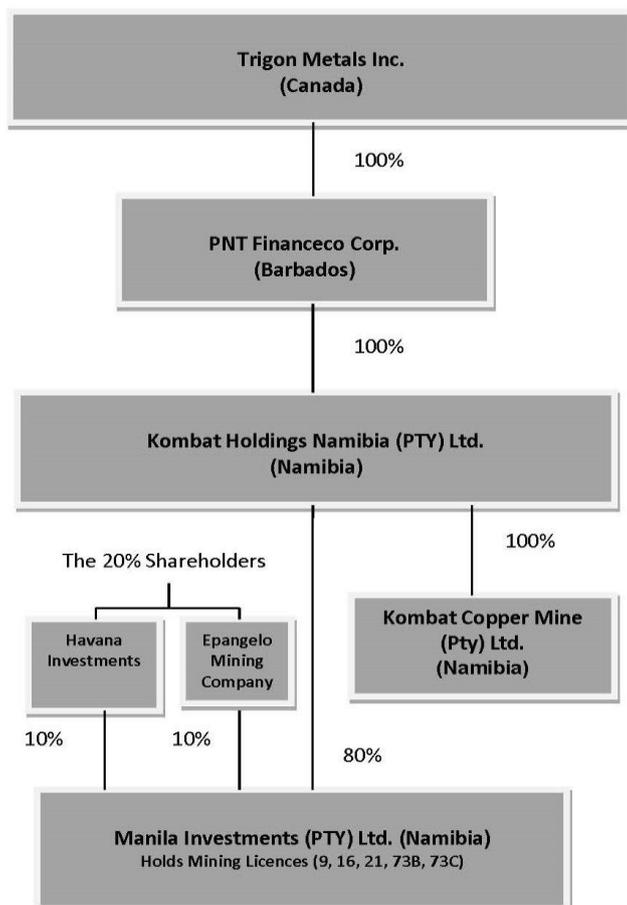
All information in this AIF is given as of August 28, 2018 unless otherwise indicated.

## **CORPORATE STRUCTURE**

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The Corporation was incorporated under the *Canada Business Corporations Act* on April 1, 2005. On April 27, 2012, the Corporation changed its name from Pan Terra Industries Inc. to Kombat Copper Inc. and its stock symbol from "PNT" to "KBT." Effective December 28, 2016, the Corporation changed its name to Trigon Metals Inc. and its stock symbol to "TM". The Corporation's head office is located at 65 Queen Street West, Suite 805, Toronto, Ontario, M5H 2M5.

The subsidiaries and properties of the Corporation are set forth in the following chart:



## GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation's primary activities are the acquisition, maintenance, exploration and development of mines and mineral properties in the African country of Namibia. The Corporation holds an 80% interest in five mining licenses in the Otavi Mountainlands, an area of Namibia particularly known for its high-grade copper deposits. Within these licenses are three past-producing mines including the Corporation's flagship property, the past-producing Kombat Mine. These licenses are collectively referred to as the "Kombat Project" or the "Kombat Copper Project".

### Three-Year History

The following is a summary of the development of the Corporation over the past three financial years and the current financial year.

### Current Financial Year

On August 1, 2018, the Corporation announced its intention to complete a non-brokered private placement financing of up to 5 million units at a price of \$0.15 per unit for gross proceeds of up to \$750,000. Each unit will be comprised of one Trigon common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share at a price of \$0.25 for a period of 36 months following the closing date of the offering.

On July 20, 2018, the Corporation released a technical report on the Kombat Copper Project with an effective date of April 30, 2018. The technical report disclosed (i) the Mineral Resource estimate for the Kombat Mine, comprising both the surface accessible (targeted open pit) and underground, of 1.529 million tonnes of Indicated Mineral Resources at a grade of 1.14% copper, 0.72% lead and 2.88 g/t silver and 5.511 million tonnes of Inferred Mineral Resources (open pit and underground) at a grade of 3.05% copper, 1.25% lead and 22.93 g/t silver, and (ii) a probable Mineral Reserve estimate for the Kombat East and Kombat Central areas of 0.77 million tonnes at a grade of 1.30% copper, 0.47% lead and 4.33 g/t silver. The technical report also includes (i) the results of the Corporation's feasibility study completed on the Kombat targeted open pits which include a net present value ("**NPV**") estimate of US\$4.6 million, at a real discount rate of 7.6%, which represents a payback period of 1.6 years and an attractive IRR of 103.4%, and (ii) a further optimized preliminary economic assessment on the Kombat underground mines and Gross Otavi, excluding the targeted open pits, which includes an estimated NPV of US\$83.6 million at a real discount rate of 10%, a payback period of 2.5 years from start of PEA production and an attractive internal rate of return of 63.9%. Please see "*Description of Mineral Properties*" below.

On July 9, 2018, the Corporation received notification from the Ministry of Environment and Tourism in Namibia that it has been awarded an Environmental Clearance Certificate (the "**ECC**") for open pit mining operations proposed for the Kombat East and Central areas, and dewatering for underground exploration activities. The ECC is valid for a period of three years from July 2, 2018.

On July 9, 2018, the Corporation entered into (i) a loan agreement with Aberdeen International Inc. ("**Aberdeen**") pursuant to which Trigon borrowed \$200,000 from Aberdeen (the "**200 Loan**"); and (ii) a loan agreement with Aberdeen pursuant to which Trigon borrowed \$275,000 from Aberdeen (the "**275 Loan**"). Each loan is unsecured and subject to an interest rate of 12% per annum. The 200 Loan matures on November 30, 2018 and the 275 Loan matures on December 26, 2018.

On June 5, 2018, the Corporation announced the results of its feasibility study prepared by Minxcon (Pty) Ltd ("**Minxcon**") on the surface mining areas of the Company's Kombat operations, as set out in detail above. Please see "*Description of Mineral Properties*" below.

#### **Financial Year Ended March 31, 2018**

On March 23, 2018, the Corporation released a technical report on the Kombat Copper Project dated March 22, 2018. The technical report disclosed the Mineral Resource estimate for the Kombat Mine, comprising both the surface accessible (targeted open pit) and underground, of 1.529 million tonnes of Indicated Mineral Resources at a grade of 1.14% copper, 0.72% lead and 2.88 g/t silver and 5.511 million tonnes of Inferred Mineral Resources at a grade of 3.05% copper, 1.25% lead and 22.93 g/t silver. In conjunction with the technical report, the Corporation further optimized the preliminary economic assessment on the Kombat combined open pits and underground operations.

On March 2, 2018, the Corporation closed the second and final tranche (the "**Second Tranche**") of its non-brokered private placement of units (the "**2018 Offering**"). In this Second Tranche, the Corporation issued 271,428 units at a price of \$0.35 per unit for aggregate gross proceeds of \$95,000. Each unit consists of one common share of the Corporation and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of \$0.50 for a period of 24 months following the closing date of the Second Tranche, subject to an acceleration provision.

On January 15, 2018, the Corporation closed the first tranche of the 2018 Offering (the "**First Tranche**"). Pursuant to the First Tranche, the Corporation issued 1,428,571 units for aggregate gross proceeds of \$500,000.

On November, 30, 2017, Trigon released the positive results in respect of the metallurgical test work commissioned on historic drill cores from the targeted open pit mining areas at the Kombat Mine. Trigon completed the metallurgical test work in two phases; firstly to determine the concentrate grade and recoveries achievable using known historic flotation conditions, and secondly, optimization testing to maximize recoveries with minimum quantities of reagents. Test work results demonstrated copper recoveries of 93.6% at a concentrate grade of 25.5%, which are improved results on the achievable recoveries and concentrate grades used for the purposes of the 2017 PEA (as defined herein). In addition, the test work concluded that the combined copper sulphide/oxide flotation of the targeted open pit ore is possible.

On October 26, 2017, Trigon and its 80% held subsidiary Manila Investments (Pty) Ltd. ("**Manila**") entered into a termsheet with a major international trading house to buy 100% of the annual production from the Kombat Mine up to a total of 20,000mt of contained copper. The terms of the offtake were subject to various

conditions precedent, including final due diligence and approvals from the trader. In conjunction with the offtake, the trader would provide a financing facility to Manila of up to US\$7.7 million (the “**Facility**”) to refurbish the concentrator at the Kombat Mine, to upgrade infrastructures and for working capital purposes to bring the Kombat open pit mine into production. Trigon would act as guarantor for the Facility, and security would include first ranking charges and security interest over all present and future property and assets of Manila. The terms of the Facility were subject to various conditions precedent, including final due diligence and approvals from the trader.

On October 4, 2017, the Corporation commenced a drilling program focused on the Kombat Central and East areas targeted by the Corporation for open pit mining. As of the date hereof, the Company has drilled 48 holes for an aggregate of 2,179 meters. The Company still plans to undertake additional drilling with the goals of: (i) increasing the open pit Mineral Resource within the current pit boundaries, (ii) drilling the gap between the Central and East pits, which is outside of the existing pit boundaries, and (iii) testing potential to the north and west of these areas. The three phase drilling program to extend the current open pit Mineral Resource comprises a further 34 holes, with an aggregate of 1,437 meters to be drilled.

On September 18, 2017, the Corporation was awarded an environmental clearance certificate for proposed exploration on the mining licences held by Manila.

On September 5, 2017, the Corporation engaged an environmental consultant, SLR Environmental Consulting (Namibia) (Pty) Ltd, to assist with securing the environmental permits required for open pit mining, as well as those needed for exploration activities for underground mining.

On August 22, 2017, Trigon closed the second and final tranche of a non-brokered private placement of units (the “**August 2017 Offering**”). In this second tranche, the Corporation issued 3,116,667 units at a price of \$0.30 per unit for aggregate gross proceeds of \$935,000. Each unit consists of one common share of the Corporation and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of \$0.40 for a period of 36 months following the closing date of the second tranche.

On August 1, 2017, the Corporation appointed Stephen Woodhead as Chief Financial Officer following the resignation of Paul Bozoki as Chief Financial Officer.

On July 31, 2017, Trigon closed the first tranche of the 2017 August Offering. The Corporation issued 1,848,333 units at a price of \$0.30 per unit for aggregate gross proceeds of \$554,500. Each unit consists of one common share of the Corporation and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one share at a price of \$0.40 for a period of 36 months following the closing date of the first tranche.

On July 19, 2017, the Corporation appointed Mark Eaton as a director and Chairman of the board of directors of the Corporation (the “**Board**”) following the resignation of Brett Richards as a director of the Corporation.

On June 5, 2017, the Corporation announced the resignation of James Xiang from the Board.

On June 5, 2017, the Corporation filed a technical report summarizing the Corporation’s updated Inferred Mineral Resource estimate of 6.905 million tonnes at a grade of 2.78% copper, 1.14% lead and 19.11 g/t silver. In conjunction with the technical report, the Corporation also completed a scoping level study on the Kombat operations, in the form of a preliminary economic assessment (the “**2017 PEA**”).

On June 1, 2017, Trigon closed an offering of 1,616,667 units at a price of \$0.30 per unit for aggregate gross proceeds of \$485,000. Each unit consists of one common share of the Corporation and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one share at a price of \$0.40 for a period of 36 months following the closing date.

On April 20, 2017, the Corporation announced the resignation of Mike Hoffman and Bill Nielson from the Board and the appointment of Mr. Robert Schafer.

### **Financial Year Ended March 31, 2017**

On December 28, 2016, the Corporation changed its name from “Kombat Copper Inc.” to “Trigon Metals Inc.” and commenced trading on the TSXV under its new ticker symbol “TM”.

On December 12, 2016, the Corporation closed a non-brokered private placement offering of common shares. The Corporation issued 2,254,524 common shares for aggregate gross proceeds of \$1,014,535.

On December 6, 2016, the Corporation completed the consolidation of its common shares on the basis of one new common share for every existing ten common shares (the “**Consolidation**”).

On November 10, 2016, the Corporation appointed Brett Richards to the Board.

On November 1, 2016, the Corporation appointed Malcolm Campbell as Chief Operating Officer, replacing Les Kwasik. The Corporation also appointed Fanie Müller as Vice President, Operations and Country Manager and Sarah Roberts as Vice President, Finance, Mergers & Acquisitions.

On October 19, 2016, Knowledge Katti resigned as a director of the Corporation.

On September 16, 2016, 3,250,000 subscription receipts (325,000 subscription receipts following the Consolidation) issued to Routemaster Capital Inc. (“**Routemaster**”) were converted into 3,250,000 common shares (325,000 common shares following the Consolidation) of the Corporation and 3,250,000 common share purchase warrants (325,000 common share purchase warrants post-Consolidation). The subscription receipts were issued to Routemaster on July 5, 2016 pursuant to a non-brokered private placement of subscription receipts for gross proceeds of \$260,000. Each warrant entitles Routemaster to acquire one Trigon common share at a price of \$0.13 per share (\$1.30 following the Consolidation) at any time before September 16, 2019, subject to an acceleration provision.

On September 6, 2016, the Corporation terminated the contract mining agreement with EBM Mining Namibia (Pty) Ltd. (“**EBM**”) as a result of slower than anticipated development due to funding issues with EBM.

On June 22, 2016, the Corporation appointed Stephan Theron as President and Chief Executive Officer following the resignation of Paul Bozoki as President and Chief Executive Officer. Mr. Bozoki returned to his role as Chief Financial Officer and Heidi Gerry resumed her role as Corporate Controller.

On May 17, 2016, the Corporation completed a non-brokered private placement financing comprising 11,067,500 units (1,106,750 units following the Consolidation) at a purchase price of \$0.08 per unit (\$0.80 following the Consolidation) for gross proceeds of \$885,400. Each unit is comprised of one Trigon common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one Trigon common share at a price of \$0.13 per share (\$1.30 per share following the Consolidation) at any time before May 17, 2019 subject to an acceleration provision.

### **Financial Year Ended March 31, 2016**

On March 3, 2016, Trigon signed a definitive agreement with EBM to carry out development and mining of lead/copper mineralization at the Kombat Mine while also commencing the refurbishment of the mine infrastructure and production facilities.

On February 16, 2016, the Corporation appointed Heidi Gerry as Chief Financial Officer.

On February 8, 2016, the Corporation appointed Paul Bozoki as President and Chief Executive Officer following Bill Nielsen’s resignation as President and Chief Executive Officer. The Corporation also appointed Les Kwasik as Chief Operating Officer and Damian Lopez as Corporate Secretary.

On July 8, 2015, the Corporation received the final assay results from its completed 35 hole diamond drill program and reported that a near-surface mineral resource is indicated along specific intervals of the Kombat Mine trend.

## **NARRATIVE DESCRIPTION OF THE BUSINESS**

### **General**

The Corporation’s primary activities are the acquisition, maintenance, exploration and development of mines and mineral properties in Namibia.

The Corporation holds an 80% interest in five mining licenses referred to as the Kombat Copper Project in the Otavi Mountainlands, an area of Namibia particularly known for its high-grade copper deposits. Within

these licenses are three past-producing mines including the Corporation's flagship property: the past-producing Kombat Mine. The Kombat Mine's extensive infrastructure includes an 800 meter shaft which was completed in 2006, three recently-operational shafts, ramp systems, extensive underground workings, mine buildings, a tailings facility, a mill and concentrator (replacement value estimated +\$100MM). The Kombat Mine originally opened in 1961 and historically produced approximately 12 million tonnes of ore grading between 2.5% and 3.0% Cu, as set out in the technical report filed on July 20, 2018 and titled "NI 43-101 Technical Report on the Kombat Copper Project, Namibia" with an effective date of April 30, 2018 (the "**Technical Report**"), prepared by Daniel van Heerden, (B Eng (Min.), MCom (Bus. Admin.), MMC, Pr.Eng. No. 20050318, FSAIMM, AMMSA), Uwe Engelmann, BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, MGSSA, and Johan Odendaal (BSc (Geol.), BSc (Min. Econ.), MSc (Min. Eng.), Pr.Sci.Nat., FSAIMM, MGSSA), each of Minxcon. The property is linked to vital existing infrastructure, including power, water, roads, and rail with close proximity to the port of Walvis Bay and to one of only five commercial-grade smelters in Africa located in the town of Tsumeb.

Please see the information below under the heading "*Description of the Mineral Properties*".

### **Competitive Conditions**

The mineral exploration and mining business is competitive in all phases of exploration, development and production. The Corporation competes with numerous companies that have resources significantly in excess of those of the Corporation, in the search for (i) attractive mineral properties; (ii) qualified service providers and labour; and (iii) equipment and suppliers. The ability of the Corporation to acquire additional mineral properties in the future will depend on its ability to operate and develop its present properties and on its ability to select and acquire suitable producing properties or prospects for development or exploration in the future. The Corporation also competes for financing with other resource companies, many of whom have greater financial resources and/or more advanced properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Corporation. See "*Risks of the Business*" below.

### **Foreign Operations**

The Corporation's material property interests are currently located in Namibia and are exposed to certain regulatory, economic, political and other risks and uncertainties. See "*Risks of the Business*" and "*Other Disclosure Relating to Ontario Securities Commission Requirements for Companies Operating in Emerging Markets*" below.

### **Environmental Protection**

The Corporation's exploration, development and mining activities are subject to laws and regulations governing environmental protection, employee health and safety, waste disposal, remediation of environmental sites, reclamation, mine safety, control of toxic substances and other matters. Compliance with applicable laws and regulations requires forethought and diligence in the conduct of the Corporation's activities.

### **Employees**

As of March 31, 2018, the Corporation had 9 consultants in Toronto, 4 consultants in Namibia and South Africa and 1 consultant in the United States. The Corporation's strategy is consistent with that of many junior mineral exploration and development companies being to operate through sub-contractors and consultants for the purposes of cost management. The Corporation has not experienced, and does not expect to experience, significant difficulty in attracting and retaining qualified personnel. However, no assurance can be given that a sufficient number of qualified employees can be retained by the Corporation when necessary. See "*Risks of the Business – Competition*".

### **Risks of the Business**

Investing in the Corporation involves risks that should be carefully considered. The operations of the Corporation are speculative due to the high-risk nature of its business. Investors should be aware that there are various risks, including those discussed below, that could have a material adverse effect on, among other things, the development of the Kombat Copper Project, and the operating results, earnings, business and condition (financial or otherwise) of the Corporation. See "*Cautionary Statement Regarding Forward-Looking Information*".

## *Exploration and Mining Risks*

The Corporation is engaged in mineral exploration and development activities. Mineral exploration and development involves a high degree of risk and few properties, which are explored and ultimately developed into producing mines. The long-term profitability of the Corporation's operations will be in part directly related to the cost and success of the Corporation's exploration programs, which may be affected by a number of factors beyond the Corporation's control. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Corporation has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral resources, any of which could result in work stoppages, damage to property, and possible environmental damage. Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fire, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labour are involved in mineral exploration, development and operation. The Corporation may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Corporation's financial position. The Corporation relies upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, allowable production, importing and exporting of minerals and environmental protection.

## *Stage of Development*

The Corporation is in the business of exploring for mineral exploration, with the ultimate goal of producing mineral resources from, its properties. None of the Corporation's properties have commenced commercial production and it has no history of earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that the Corporation will be able to develop any of its properties profitably or that its activities will generate positive cash flow. The Corporation's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants and personnel, and the purchase of equipment associated with advancing exploration, development and commercial production of the Corporation's properties. The Corporation expects to continue to incur losses for the foreseeable future. There can be no assurance that the Corporation will generate any revenues or achieve profitability. A prospective investor in the Corporation must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of management in all aspects of the development and implementation of the Corporation's business activities.

## *Mineral Resource and Mineral Reserve Estimates*

There are numerous uncertainties inherent in estimating Mineral Resources and Mineral Reserves, including many factors beyond the control of the Corporation. Such estimates are a subjective process and the accuracy of any Mineral Resource or Mineral Reserve 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. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Corporation's financial position and results of operations.

## *Cost Estimates, Permit Timing, and Project Economics*

The Corporation presents information from a feasibility study on the surface operations on the Kombat Copper Project and a preliminary economic assessment on surface and underground operations on the property, each of which contains estimates with respect to capital costs, operating costs and other project economics. The Corporations' actual costs, production, returns, payback and other financial and economic performance metrics for the Kombat Copper Project are dependent on a number of factors, including currency exchange rates, metal prices, the cost of inputs used in mining development and operations, timing

of obtaining all required permits and approvals, timing of obtaining all necessary financing and events that affect cost and production levels that are not in the Corporation's control. The Corporation's actual costs may vary from estimates for a variety of reasons, including changing waste-to-ore ratios, ore grade, metallurgy, labour and other input costs, commodity prices, general inflationary pressures and currency exchange rates. Failure to achieve cost estimates or other economic performance metrics or material increases in costs could have an adverse impact on the Corporation's future cash flows, profitability, results of operations and financial condition. As a result of the substantial expenditures involved in development projects, development projects are prone to material cost overruns versus budget. The capital expenditures and time required to develop new mines are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the project. Kombat Copper Project development schedules will also be dependent on obtaining the governmental approvals and permits necessary for operation of a project. The timeline to obtain these government approvals and permits is often beyond the control of the Corporation. It is not unusual in the mining industry for new mining operations to experience construction challenges or delays and unexpected problems during the start-up phase, resulting in delays and requiring more capital than anticipated.

### *Financing Risks*

The Corporation is limited in both financial resources, and sources of operating cash flow and has no assurance that additional funding will be available for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of projects with the possible loss of such properties.

### *Regulatory Requirements*

Even if the Corporation's mineral properties are proven to host economic reserves of mineral resources, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits or repatriation of profits. The Corporation may acquire other properties in other jurisdictions or countries. Any changes in regulations or shifts in political conditions are beyond the control of the Corporation and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, environmental legislation and mine safety.

### *No Assurance of Titles*

It is possible that any of our properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

### *Permits and Licenses*

The Corporation's exploration and development activities require licenses, permits and approvals from various governmental authorities and are subject to extensive federal, departmental and local laws and regulations. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more time consuming and costly. The Corporation will be required to obtain additional licences and permits from various governmental authorities to continue and expand its exploration and development activities. There can be no guarantee that the Corporation will be able to maintain or obtain all necessary licences, permits and approvals that may be required to carry out exploration, development and mining operations.

### *Competition*

The mineral industry is intensely competitive in all its phases. We compete with many companies possessing greater financial resources and technical facilities than the Corporation, for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Factors beyond the control of the Corporation may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these

factors may result in the Corporation not receiving an adequate return on invested capital or losing its investment capital.

### *Environmental Regulations*

Our operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect operations.

### *Markets for Securities*

There can be no assurance that an active trading market in the Corporation's securities will be established and sustained. The market price for our securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Corporation. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

### *Reliance on Key Individuals*

The Corporation's success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Corporation.

### *Geopolitical Risks*

All of the Corporation's operations are in Namibia, and as a result, the operations of the Corporation may be exposed to various levels of political, economic and other risks and uncertainties associated with operating in Namibia, including approval of acquisitions by local authorities, regulation of the mining industry and licenses of the Corporation, restrictions on future exploitation and production, price controls, export controls, currency availability, income taxes, delays in obtaining or the inability to obtain necessary permits and licenses, opposition to mining from environmental and other non-governmental organizations, expropriation of property, nullification of existing or future concessions and contracts, ownership of assets, war, terrorism, political boundary disputes, environmental legislation, labour relations, limitations on mineral exports, increased financing costs, and site safety. In addition, legislative enactments may be delayed or announced without being enacted and future political action that may adversely affect the Corporation cannot be predicted. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations and profitability of the Corporation.

### *Economic Empowerment*

Maintaining the Corporation's license to operate requires alignment with the local and national objectives relevant to the areas in which the Corporation operates. Over the last several years, Namibia has been developing a national policy framework which aims to redress the legacies from the previous discriminatory regimes. The framework is built on six pillars, including: Ownership, Management, Control and Employment Equity, Human Resources and Skills Development, Entrepreneurship Development and Marketing, Corporate Social Responsibility and Value Addition, and Technology and Innovation. Although the Namibian national policy framework and draft bill have not yet been legislated, the Corporation has made efforts developing empowerment policies and practices that are generally consistent with the themes set out in each of the pillars contained in the framework, there is no assurance however that final legislation will not have adverse effects on the Corporation or increase its cost of doing business in Namibia.

### *Uninsured Risks*

The Corporation maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions, including explosions, rock bursts, cave-ins, land movements, earth work failures, fire and earthquakes, may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Corporation's common shares.

### *Current Global Financial Conditions*

Financial markets have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Government debt and deficits are at an all-time high. Access to financing has been negatively impacted by liquidity crises and the state of government finances throughout the world. If these increased levels of volatility and market turmoil continue, the Corporation may not be able to secure appropriate debt or equity financing, and any of which could affect the trading price of the Corporation's securities in an adverse manner.

### *Conflicts of Interest*

Certain of the Corporation's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting such participation.

### *Litigation*

Legal proceedings may arise from time to time in the course of the Corporation's business. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The process of defending such claims could take away from management time and effort and the resolution of any particular legal proceeding, to which the Corporation or one or more of its subsidiaries may become subject could have a material effect on the Corporation's financial position and results of operations.

### *Corruption and Bribery Laws*

The Corporation's operations are governed by, and involve interactions with, many levels of government in numerous countries. The Corporation is required to comply with anti-corruption and anti-bribery laws, including the *Criminal Code* (Canada), and the *Canadian Corruption of Foreign Public Officials Act*, as well as similar laws in the countries in which the Corporation conducts its business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third party agents. Although the Corporation has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Corporation, its employees, contractors or third party agents will comply strictly with such laws. If the Corporation finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Corporation resulting in a material adverse effect on the Corporation's reputation and results of its operations.

### *Foreign Mining Tax Regimes*

Mining tax regimes in foreign jurisdictions are subject to differing interpretations and are subject to constant change. The Corporation's interpretation of taxation law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, transactions may be challenged by tax authorities and the Corporation's operations may be assessed, which could result in significant additional taxes, penalties and interest. In addition, future changes to mining tax regimes in foreign jurisdictions could result in significant additional taxes payable by the Corporation, which would have a negative impact on the financial results of the Corporation.

### *Limited Property Portfolio*

At this time, the Corporation holds an interest in one main project. As a result, unless the Corporation acquires additional property interests, any adverse developments affecting its current properties would be

expected to have a material adverse effect upon the Corporation and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of the Corporation.

### *Enforcement of Legal Rights*

The Corporation's material subsidiaries are organized under the laws of foreign jurisdictions and certain of the Corporation's experts are located in foreign jurisdictions. Given that the Corporation's material assets are located outside of Canada, investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Corporation or its experts, any judgments obtained by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or otherwise. Similarly, in the event a dispute arises from the Corporation's foreign operations, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. See "Other Disclosure Relating to OSC Requirements for Companies Operating in Emerging Markets".

### **Other Disclosure Relating to Ontario Securities Commission Requirements for Companies Operating in Emerging Markets**

#### ***Controls Relating to Corporate Structure Risk***

Trigon has implemented a system of corporate governance, internal controls over financial reporting, and disclosure controls and procedures that apply at all levels of the Corporation and its subsidiaries. These systems are overseen by the Corporation's Board, and implemented by the Corporation's senior management. These systems of corporate governance, internal control over financial reporting and disclosure controls and procedures are designed to ensure that, among other things, the Corporation has access to all material information about its subsidiaries. The relevant features of these systems include:

*Trigon's Control Over Subsidiaries.* Trigon's corporate structure has been designed to ensure that the Corporation controls or has a measure of direct oversight over the operations of its subsidiaries. Trigon's subsidiaries are either wholly-owned or controlled to a large extent by the Corporation. Accordingly, the Corporation directly controls the appointments of the majority of the directors of its subsidiaries. The majority of the directors of Trigon's subsidiaries are ultimately accountable to Trigon as the shareholder appointing him or her, and Trigon's board of directors and senior management. As well, the annual budget, capital investment and exploration program in respect of the Corporation's mineral properties are established by the Corporation. Further, signing officers for subsidiary foreign bank accounts are either officers or employees of Trigon or officers or employees of the subsidiaries. Monetary limits are established internally by the Corporation as well as with the respective banking institution. Authorizations over bank accounts are reviewed and revised as necessary. Changes are communicated to the banking institution by the Corporation and the applicable subsidiary to ensure appropriate individuals are identified as having authority over the bank accounts.

*Strategic Direction.* The Board is responsible for the overall stewardship of the Corporation and, accordingly, supervises the management of the business and affairs of the Corporation. More specifically, the Board is responsible for reviewing the strategic business plans and corporate objectives, and approving acquisitions, dispositions, investments, capital expenditures and other transactions and matters that are material to the Corporation including those of its material subsidiaries.

*Internal Control Over Financial Reporting.* The Corporation prepares its consolidated financial statements and management's discussion and analysis of ("**MD&A**") on a quarterly and annual basis, using IFRS as issued by the International Accounting Standards Board, which require financial information and disclosures from its subsidiaries. The Corporation implements internal controls over the preparation of its financial statements and other financial disclosures to provide reasonable assurance that its financial reporting is reliable and that the quarterly and annual financial statements and MD&A are being prepared in accordance with IFRS and relevant securities laws. These internal controls include the following:

- The Corporation receives trial balances, balance sheets, income statements and general ledger details relating to its subsidiaries in order to complete the consolidated financial statements and MD&A. Management of the Corporation has

direct access to relevant financial management of its subsidiaries in order to verify and clarify all information required.

- All public documents and statements relating to the Corporation and its subsidiaries containing material information (including financial information) are reviewed by senior management, including the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary before such material information is disclosed, to make sure that all material information has been considered by management of the Corporation and properly disclosed.
- As more fully described below the Corporation's Audit Committee obtains confirmation from the Chief Executive Officer and Chief Financial Officer as to the matters addressed in the quarterly and annual certifications required under National Instrument 52-109 - Certification of Disclosure in the Corporation's Annual and Interim Filings ("**NI 52-109**").
- The Corporation's Audit Committee reviews and approves the Corporation's quarterly and annual financial statements and MD&A and recommends to the Board for the Board's approval, the Corporation's quarterly and annual financial statements and MD&A, and any other financial information requiring board approval, prior to their publication or release.
- The Corporation's Audit Committee ensures procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements by way of reports from management and its internal and external auditor.
- Although not specifically a management control, the Corporation engages its external auditor to perform an audit of the annual consolidated financial statements in accordance with IFRS.

*Disclosure Controls and Procedures.* The Board is responsible for the oversight of the Corporation's internal control systems including those systems to identify, monitor and mitigate business risks as well as compliance with legal, ethical and regulatory requirements.

*CEO and CFO Certifications.* In order for the Corporation's Chief Executive Officer and Chief Financial Officer to be in a position to attest to the matters addressed in the quarterly and annual certifications required by NI 52-109, the Corporation has developed internal procedures and responsibilities throughout the organization for its regular periodic and special situation reporting. This is done in order to provide assurances that information that may constitute material information will reach the appropriate individuals who review public documents and statements relating to the Corporation and its subsidiaries containing material information, and is prepared with input from the responsible officers and employees, and is available for review by the Chief Executive Officer and Chief Financial Officer in a timely manner.

### ***Procedures of the Board of Directors of the Corporation***

#### *Removal of Directors of Subsidiaries*

In respect of its subsidiaries, subject to applicable local corporate laws and the respective constating documents of each of the Corporation's subsidiaries and any shareholder agreements in place, the Corporation may remove directors of these subsidiaries from office either by way of a resolution duly passed by the Corporation at a shareholders' meeting or by way of a written resolution.

#### *Records Management of the Corporation's Subsidiaries*

The original minute books, corporate seal and corporate records of each of the Corporation's subsidiaries are kept at each subsidiary's respective registered office.

## DESCRIPTION OF MINERAL PROPERTIES

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### THE KOMBAT COPPER PROJECT

The following is the extracted summary section from the Technical Report. See *“Interests of Experts”*. Unless specifically noted otherwise, the following disclosure regarding the Kombat Copper Project has been prepared with the consent of the authors. The Technical Report is incorporated by reference herein and for full technical details, reference should be made to the complete text of the Technical Report. The full

#### Property Description

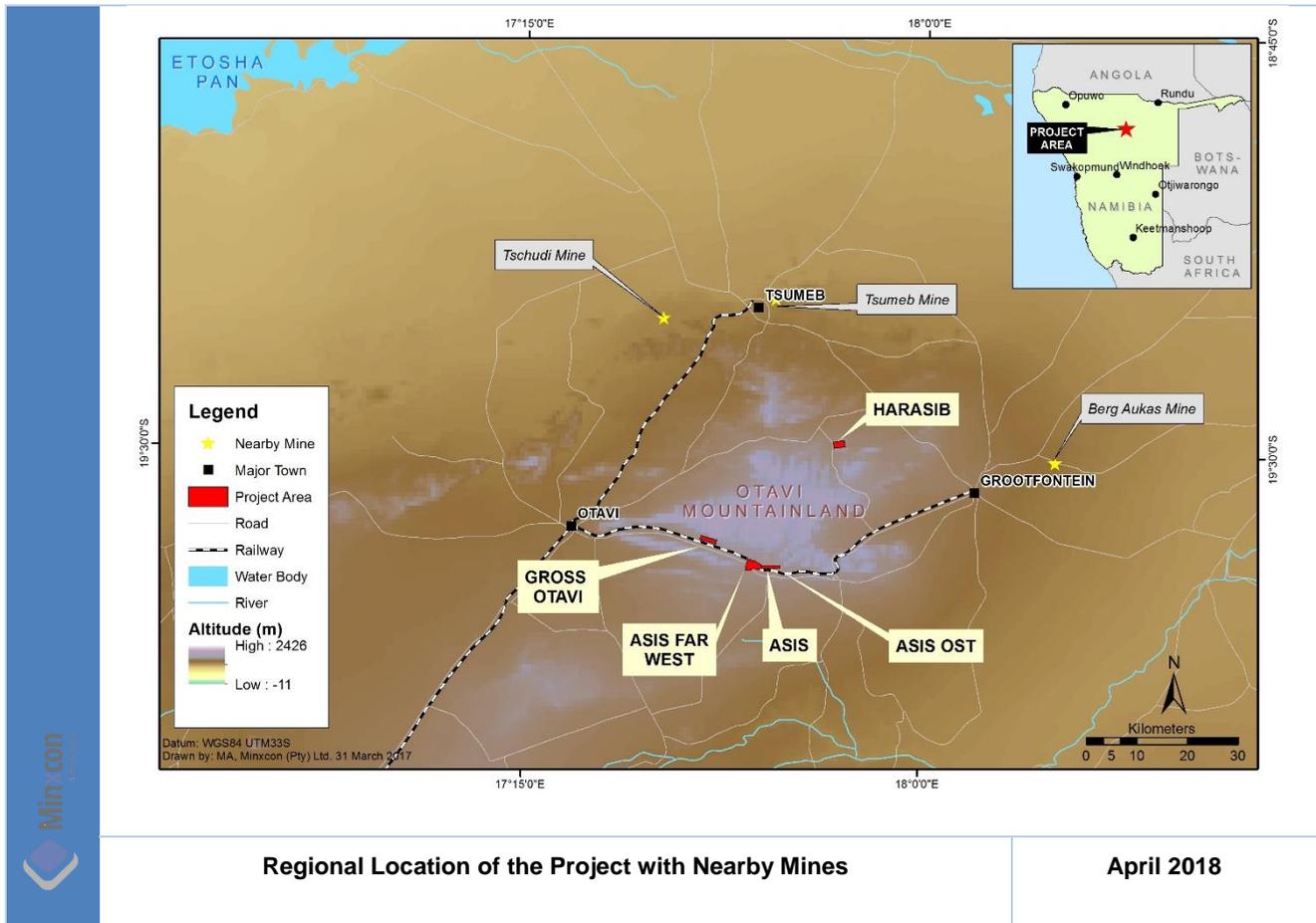
The Kombat Copper Project occurs within the Grootfontein District, Otjozondjupa Region, Namibia, which is a region associated historically and currently with high grade copper mineralisation and as such, is characterised by numerous historic mine workings and prospects. The copper mineralisation is also associated with substantial lead and silver content. Kombat is situated on the B8 road to Grootfontein, some 37 km east of Otavi and 45 km due west of Grootfontein. The small ex-mining town of Kombat lies adjacent to the south of the Project. The Project is easily accessible via paved roads with direct access to the individual properties via unpaved district and farm roads. Kombat is connected via a road highway system to Walvis Bay and the road is in good condition. Extracted material may be trucked to Walvis Bay via road. A rail network traverses the Project Areas, linking the Kombat concentrator to the Tsumeb smelter in Tsumeb as well as Walvis Bay port some 500 km southwest.

The Project is a collective term for the licence areas and deposits that include Gross Otavi, Asis (including the Kombat Central, Kombat West and Kombat East deposits), Asis Far West (including the Asis West, Asis Far West and Asis Gap deposits) and Asis Ost. A historic ~39 ha tailings storage facility (“**TSF**”) for the processed ore is located off the licence areas some 1.5 km south of the Asis licence boundary. The Harasib lead-zinc exploration project lies to the northeast but is excluded from the Technical Report.

The contiguous Asis Far West, Asis and Asis Ost licence areas are centred on the co-ordinates 19°42'37”S 17°42'13”E (WGS84 UTM 33S), with Gross Otavi situated some 8 km due northwest of the Asis licence areas and the TSF 1 km south.

The regional location of the Project is illustrated in the following figure.

## REGIONAL LOCATION OF THE PROJECT WITH NEARBY MINES



Historically, the mineral deposits at Kombat have been exploited intermittently since 1909 including limited surface production at Kombat and underground mining at both Kombat and Gross Otavi. Various exploration programmes have been carried out to identify further mineralisation.

### Ownership of the Property

The Project is comprised of five valid mining licences, namely the contiguous ML9 (Asis Ost), ML16 (Asis Far West) and ML73B (Asis), as well as ML21 (Harasib) and ML73C (Gross Otavi). The total combined area covered by the licences is some 1,219 ha. All the licences are held in the name of Manila – an indirect subsidiary of Trigon – and all are valid and expire on 31 March 2019. The renewal application was submitted on 29 March 2018.

An ECC has been approved and received for open pit mining in ML73B and associated activities, processing of the ore at the existing process plant (to be refurbished), and associated activities, and dewatering the Asis Far West shaft and conducting further underground exploration activities in ML16.

The historic TSF is located within the Kombat Town limits and does not fall within any mineral rights area. Trigon does, however, own the land over which this old TSF is situated. As the current Minerals Act does not deal with the utilisation of tailings and specifically includes tailings under the definition of waste, an ECC will be required in order to extract resources from this TSF. Manila plans to build a new TSF to the west of the plant, within the mining licence area, for future operations. This new area has been approved in the most recently approved ECC.

The Project is fully permitted and the commencement of operations is not conditional on approval of additional licences, clearance or permits.

In April 2012, Kombat Copper Inc. (“**Kombat Copper**”) acquired 80% of the outstanding shares of Manila whose primary asset was a 100% interest in the formerly producing Kombat Copper Mine, as well as all related mining licences and assets, including all mining surface infrastructure and equipment. In June 2016, Kombat Copper initiated a corporate restructuring plan. In addition to various other corporate initiatives,

Kombat Copper also undertook a rebranding in December 2016, and the company was renamed Trigon Metals Inc.

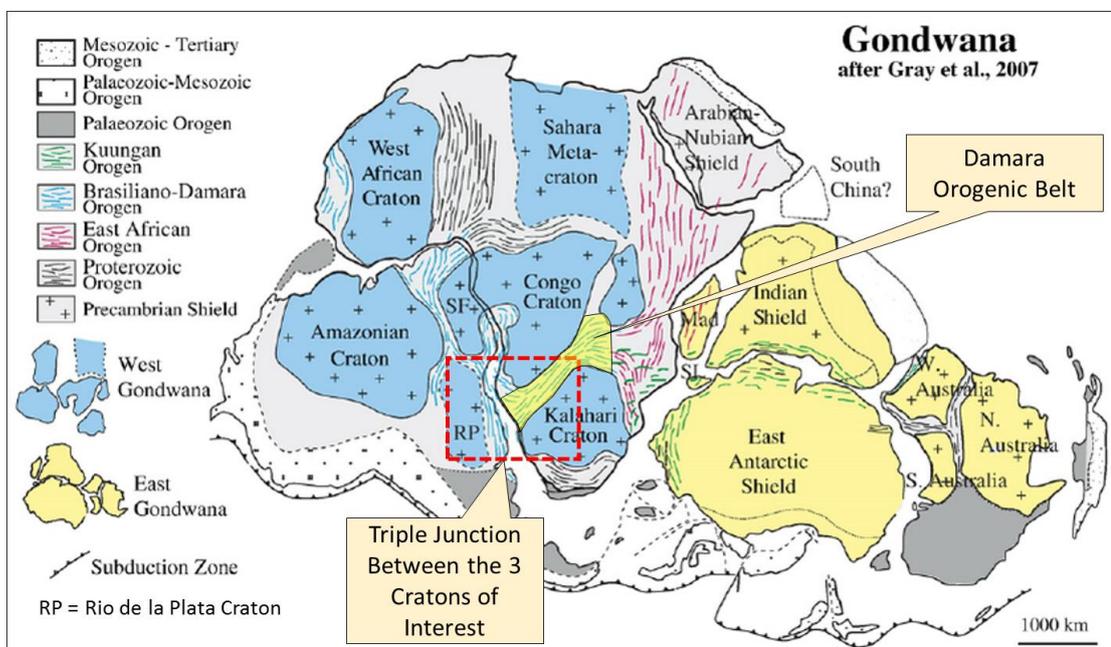
For the Project, a 3% government royalty is applicable. Normal tax is levied on taxable income of companies, trusts and individuals from sources within or deemed to be within Namibia. Mining companies other than diamond mining companies are subject to a company tax rate of 37.5%. Apart from the government taxes and royalties, there are no further back-in-rights, payments or other agreements and encumbrances to which the properties are subject.

**Geology and Mineral Deposit**

**Regional Tectonics**

The Damara Orogenic Belt (or Damara Orogen) was formed late during the supercontinent formation of Gondwana at the collisional triple junction of the Congo, Kalahari and Rio de la Plata Cratons during early Palaeozoic time, as presented in the figure to follow.

**LOCATION OF THE DAMARA OROGENIC BELT DURING THE AMALGAMATION OF THE GONDWANA SUPERCONTINENT**



Source: Adapted from Meert and Lieberman (2007)

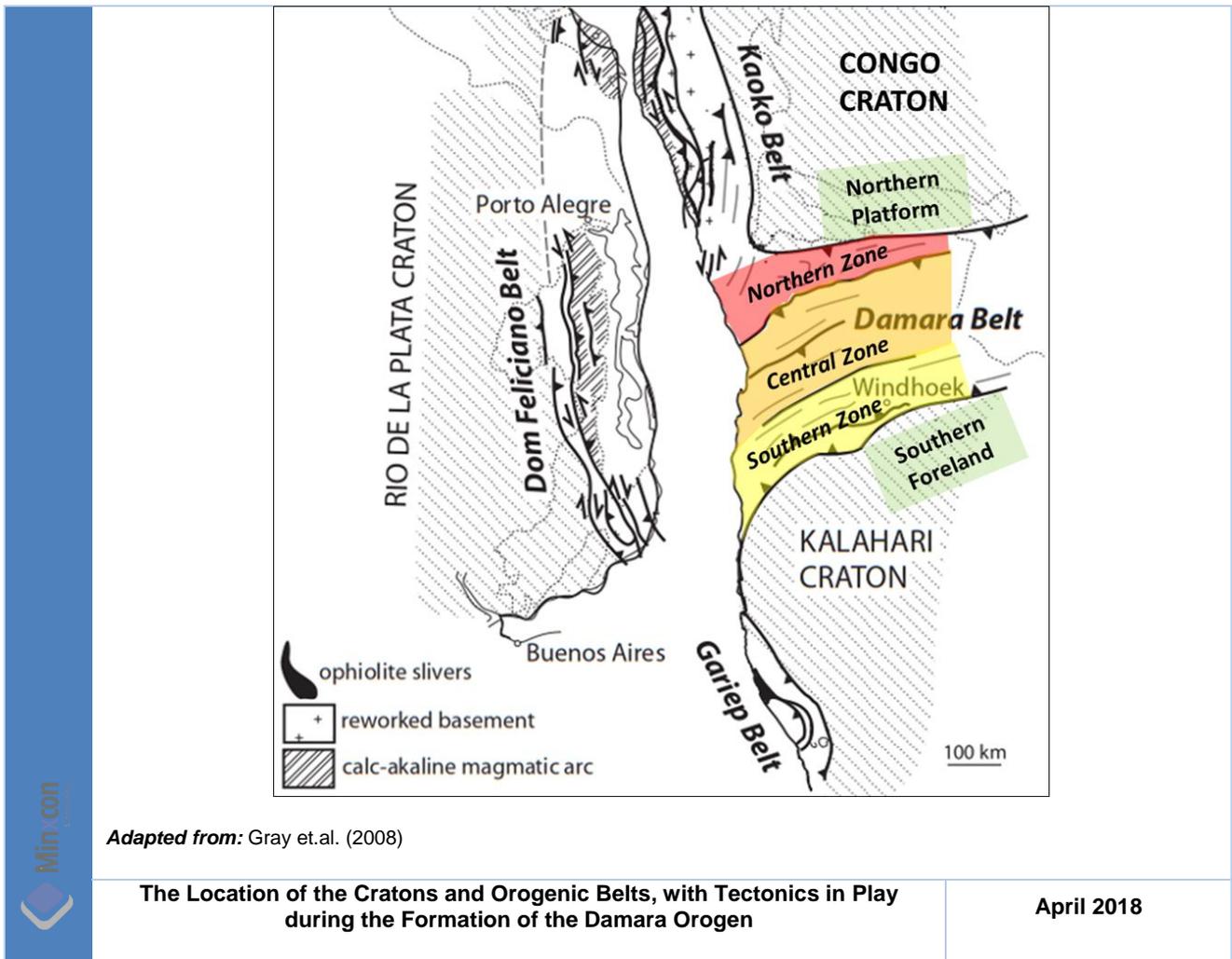
**Location of the Damara Orogenic Belt during the Amalgamation of the Gondwana Supercontinent**

**April 2018**

The northeast trending Damara Orogenic Belt was formed when the passive continental margins of the Congo and Kalahari Cratons collided with thrusting of basin sediments onto the Kalahari Craton from 495 Ma through to 480 Ma.

The Damara Orogenic Belt may be divided into three major zones separated by northeast trending lineaments, namely the 1) Northern, 2) Central, and 3) Southern Zones (refer to the figure to follow). The Damara Belt is bordered to the north by the Northern Platform on the Congo Craton and to the south by the Southern Foreland of the Kalahari Craton. The contact between the Northern Platform and the Northern Zone is marked by an arcuate chain of major basement ridges and domes extending over 1,000 km and which affected later carbonate sedimentation called the Otavi Mountainland ("OML").

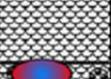
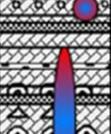
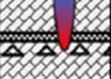
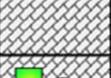
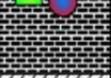
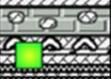
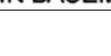
**LOCATION OF THE CRATONS AND OROGENIC BELTS, WITH TECTONICS IN PLAY DURING THE FORMATION OF THE DAMARA OROGEN**



**Stratigraphy of the Damara Orogenic Belt**

The Paleoproterozoic basement to the Damara Supergroup is known as the Grootfontein Inlier. The Damara Supergroup is divided into the Nosib, Otavi and Mulden Groups as presented in the stratigraphic column in the following figure.

**STRATIGRAPHY OF THE DAMARA SUPERGROUP AND THE RELATIVE STRATIGRAPHIC LOCATIONS OF KNOWN MINERAL DEPOSITS**

GROUP	FORMATION	LITHOLOGY	DEPOSIT	
MULDEN	Kombat	 slate phyllite sandstone		
	Tschudi	 arenite subgreywacke conglomerate	Tschudi Cu-(Ag)	
OTAVI	Tsumeb Subgroup	Huttenberg	 dolostone, oolite chert dolostone shale stromatolite chert, breccia	Kombat Cu-Pb-(Zn) Tsumeb Pb-Cu-Zn-(Ge)
		Elandshoek	 dolostone chert breccia	
		Maieberg	 dolostone limestone	Abenab V Khusib Springs Cu-Pb-Zn
		Ghaub	 dolostone diamictite	
		Aurore	 stromatolite chert, limestone	Abenab West Pb-Zn-V
	Abenab Subgroup	Gauss	 breccia oolite dolostone chert	Berg Aukas Zn-Pb-V
		Berg Aukas	 dolostone, chert	
		Varianto	 diamictite	
		Askevold	 tuff, quartzite quartzite	Nosib Cu; Askevold Cu
		Nabis	 sandstone conglomerate	
GROOTFONTEIN BASEMENT COMPLEX				

Source: Kamona, A.F. & Günzel, A. (2007)

**The Stratigraphy of the Damara Supergroup and the Relative Stratigraphic Locations of Known Mineral Deposits**

**April 2018**

The Otavi Group was deposited as a carbonate platform on the Northern Platform of the Congo Craton and consists of the Abenab Subgroup and the overlying Tsumeb Subgroup.

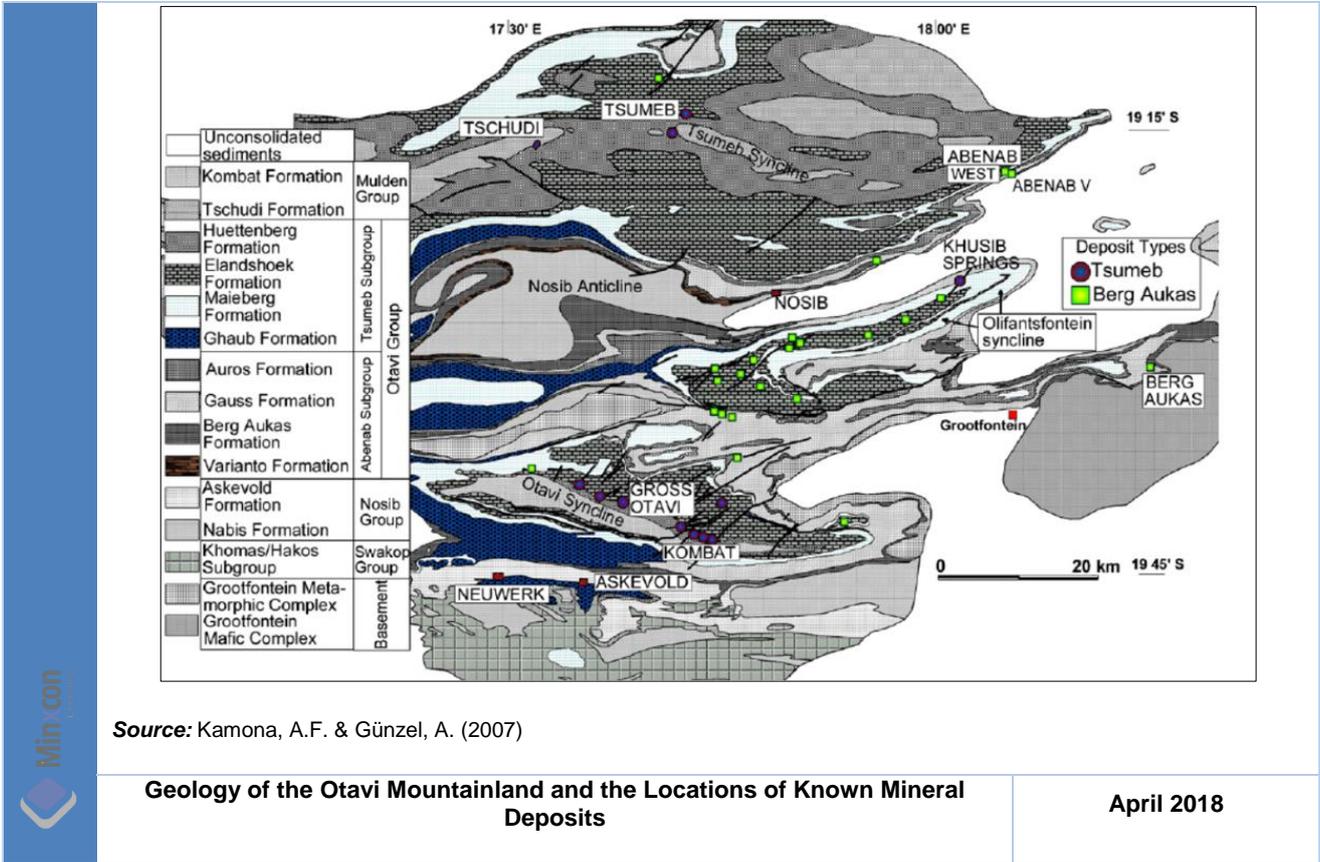
The Kombat ore deposits are located towards the top of the Hüttenberg Formation, where erosion and chemical weathering of the formation resulted in the development of karst topography and a major unconformity prior to deposition of the overlying Mulden Group. The Mulden Group consists of the Tschudi and Kombat Formations as depicted in the figure above.

The Tschudi Formation consists of a basal conglomerate, a fining-upward feldspathic arenite with minor greywacke and intraformational breccias. The Kombat Formation overlies the Tschudi Formation and consists of a sequence of siltstone, sandstone and shale separated by a prominent middle member of black shale with siltstone. In some areas the Kombat Formation has been metamorphosed to form slate which at Kombat limits the vertical extent of the orebodies.

**Overview of the Project Geology**

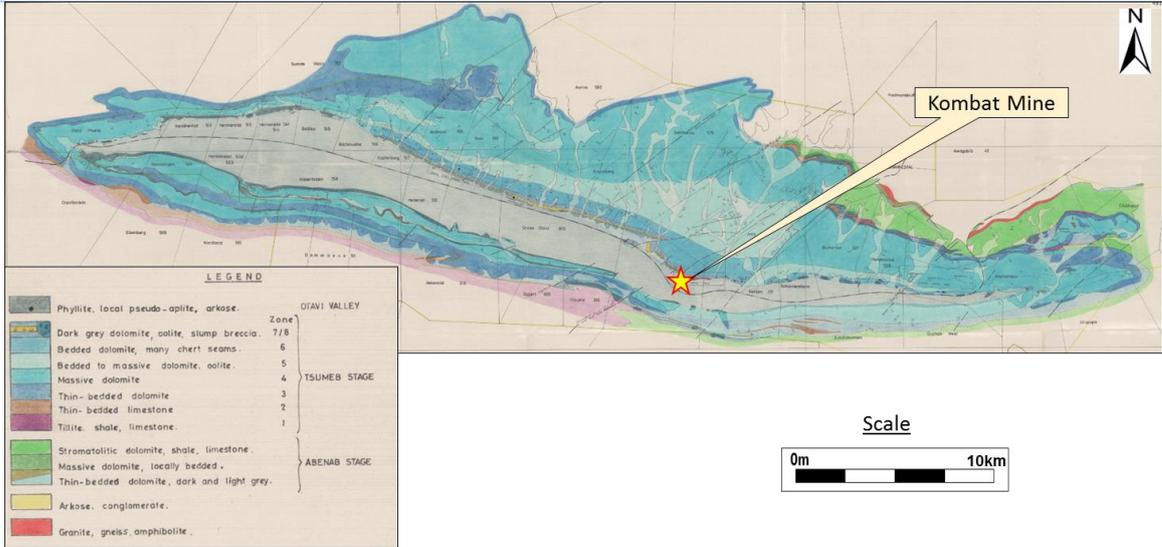
The Kombat Mine is located in the OML on the Northern Platform Margin of the Damara Orogenic Belt. The Damara Supergroup rocks of the OML have been folded into generally east to west trending synclines and anticlines, as presented in the figure below.

**GEOLOGY OF THE OTAVI MOUNTAINLAND AND THE LOCATIONS OF KNOWN MINERAL DEPOSITS**



The formation of a complex foreland thrust belt to the west may have influenced sedimentary patterns of the Mulden Group within the OML, while closure of the Damara Orogenic Belt resulted in recumbent shearing with an overthrust sense to the southwest on a low-angle shear zone. High temperature rocks containing metamorphic brines were thrust over the cooler Mulden Formation rocks, resulting in the formation of the Otavi Valley syncline as depicted in the figure below. Further instability of the cratonic plates resulted in northwest-trending open, upright warps.

**HISTORICAL MAP DEPICTING THE GEOLOGY OF THE OTAVI VALLEY SYNCLINE**



Source: Map Supplied by Kombat Mine

Historical Map Depicting the Geology of the Otavi Valley Syncline

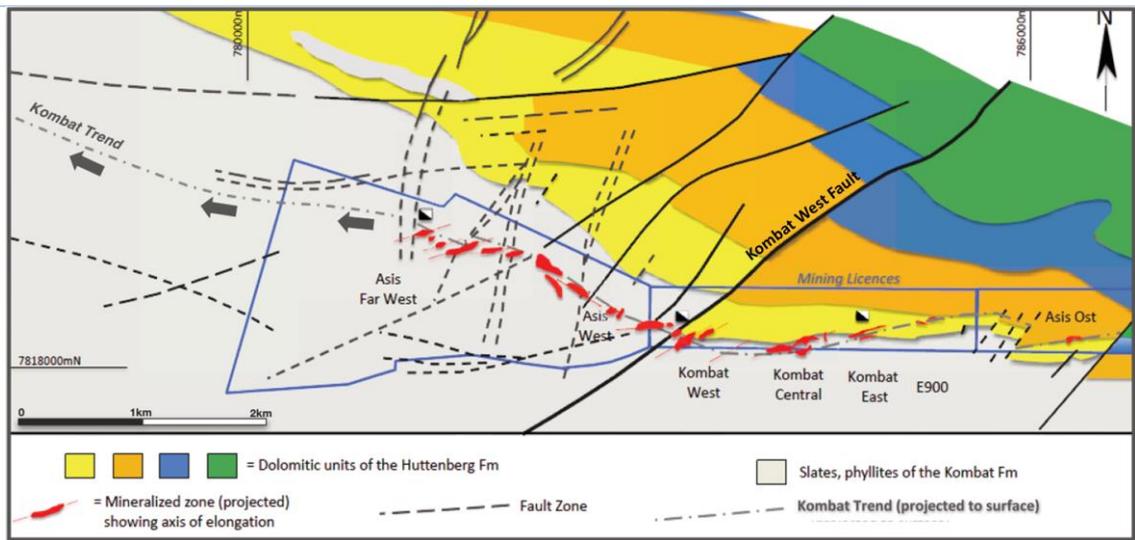
April 2018

**Local Property Geology**

The orebodies on Kombat and Otavi are situated on the northern limb of the canoe-shaped Otavi Valley Syncline. The northern limb dips to the south at between 20° and 75°. Several northeast and east trending normal and strike-slip faults cross-cut the syncline and post-date mineralisation.

Seven distinct zones of mineralisation separated by barren dolostone are strung out over a distance of 6km along the Kombat monoclinial lineament. All mineralised zones have surface expression except for Asis West where the orebody is down-faulted along the Kombat West Fault, as depicted in the figure below.

**GEOLOGY OF KOMBAT MINE DEPICTING THE EN ÉCHELON GEOMETRY OF THE OREBODIES AND THE KOMBAT WEST FAULT**

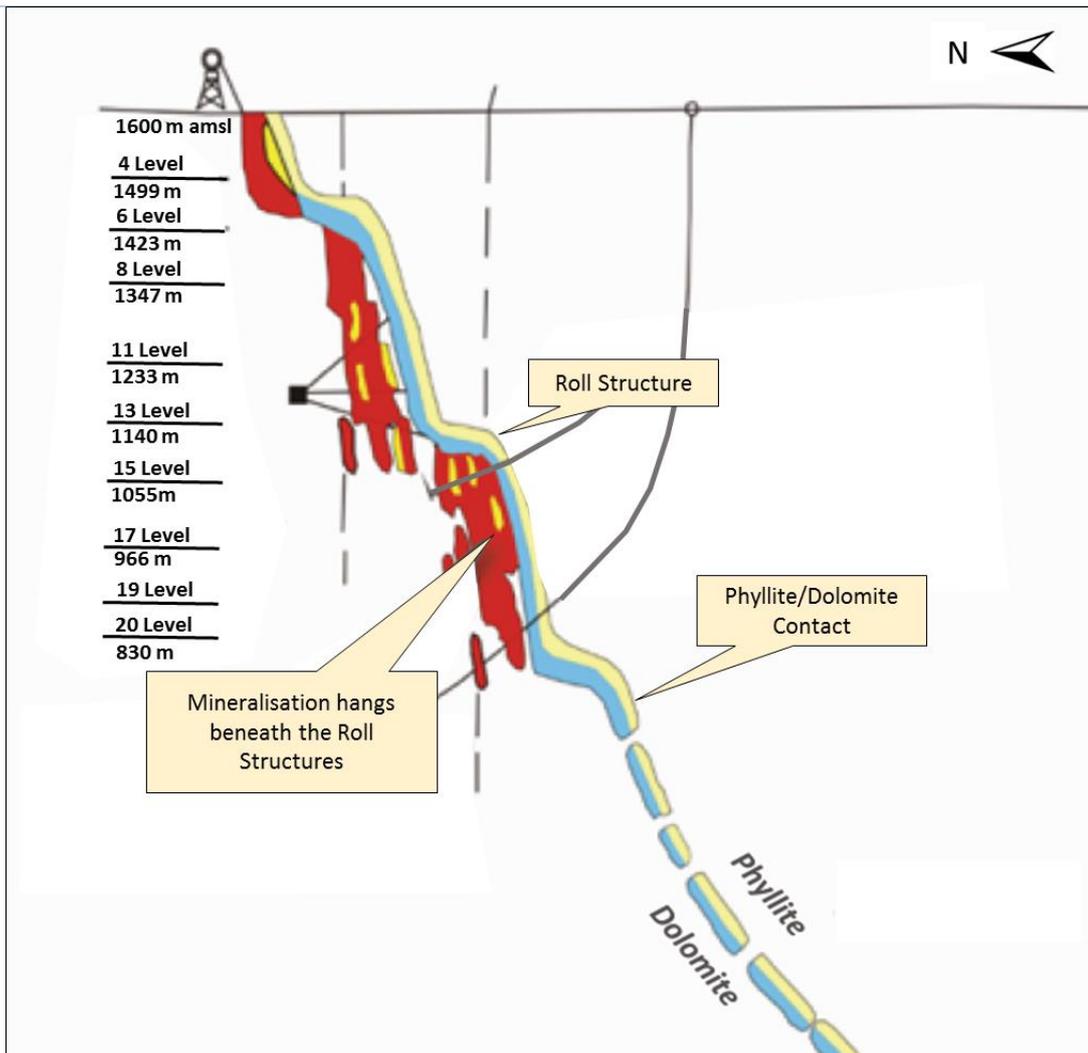


Source: Trigon Metals Presentation, March 2017

The orebodies occur in the dolostone of the Hüttenberg Formation below monoclinial flexures on the contact between the Kombat and Hüttenberg Formations. In general, the ore loci are defined by breccia bodies in dolostone and a variety of structural controls resulting in an en échelon pattern and a crosscutting relationship with the contact.

The country rock above the orebodies is sheared and fractured into “roll structures”. A relation between the orebodies and the feldspathic sandstone of the Kombat Formation is also indicated. The ore lenses abut against the contact and hang like pendants beneath the flexures as depicted in the figure below.

**SCHEMATIC DIAGRAM DEPICTING THE RELATION OF THE HANGING OREBODIES RELATIVE TO THE ROLL STRUCTURES AND PHYLLITE/DOLOMITE CONTACT**



Source: Trigon Metals Presentation, March 2017

**Schematic Diagram Depicting the Relation of the Hanging Orebodies relative to the Roll Structures and Phyllite/Dolomite Contact**

They are steep in orientation and transgressive to stratigraphy. With depth the massive sulphides horsetail and merge into thready stringers until they become disseminated in calcitised zones of net-vein fractures.

The Kombat orebodies are interpreted to have formed as a result of the release of both CO<sub>2</sub> and CH<sub>4</sub> from the Mulden shales. This converted the anhydrite (in the dolostones) to calcite releasing SO<sub>4</sub> into the brines. The brines also migrated along the basin margin faults and thrusts, picking up base metals along the way.

The CO<sub>2</sub> and S reacted with downward migrating oxidizing groundwater producing sulphuric acid that ate its way up through the last four hundred metres of the rotated fold-thrust fracture systems in the carbonates, forming a hypogene karst system. Unconsolidated sand was subsequently forced through the fracture system forming sandstones. The overlying Mulden phyllite acted as a barrier preventing the upward migration of base metal bearing brines, subsequently precipitating sulphides by reduction in structurally controlled roll structures.

### **Status of Exploration**

The Kombat property is classified as an advanced property, which historically has undergone long-lived production and plenty of historical exploration from geophysical and geochemical surveys conducted during the 1960s to 1990s, to surface and underground drilling, where some 2,183 drillholes have been recorded and validated.

Recent surface drilling programmes commenced in 2012 through to 2015 under the auspices of Kombat mine personnel, which utilised modern QAQC methodologies. Drilling prior to 2012 is classed as historical as very little QAQC was conducted on this core (which is mostly still available on site) with the exception of some confirmatory sampling conducted by P&E Mining Consultants Inc. (“**P&E**”) in 2014.

Additional reverse circulation (“**RC**”) drilling was concluded in 2017 to upgrade the Mineral Resource from an Inferred category to an Indicated category. During this drilling campaign, 48 RC drillholes were drilled with a total length of 2,179 m. The Mineral Resource upgrade was focused on the shallow open pit Mineral Resource at Kombat Central and Kombat East. The underground Mineral Resource was not the focus and will be drilled at a later stage.

An additional three phases of drilling are proposed at the Kombat open cut pits. All three phases are focused on increasing the resource base in this area. Phase 2 is a total of 467 m (17 drillholes), Phase 3 is an additional 670 m (11 drillholes) and Phase 4 is 300 m (six drillholes). Phase 2 will test additional mineralised areas within the current pit shells, Phase 3 will test the gap area between the east and central pit and Phase 4 will test for mineralisation north of the central pit.

### **Drilling and Sampling**

Kombat Project is a Brownfields Project and not an exploration project as defined in accordance with NI 43-101. The Kombat drilling database contains summaries of all historical and recent drillholes (diamond, RC and RAB drillholes). No quality assurance and quality control (“**QAQC**”) was conducted on the drilling conducted prior to 2012, a fact which was considered during Mineral Resource classification. Four drilling campaigns have been conducted subsequent to 2012.

The latest 2017 drilling campaign targeted the proposed in-pit Mineral Resource for the Kombat section, with the view of upgrading the Mineral Resource classification from Inferred to Indicated. The drilling consisted of RC drilling only and consisted of 48 drillholes covering the Central and East Kombat section.

Minxcon was involved in the 2017 RC drilling campaign in terms of planning and as the role of Qualified Person. All drilling programs subsequent to 2012 incorporated standard Assay QAQC practices. It is Minxcon’s view that sampling pertaining to these drilling campaigns meets accepted international industry standards.

### **Mineral Resource and Mineral Reserve Estimates**

The Mineral Resource statement for the Kombat operations is presented relative to the 150 m depth cut-off with respect to the possible employable mining strategy. The open pit Mineral Resources are stated at copper equivalent (“**CuEq**”) cut-off grade of CuEq 0.60% for the Kombat section and 0.77% for Gross Otavi, and the underground mineable Mineral Resources are stated at the cut-off grade of CuEq 1.4%.

The Mineral Resources have been depleted for the Kombat and Asis sections. No historical voids are available for the Gross Otavi section, but it was indicated by mine personnel that very little development has taken place. This was evidenced by Minxcon personnel upon the site visit to Gross Otavi. The Gross Otavi section in the Mineral Resource has been discounted by 1% in order to account for historical mining with an additional 7.5% as a porosity factor due to the presence of karst voids. Density for the hard rock has been estimated.

Inferred and Indicated Mineral Resources have been estimated for the Kombat operations and a 15% and 10% geological loss has been applied to the Inferred and Indicated Mineral Resources, respectively. No tailings have been declared at a 0.4% Cu cut-off but this is seen as an upside potential at 0.3% Cu cut-off. All Mineral Resources are limited to the property boundaries of the Project Area. Columns may not add up due to rounding. Inferred Mineral Resources have a large degree of uncertainty and it cannot be assumed that all or part of the Inferred Mineral Resource will be upgraded to a higher confidence category. Mineral Resources that are not Mineral Reserves do not demonstrate economic viability.

The table below presents the estimated Mineral Resources for the potential open pit areas.

#### OPEN PIT MINERAL RESOURCES FOR THE KOMBAT OPERATIONS AS AT 28 FEBRUARY 2018

Mine Area	Mineral Resource Class	Tonnes	Density	Cu	Pb	Ag	Cu Content	Pb Content	Ag Content
		Mt	t/m <sup>3</sup>	%	%	ppm	t	t	kg
Kombat East	Indicated	0.951	2.82	1.03	0.92	1.01	9,806	8,721	961
Kombat Central	Indicated	0.578	2.81	1.32	0.41	5.96	7,623	2,341	3,440
Kombat West	Indicated	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Indicated</b>	<b>1.529</b>	<b>2.82</b>	<b>1.14</b>	<b>0.72</b>	<b>2.88</b>	<b>17,428</b>	<b>11,062</b>	<b>4,401</b>
Kombat East	Inferred	0.318	2.81	0.91	0.42	1.87	2,888	1,322	593
Kombat Central	Inferred	0.264	2.82	1.29	0.61	5.70	3,412	1,612	1,508
Kombat West	Inferred	0.357	2.88	2.75	2.61	2.22	9,801	9,326	791
<b>Total Kombat</b>	<b>Inferred</b>	<b>0.939</b>	<b>2.84</b>	<b>1.71</b>	<b>1.31</b>	<b>3.08</b>	<b>16,101</b>	<b>12,260</b>	<b>2,892</b>
Gross Otavi	Inferred	0.643	2.84	0.93	2.50	0.85	6,006	16,053	546
<b>Total</b>	<b>Inferred</b>	<b>1.582</b>	<b>2.84</b>	<b>1.40</b>	<b>1.79</b>	<b>2.17</b>	<b>22 107</b>	<b>28 313</b>	<b>3 437</b>

**Note:**

1. The open pit Mineral Resource is declared to a depth of 150 m with a CuEq cut-off of 0.6% for Kombat and 0.77% for Gross Otavi.
2. Open Pit Commodity prices applied: USD3.87/lb (Cu) and USD1.22/lb (Pb).
3. Exchange Rate applied: NAD:USD 12.43.
4. A geological loss of 15% for the Inferred and 10% for the Indicated Mineral Resource has been applied.
5. The Mineral Resources are exclusive of Mineral Reserves.
6. Mineral Resources are reported as total Mineral Resources and are not attributed.

The following table presents the estimated Mineral Resources for the potential underground areas.

#### UNDERGROUND MINERAL RESOURCES FOR THE KOMBAT OPERATIONS AS AT 28 FEBRUARY 2018

Mine Area	Mineral Resource Class	Tonnes	Density	Cu	Pb	Ag	Cu Content	Pb Content	Ag Content
		Mt	t/m <sup>3</sup>	%	%	ppm	t	t	kg
Kombat East	Inferred	0.079	2.86	1.93	2.25	0.71	1,521	1,773	56
Kombat Central	Inferred	0.023	2.89	2.23	3.86	8.39	514	890	193
Kombat West	Inferred	0.104	2.91	2.79	4.15	3.27	2,899	4,307	339
<b>Kombat</b>	<b>Inferred</b>	<b>0.206</b>	<b>2.89</b>	<b>2.40</b>	<b>3.39</b>	<b>2.86</b>	<b>4,934</b>	<b>6,971</b>	<b>588</b>

Asis West	Inferred	2.475	2.88	4.05	1.28	32.36	100,214	31,735	80,078
Asis Gap	Inferred	0.166	2.83	2.35	0.35	21.15	3,909	590	3,514
Asis Far West	Inferred	1.082	2.85	3.42	0.10	35.81	37,000	1,036	38,763
<b>Asis</b>	<b>Inferred</b>	<b>3.723</b>	<b>2.87</b>	<b>3.79</b>	<b>0.90</b>	<b>32.86</b>	<b>141,122</b>	<b>33,361</b>	<b>122,355</b>

**Note:**

1. The underground Mineral Resource (below 150 m) is declared at a CuEq cut-off of 1.4%.
2. Underground Commodity prices applied: USD3.0/lb (Cu) and USD1.0/lb (Pb).
3. Exchange Rate applied: NAD:USD 12.43
4. A geological loss of 15% for the Inferred and 10% for the Indicated Mineral Resource has been applied.
5. The Mineral Resources are exclusive of Mineral Reserves.
6. Mineral Resources are reported as total Mineral Resources and are not attributed.

The table to follow presents the total combined Mineral Resources for the Kombat operations.

**COMBINED MINERAL RESOURCES FOR THE KOMBAT OPERATIONS AS AT 28 FEBRUARY 2018**

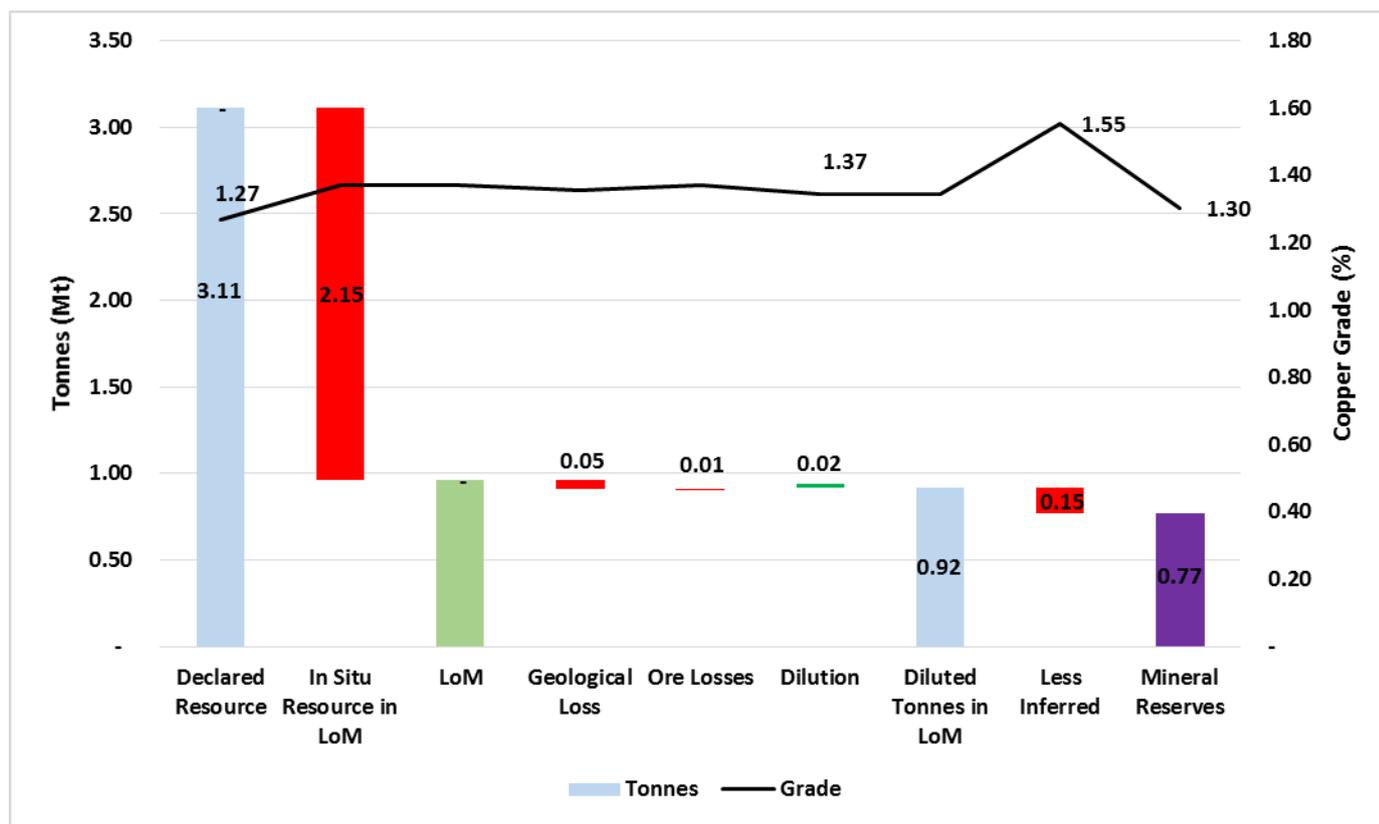
Mine Area	Mineral Resource Class	Tonnes	Density	Cu	Pb	Ag	Cu Content	Pb Content	Ag Content
		Mt	t/m <sup>3</sup>	%	%	ppm	t	t	kg
Kombat East	Indicated	0.951	2.82	1.03	0.92	1.01	9,806	8,721	961
Kombat Central	Indicated	0.578	2.81	1.32	0.41	5.96	7,623	2,341	3,440
Kombat West	Indicated	-	-	-	-	-	-	-	-
<b>Total</b>	<b>Indicated</b>	<b>1.529</b>	<b>2.82</b>	<b>1.14</b>	<b>0.72</b>	<b>2.88</b>	<b>17,428</b>	<b>11,062</b>	<b>4,401</b>
Kombat East	Inferred	0.397	2.85	1.11	0.78	1.63	4,409	3,096	648
Kombat Central	Inferred	0.287	2.84	1.37	0.87	5.92	3,926	2,502	1,701
Kombat West	Inferred	0.461	2.88	2.76	2.96	2.45	12,700	13,633	1,130
Gross Otavi	Inferred	0.643	2.84	0.93	2.50	0.85	6,006	16,053	546
Asis West	Inferred	2.475	2.88	4.05	1.28	32.36	100,214	31,735	80,078
Asis Gap	Inferred	0.166	2.83	2.35	0.35	21.15	3,909	590	3,514
Asis Far West	Inferred	1.082	2.85	3.42	0.10	35.81	37,000	1,036	38,763
<b>Total</b>	<b>Inferred</b>	<b>5.511</b>	<b>2.86</b>	<b>3.05</b>	<b>1.25</b>	<b>22.93</b>	<b>168,163</b>	<b>68,644</b>	<b>126,380</b>

**Note:**

1. The open pit Mineral Resource is declared to a depth of 150 m with a CuEq cut-off of 0.77% for Gross Otavi and 0.6% for Kombat.
2. The underground Mineral Resource (below 150 m) is declared at a CuEq cut-off of 1.4 %.
3. Open Pit Commodity prices applied: USD3.87/lb (Cu) and USD1.22/lb (Pb).
4. Underground Commodity prices applied: USD3.0/lb (Cu) and USD1.0/lb (Pb).
5. Exchange Rate applied: NAD:USD 12.43.
6. A geological loss of 15% for the Inferred and 10% for the Indicated Mineral Resource has been applied.
7. The Mineral Resources are exclusive of Mineral Reserves.
8. Mineral Resources are reported as total Mineral Resources and are not attributed.

The Mineral Reserve calculation considered Mineral Resources in the Measured and Indicated category. The graph below illustrates the effect of the modifying factors on the diluted scheduled tonnes for Kombat East and Kombat Central.

## IN SITU MINERAL RESOURCES TO MINERAL RESERVES



The Mineral Reserve categories are shown below. The Mineral Reserves exclude Inferred Mineral Resources located in the life of mine (“LoM”) plan.

### MINERAL RESERVES AS AT 30 APRIL 2018

Area	Reserve Classification	Tonnes	Cu Grade	Pb Grade	Ag Grade	Cu Content	Pb Content	Ag Content
		Mt	%	%	g/t	t	t	kg
East_Central	Probable Mineral Reserves	0.77	1.30%	0.47%	4.33	9,985	3,598	3,322
<b>East_Central</b>	<b>Probable Mineral Reserves</b>	<b>0.77</b>	<b>1.30%</b>	<b>0.47%</b>	<b>4.33</b>	<b>9,985</b>	<b>3,598</b>	<b>3,322</b>

**Notes:**

1. Cu Cut-off of 0.71%.
2. Cu Price of USD6,825 per Cu tonne and Ag Price of USD572.83 per Ag kg.
3. Exchange Rate of NAD:USD 12.43.
4. The Mineral Reserves are reported as total Mineral Reserves and are not attributed.
5. Kombat East and Kombat Central open pits only.

It is Minxcon’s view that based upon the information provided to Minxcon by Trigon and the Kombat Operations, no undue material risks pertaining to metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political, and other relevant issues are applicable to the Mineral Resource and Mineral Reserve estimates as at 28 February 2018.

### Development and Operations

Minxcon completed a Feasibility Study in April 2018 (first phase) focused on open pit mining operations of Kombat East and Kombat Central which are located within the Asis licence area. The Kombat Mineral Reserves considered only Indicated Mineral Resources at Kombat East and Kombat Central.

The second phase, currently presented as a Preliminary Economic Assessment (“**PEA**”), comprises underground operations at Asis Far West, located in the Asis Far West licence area, and then open pit operations at Gross Otavi, located in the Gross Otavi licence area, and underground operations at Asis West, also located in the Asis Far West licence area. Mining of the Inferred Mineral Resources from Asis Far West, Gross Otavi and Asis West were considered in the PEA discussed in the Report.

The results of the PEA are separate from the Feasibility Study and do not impact the Feasibility Study.

**i. Mining**

The mining method selected for this study is conventional open pit mining. The method considers several factors and guides the selection process to a suitable mining method based on past experiences from the industry and on the general orientation of the orebody.

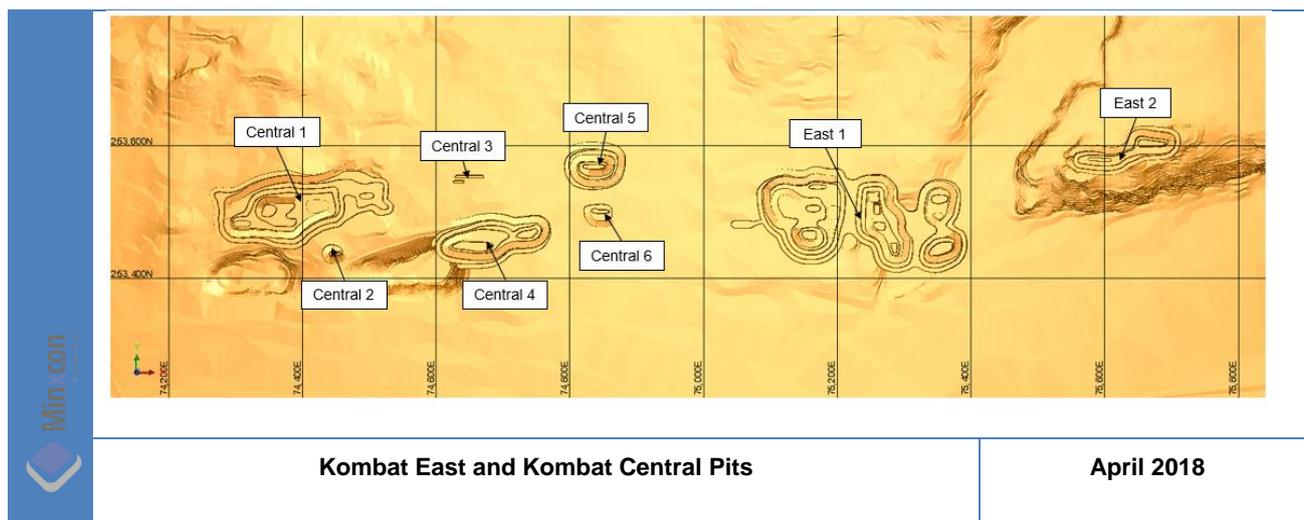
The open pit mine design criteria are summarised below.

**OPEN PIT MINE DESIGN CRITERIA SUMMARY**

Description	Unit	Rate
Slope Angle - Weathered (< 40 m)	Degrees	60
Slope Angle - Weathered (> 40 m)	Degrees	55
Slope Angle (< 40 m)	Degrees	60
Slope Angle (> 40 m)	Degrees	55
Production Rate	ktpm	35
Production Rate	ktpm	70
Berm (< 40)	m	5
Berm (> 40 m)	m	6
Face angle	Degrees	80
Bench Height	m	10
Single Lane Ramp	m	9
Double Lane Ramp	m	13
Ramp Gradient	Ratio (%)	1:10 (10%)
Ramp Gradient (2nd last bench)	Ratio (%)	1:8 (12.5%)
Ramp Gradient (Last bench)	Ratio (%)	1:6 (16.7%)

The final pit design for Kombat East and Kombat Central is illustrated below. The plan view indicates the various pits within Kombat East and Kombat Central areas.

## KOMBAT EAST AND KOMBAT CENTRAL PITS



The final pit design summary is shown below for the *in situ* material for Kombat East and Kombat Central. The material shown differs from the optimisation as practical mining parameters and pit designs were conducted.

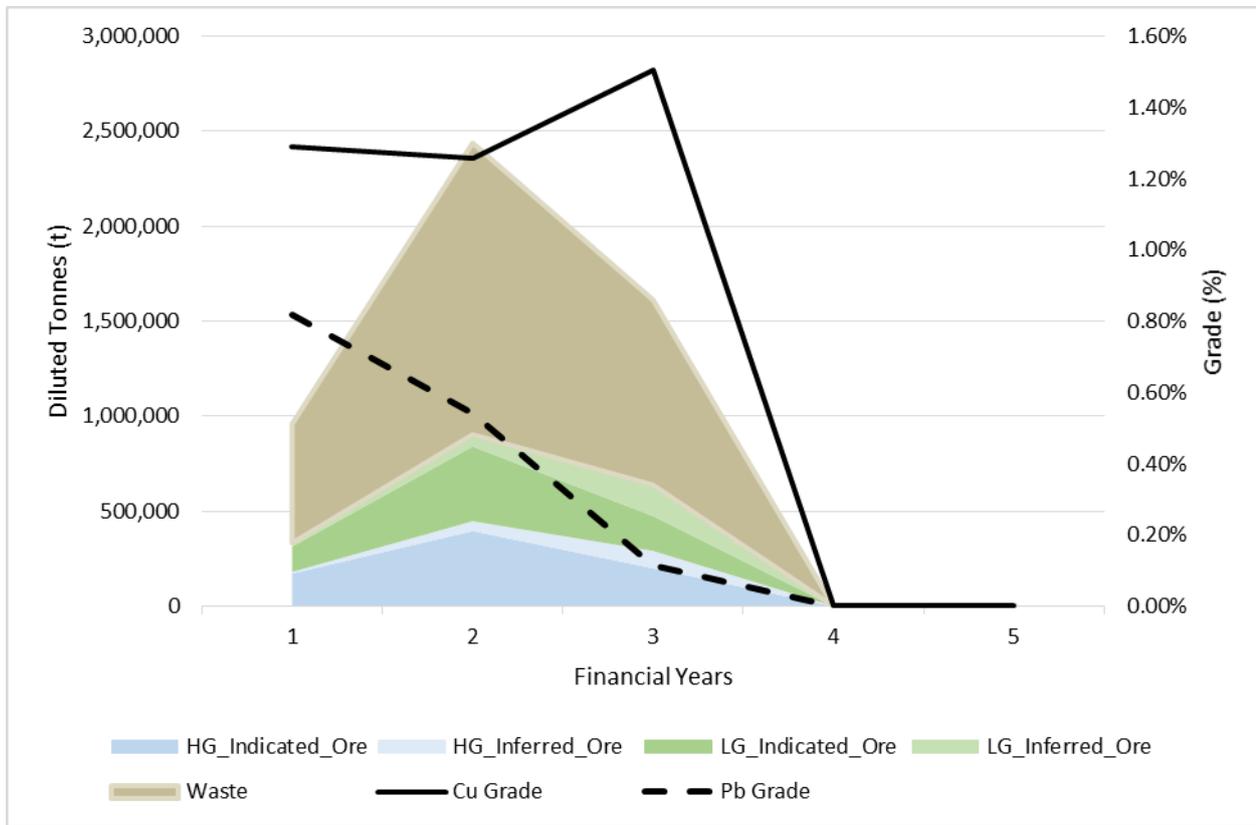
### KOMBAT EAST AND KOMBAT CENTRAL PIT IN SITU MATERIAL

Description	Unit	Value
Waste	Mt	3.27
Indicated HG Ore	Mt	0.799
Inferred HG Ore	Mt	0.158
Indicated LG Ore (<0.71% Cu)	Mt	0.74
Inferred LG Ore (<0.71% Cu)	Mt	0.254
HG Indicated Cu Grade	%	1.33
HG Indicated Pb Grade	%	0.48
HG Indicated Zn Grade	%	0.12
HG Indicated Ag Grade	g/t	4.42
HG Inferred Cu Grade	%	1.58
HG Inferred Pb Grade	%	0.43
HG Inferred Zn Grade	%	0.10
HG Inferred Ag Grade	g/t	7.01
Stripping Ratio	t:t	1.68
Stripping Ratio inclusive LG	t:t	4.45

The LoM profile for the Kombat East and Kombat Central pits is illustrated in the figure that follows.

The Kombat East and Kombat Central pits have 0.919 Mt of diluted ore with an overall stripping ratio of 4.45 (tonne waste (including low grade material) to tonne ore ratio). The ore material is divided into 0.767 Mt of Indicated Mineral Resources and 0.152 Mt of Inferred Mineral Resources which was not considered in the financial valuation.

**KOMBAT EAST AND KOMBAT CENTRAL - PRODUCTION SCHEDULE**



The equipment fleet summary which would be utilised to accomplish the mining operation is set out in the table below (other equipment and manufacturers might, however, be considered by the mining contractor carrying out the mining contract).

**EQUIPMENT FLEET SUMMARY**

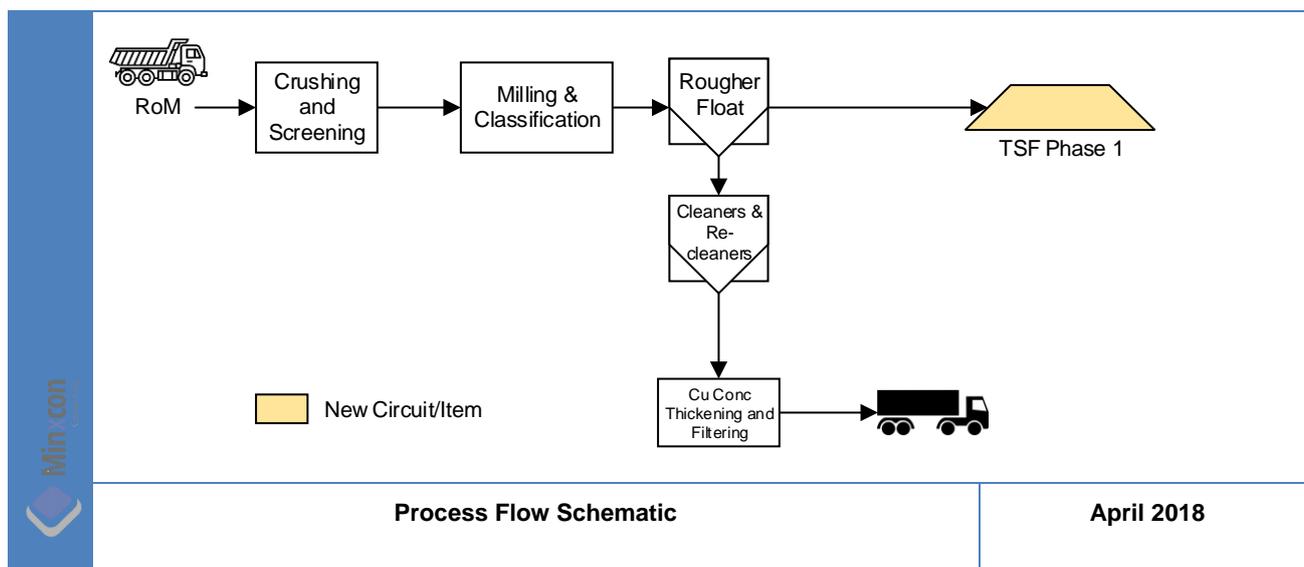
Machines	No.
Furukuwa HCR 1500 Drill	3
CAT 374D Excavator	3
Haul Truck (Bell B60D)	7
Bell B40D Water Tanker	2
Grader (CAT140)	1
CAT D8 Dozer	1
Toyota Land Cruiser	1

**ii. Processing**

Referring to the figure below, the Kombat Copper processing plant consists of a three-stage crushing, rod and ball milling and a flotation plant which is capable of producing separate copper and lead concentrates at

a throughput of 35 ktpm. The plant will produce only a copper concentrate when processing open pit material.

### PROCESS FLOW SCHEMATIC



Amenability, optimisation and locked cycle flotation test work was conducted by Maelgwyn Mineral Services Africa (Pty) Ltd (“**Maelgwyn**”) at their laboratory in Johannesburg South Africa in late 2017 on drill samples from the Central and East open pit area. The test work was successful in verifying modern flotation methods where the oxides and sulphides are floated together. As a result, a single flotation circuit will be sufficient to a copper recovery of up to 93%.

At an average open pit feed grade of 1.34% Cu, the plant can produce between 1.8 to 2.3 ktpm of copper concentrate at a targeted grade of 22% Cu. Copper concentrate is intended to be exported via Walvis Bay.

A new tailings storage facility will be constructed to the west of the processing plant within the mining license boundary as indicated in the site layout diagram in the figure below. The TSF will be constructed over two phases and house float plant tailings material. The facility has been designed to be able to accommodate a total capacity of 2.0 Mt of tailings.

The facility will consist of a traditional lined day wall dam using cyclones and/or spigotting. Waste rock cladding can be used to assist at times when the rate of rise increases to unstable conditions. The dam will be built in two phases to optimise capital expenditure. Supernatant and rainfall runoff water will be drained from the top surface of the facility and gravitate into the return water dam for reuse in the plant. A floating barge decant system will be employed to assist with water decanting.

It is envisaged that the plant will be owner operated while the tailings will be managed by a contractor.

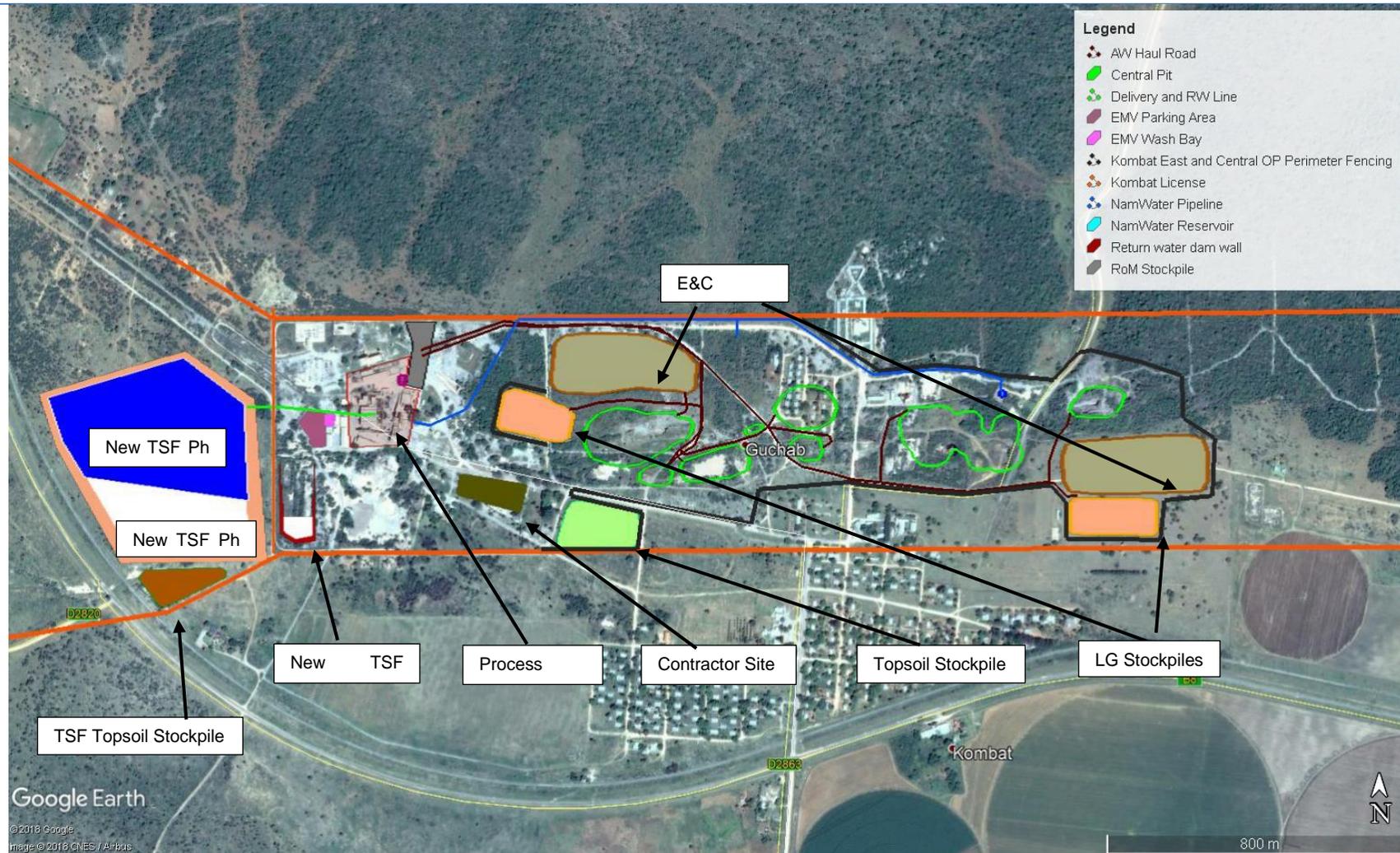
### Infrastructure

The Kombat West, Kombat East and Central and Asis Ost areas are well established. Major infrastructure for these areas is as follows:

- Security fencing and access control point;
- Offices and administrative buildings;
- Change houses;
- Stores and laydown yard;
- Salvage yard and waste sorting area;
- NamPower consumer substation supplied by 2 x 132 kV OHLs both energized at 66 kV;
- Kombat intake substations and old power plant infrastructure;
- Motor Control Centres and electrical reticulation system;
- Fuel storage and refuelling bay;

- Engineering, Process plant and Earth Moving Vehicle Workshops;
- Shaft headgears at No. 1 and No. 3 Shaft;
- Winding plants at No. 1 ( $\pm 460$  m deep) and No. 3 Shaft ( $\pm 330$  m deep);
- Vent raise with main surface ventilation fans adjacent to No. 1 Shaft;
- Core Shed;
- NamWater Pump Station at No. 1 Shaft pumping at  $\pm 600$  m<sup>3</sup>/hr from underground workings;
- NamWater pump column;
- NamWater Reservoir and booster pump station;
- Decline Shafts at No. 1 and Asis Ost;
- Rail and Road Weighbridges;
- Rail load out siding;
- Process Plant (concentrator);
- Housing (Including private Kombat town houses and hostels);
- Clinic;
- Local small retail shops;
- Police station;
- Explosives magazine;
- Cellular and fixed line communications;
- Water supply and distribution infrastructure;
- Historic tailings storage facility; and
- Sewage and grey water reticulation system and treatment plant.

The existing infrastructure will be utilized as far as possible during the establishment of the Kombat East and Central open pit mining operation. The majority of the infrastructure will require minor repairs and refurbishment to be returned to a serviceable condition. The Kombat West intake substation, power distribution system and water supply system will require more extensive repairs and upgrades. These upgrades together with the process plant and site establishment of the mining contractor will constitute the majority of the infrastructure work during project execution. The general arrangement of the Kombat East and Central pits as well as process plant is illustrated in the figure below.



Google Earth  
 ©2018 Google  
 Image ©2018 CNES / Airbus

**Kombat East and Central Infrastructure General Layout**

**April 2018**



## Economic Analysis

An independent mineral asset valuation was performed on the Kombat Mine, comprising the Kombat East and Kombat Central open pits only for the purposes of this analysis, and its Mineral Reserves. The Discounted Cash Flow (“DCF”) is based on the production schedule and all costs and capital associated to develop, mine and process the orebody. Relevant taxation and other operating factors, such as recoveries and stay-in-business costs were incorporated into the valuation to produce a cash flow over the life cycle of the project.

Both the NAD/USD exchange rate and USD commodity prices are in constant money terms in the table below. The table illustrates the forecasts for the first five years. The price forecasts and exchange rate forecasts for the first five years are based on the average of various banks, brokers and analyst forecasts. Thereafter, they are held at a constant level representing the long-term expectations. The exchange rate is based on the ZAR/USD exchange rate since the Namibian Dollar (“NAD”) is pegged to the South African Rand (“ZAR”). The DCF model was completed in constant USD terms, however the exchange rate was used to convert costs quoted in NAD to USD.

### *Macro-economic Forecasts and Commodity Prices over the Life of Mine (Real Terms)*

Commodity	Unit	2018	2019	2020	2021	2022	Long-term
US Inflation	%	2.13	2.61	2.40	2.21	2.30	2.30
Silver Price	USD/oz	17.6	17.8	18.1	18.3	18.3	19.0
Copper Price	USD/t	6,895	6,779	6,803	6,744	6,651	6,551
Lead Price	USD/t	2,411	2,264	2,164	2,076	2,011	1,966
Exchange Rate	NAD/USD	12.20	12.43	12.37	12.52	13.47	13.47

**Source:** Various Bank and Broker Forecasts (April 2018).

### **Financial Cost Indicators**

The operating costs in the financial model were subdivided into different categories:-

- (C1) Direct Cash Cost;
- (C2) Production Cost; and
- (C3) Fully Allocated Cost.

The full definitions of these costs are explained in detail in the operating cost section of the Report. Costs reported for the Kombat Mine open pits which consist of mining, plant and other operating costs, as well as government royalty payments are displayed in the table below. The financial cost indicators are displayed per milled tonne, per copper equivalent tonne and per copper equivalent pound. The copper equivalent tonnes were calculated by dividing the total revenue from the various metals by the prevailing copper price. No contingencies were applied to the mining operating costs, as they are based on contractor rates while the plant rates are mostly based on quotes and are deemed to be sufficiently accurate to not warrant further operating contingencies.

### **FINANCIAL COST INDICATORS**

Item	Unit	Kombat Reserve
<b>Net Turnover</b>	<b>USD/Milled tonne</b>	<b>77</b>
Mine Cost	USD/Milled tonne	19
Plant Costs	USD/Milled tonne	15
Other Costs	USD/Milled tonne	15
<b>Direct Cash Costs (C1)</b>	<b>USD/Milled tonne</b>	<b>48</b>
Capex	USD/Milled tonne	9
<b>Production Costs (C2)</b>	<b>USD/Milled tonne</b>	<b>58</b>
Royalties	USD/Milled tonne	2
Corporate Overheads	USD/Milled tonne	5
<b>All-in Sustainable Costs (C3)</b>	<b>USD/Milled tonne</b>	<b>65</b>
<b>All-in Sustainable Cost Margin</b>	<b>%</b>	<b>14.8%</b>
Profit from Operations*	USD/Milled tonne	21

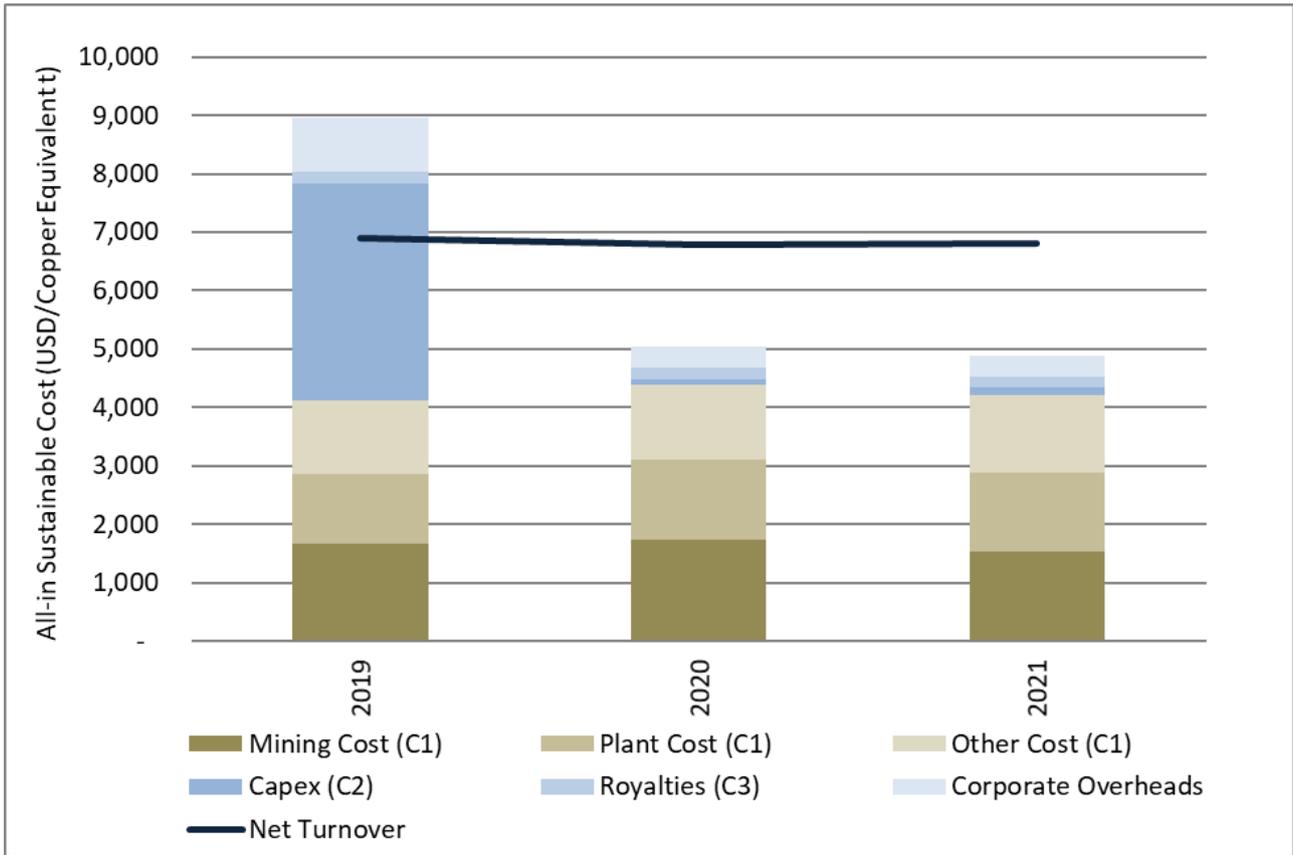
Profit from Operations Margin	%	27%
Saleable Metal Recovered Cu	kt	9.3
Saleable Metal Recovered Pb	kt	-
Saleable Metal Recovered Ag	koz	94.4
Copper Eq. Tonnes**	t	8,605
<b>Net Turnover</b>	<b>USD/Copper Eq. t</b>	<b>6,825</b>
Mine Cost	USD/Copper Eq. t	1,666
Plant Costs	USD/Copper Eq. t	1,341
Other Costs	USD/Copper Eq. t	1,299
<b>Direct Cash Costs (C1)</b>	<b>USD/Copper Eq. t</b>	<b>4,305</b>
Capex	USD/Copper Eq. t	842
<b>Production Costs (C2)</b>	<b>USD/Copper Eq. t</b>	<b>5,148</b>
Royalties	USD/Copper Eq. t	189
Corporate Overheads	USD/Copper Eq. t	481
<b>All-in Sustainable Costs (C3)</b>	<b>USD/Copper Eq. t</b>	<b>5,818</b>
Profit from Operations*	USD/Copper Eq. t	1,850
<b>Net Turnover</b>	<b>USD/Copper Eq. lb</b>	<b>3.10</b>
Mine Cost	USD/Copper Eq. lb	0.76
Plant Costs	USD/Copper Eq. lb	0.61
Other Costs	USD/Copper Eq. lb	0.59
<b>Direct Cash Costs (C1)</b>	<b>USD/Copper Eq. lb</b>	<b>1.95</b>
Capex	USD/Copper Eq. lb	0.38
<b>Production Costs (C2)</b>	<b>USD/Copper Eq. lb</b>	<b>2.33</b>
Royalties	USD/Copper Eq. lb	0.09
Corporate Overheads	USD/Copper Eq. lb	0.22
<b>All-in Sustainable Costs (C3)</b>	<b>USD/Copper Eq. lb</b>	<b>2.64</b>
Profit from Operations*	USD/Copper Eq. lb	0.84

**Notes:**

1. \* Profit from Operations - Earnings before interest, tax depreciation and amortization and excludes capital expenditure.
2. Numbers may not add up due to rounding.
3. All-in Sustainable Cost Margin = (Net Turnover – All-in Sustainable Cost)/Net Margin.
4. \*\* Cu equivalent tonnes calculated after taking into account payability terms.

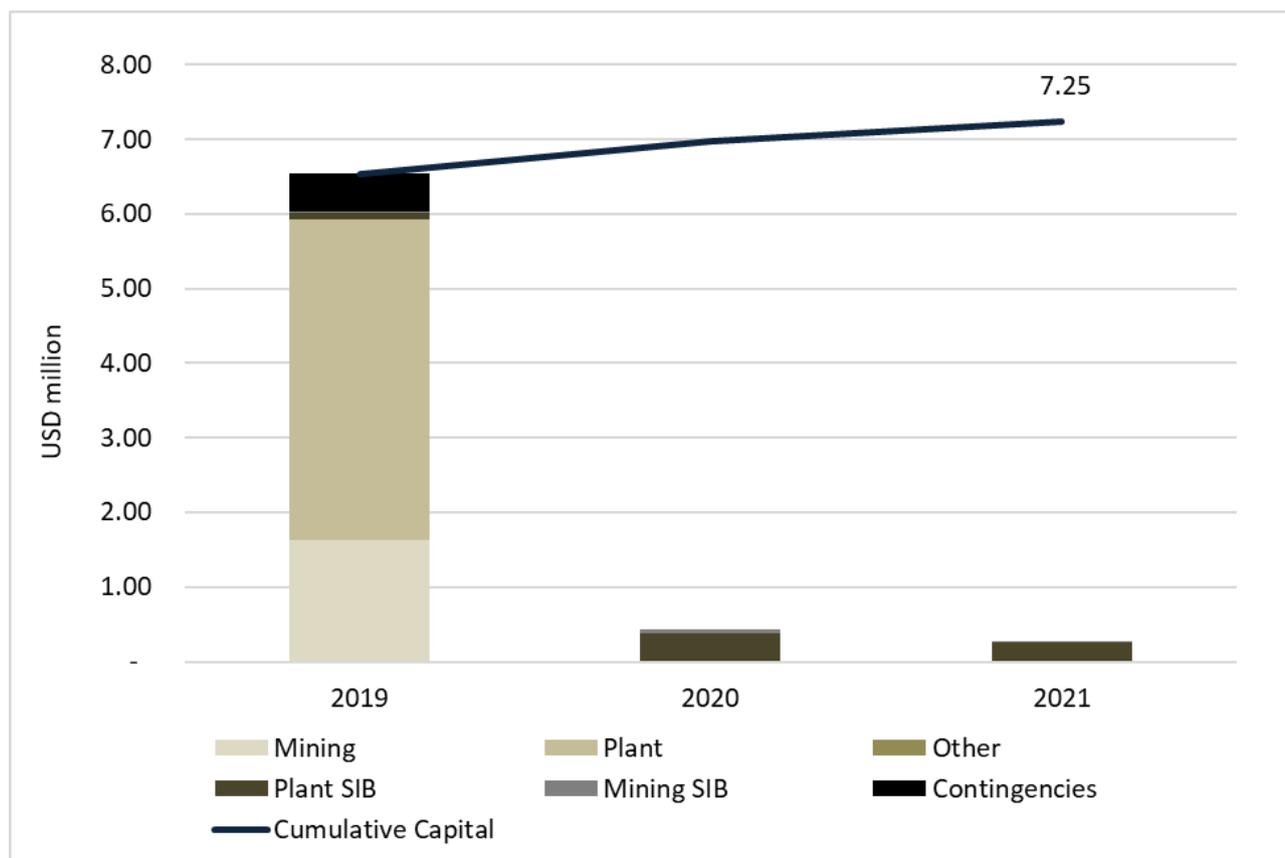
Kombat Mine, comprising the Kombat East and Kombat Central open pits, has a direct cash cost over the life of mine of USD48/milled t and an all-in sustainable cost of USD65/milled t which equates to USD1.95/CuEq lb and USD2.64/CuEq lb. It should be noted that these numbers are averages over the life of the project and are significantly lower at steady state production. Due to the life of the project being short – three years – and a significant portion of the costs being capital, the average all-in sustainable cost will be skewed to the higher end. This is illustrated in the figure to follow which shows the all-in sustainable cost over the life of mine per year in USD/milled t.

ALL-IN SUSTAINABLE COST VS. COPPER PRICE/TONNE



The capital costs over the life of the project are described in the following figure. The majority of capital (99.9%) excluding stay in business (“SIB”) is spent in year 1. The cumulative capital required to mine the Kombat open pit Mineral Reserve is USD7.25 million including SIB and contingencies. The payback period was calculated on a cumulative cash flow basis to be 1.6 years.

## CAPITAL SCHEDULE



The table below illustrates the breakdown of the capital by WBS area.

## CAPITAL SUMMARY

WBS Area	Sub Area
WBS 0100 - Roads and Access	0.02
WBS 0200 - Security and Access Control	1.39
WBS 0300 - Power Distribution	6.87
WBS 0300 - Power Supply	2.28
WBS 0400 - Water Supply	0.59
WBS 0500 - Water Management	0.8
WBS 0600 - Mine Site	0.84
WBS 0600 - Mine Site	0.15
WBS 1100 - Instrumentation, IT and Communication	0.29
WBS 1200 - Fleet	0.4
WBS 1300 - EPCM	6.26
WBS 1400 - Explosives	0.04
<b>Sub-Total</b>	<b>19.93</b>
WBS Area	Cost NAD m
WBS 0710 - Primary Crushing	1
WBS 0720 - Secondary Crushing	2.49
WBS 0730 - Milling and Classification	2.58
WBS 0740 - Flotation	7.7
WBS 0750 - Thickening and Filtration	4.37
WBS 0760 - Reagents	1.07
WBS 0770 - Water	0.5
WBS 0780 - General	6.23
WBS 0791 - Laboratory	0.75

WBS 0792 - Spares	1.48
WBS 0793 - Contractors	4.85
WBS 0794 - Crane Hire	1.06
WBS 0795 - TSF (Phase 1 of 2)	17.88
WBS 0796 - EPC Management	0.45
<b>Sub-Total</b>	<b>52.4</b>
<b>Total</b>	<b>72.33</b>

The tables to follow illustrate annual cash flow for the Project in real terms.

Annual Cash Flow – Techno-economic Inputs



**Project Title:** Kombat Mine DFS (Reserve)

Client: Trigon Metals

Project Code: P17-021a

Project Valuation Schedule	
Project Valuation Date (Base Date)	01-Apr-18
Financial Year End (month and year)	31-Mar-19
First Year	0
Days remaining	364

Commodity Price	100%	Fixed Costs	100%
Exchange Rate	100%	Variable Cost	100%
Grade	100%	Mining Capex	100%
		Plant Capex	100%

Project Duration		Unit	Totals			
Calendar Years				2019	2020	2021
Financial Years		years	3	1	2	3
<b>Macro-Economic Factors (Real Terms)</b>						
<b>Commodities</b>						
Commodity prices	Silver	USD/oz.	18	18	18	18
Commodity prices	Copper	USD/tonne	6,825	6,895	6,779	6,803
Commodity prices	Lead	USD/tonne	2,280	2,411	2,264	2,164
<b>Operating Statistics</b>						
<b>Tonnes Produced</b>						
Waste		tonnes	3,905,477	881,387	2,087,370	936,720
Stripping ratio		Ratio	5.09	6.30	4.97	4.52
ROM		tonnes	767,288	140,008	420,027	207,252
ROM	(Max)	tonnes/mnth	35,002	11,539	35,002	17,271
Plant feed grade	Silver	g/t	4.33	10.72	3.54	1.61
Plant feed grade	Copper	%	1.30%	1.41%	1.25%	1.33%
Plant feed grade	Lead	%	0.47%	0.05%	0.44%	0.81%
Tonnes to plant		tonnes	767,288	140,008	420,027	207,252
<b>Metal in Concentrate</b>						
Recovered grade	Precious Metals	g/t	15.93	159.22	59.18	25.28
Recovered grade concentrate	Copper	%	22.00%	22.00%	22.00%	22.00%
Concentrate Tonnes Cu	Dry mass	Tonnes	42,209	8,328	22,193	11,688
Concentrate Tonnes Cu	Wet	Tonnes	45,879	9,052	24,123	12,704
Recovered grade	Copper	%	1.21%	1.3%	1.2%	1.2%
<b>Metal recovered In Conc.</b>						
Metal recovered	Silver	Kg	2,935	1,326	1,313	295
Metal recovered	Copper	Tonne	9,286	1,832	4,882	2,571

## Annual Real Cash Flow



**Project Title:** Kombat Mine DFS (Reserve)  
**Client:** Trigon Metals  
**Project Code:** P17-021a

Project Valuation Schedule	
Project Valuation Date (Base Date)	01-Apr-18
Financial Year End (month and year)	31-Mar-19
First Year	0
Days remaining	364

Commodity Price	100%	Fixed Costs	100%
Exchange Rate	100%	Variable Cost	100%
Grade	100%	Mining Capex	100%
		Plant Capex	100%

Project Duration		Unit	Totals			
Calendar Years			2019	2020	2021	2022
Financial Years		years	3	1	2	3
<b>Financial</b>						
Revenue		USD	58,733,606	12,182,408	30,730,801	15,820,397
Revenue	Silver	USD	879,531	546,627	332,904	0
Revenue	Copper	USD	58,235,048	11,635,781	30,486,669	16,112,598
Revenue	Lead Penalty	USD	(380,973)	0	(88,772)	(292,201)
<b>Mining cost</b>			<b>(14,334,363)</b>	<b>(2,938,383)</b>	<b>(7,821,935)</b>	<b>(3,574,045)</b>
Direct Cash Costs	Fixed Cost	USD	(4,432,024)	(816,929)	(2,406,123)	(1,208,972)
Direct Cash Costs	Variable Cost	USD	(9,902,339)	(2,121,454)	(5,415,812)	(2,365,073)
<b>Plant cost</b>			<b>(11,535,393)</b>	<b>(2,131,211)</b>	<b>(6,277,127)</b>	<b>(3,127,055)</b>
Direct Cash Costs	Fixed Cost	USD	(4,053,275)	(747,117)	(2,200,502)	(1,105,656)
Direct Cash Costs	Variable Cost	USD	(7,482,118)	(1,384,094)	(4,076,625)	(2,021,399)
<b>Other Costs</b>			<b>(11,178,351)</b>	<b>(2,230,217)</b>	<b>(5,831,156)</b>	<b>(3,116,978)</b>
Direct Cash Costs	Other Costs Variable	USD	(10,684,100)	(2,126,945)	(5,609,996)	(2,947,159)
Direct Cash Costs	Rehabilitation	USD	(306,551)	(103,272)	(101,390)	(101,888)
Direct Cash Costs	SLP, Indigenization and Local Upskil	USD	(187,700)	0	(119,770)	(67,930)
<b>Direct Cash Costs</b>	<b>Total C1</b>		<b>(37,048,107)</b>	<b>(7,299,811)</b>	<b>(19,930,218)</b>	<b>(9,818,078)</b>
Production Costs	Initial Capital expenditure	USD	(5,928,740)	(5,928,740)	0	0
Production Costs	Contingency	USD	(511,184)	(511,184)	0	0
Production Costs	SIB	USD	(809,422)	(103,198)	(429,495)	(276,728)
<b>Production Costs</b>	<b>Total C2 (Includes C1)</b>		<b>(44,297,453)</b>	<b>(13,842,934)</b>	<b>(20,359,713)</b>	<b>(10,094,806)</b>
Fully Allocated Costs	Namibian Revenue Royalty	USD	(1,629,313)	(339,220)	(852,224)	(437,868)
Fully Allocated Costs	Other Fixed Costs	USD	(4,134,925)	(1,653,970)	(1,653,970)	(826,985)
<b>All-in Sustainable Cost</b>	<b>Total C3 (Includes C1+C2)</b>		<b>(50,061,690)</b>	<b>(15,836,124)</b>	<b>(22,865,907)</b>	<b>(11,359,659)</b>
<b>EBITDA</b>		USD	<b>15,921,262</b>	<b>2,889,407</b>	<b>8,294,389</b>	<b>4,737,466</b>
<b>EBIT</b>		USD	<b>8,671,916</b>	<b>3,653,716</b>	<b>7,864,893</b>	<b>4,460,738</b>
Taxation		USD	(3,010,445)	0	(2,140,063)	(870,382)
Income after tax		USD	5,661,471	(3,653,716)	5,724,830	3,590,357
Working capital changes		USD	1	(37,702)	19,737	(17,415)
<b>Cash Flow</b>						
Net Cash Flow	Annual cash flow	USD	<b>5,661,471</b>	<b>(3,691,418)</b>	<b>5,744,567</b>	<b>3,572,941</b>

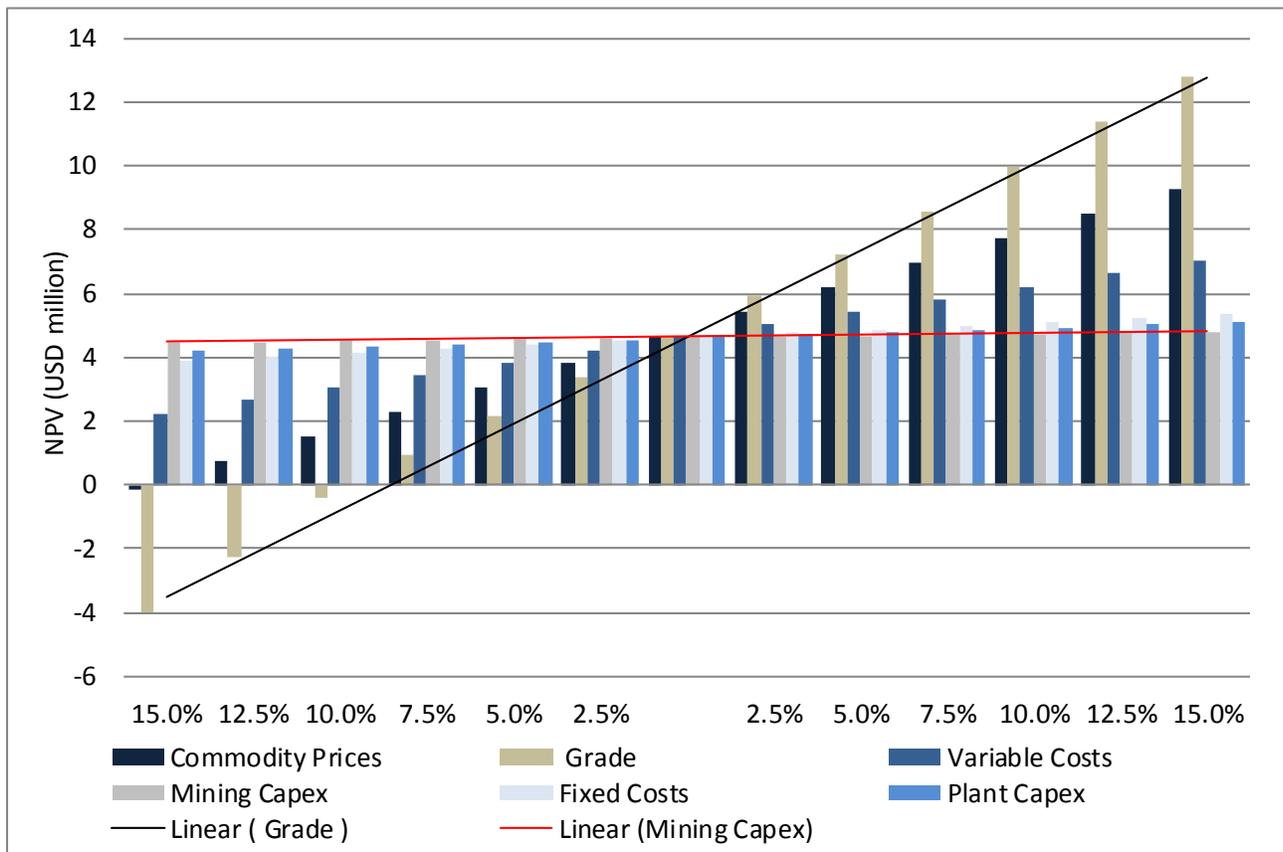
The following table illustrates the Project NPV at various discount rates with a best estimated value of USD4.63 million and an attractive IRR of 103% at a real discount rate of 7.59%. The reason for the IRR being so high is due to the operation already having significant infrastructure in place, with only limited capital required for site establishment of the mining contractors, refurbishment of existing shared infrastructure, refurbishment of the existing plant and the establishment of Phase 1 of the LoM tailings facility.

*Project Valuation Summary – Real Terms*

Item	Unit	Kombat Reserve
NPV @ 0%	USDm	5.66
NPV @ 5%	USDm	5.05
<b>NPV @ 7.6%</b>	<b>USDm</b>	<b>4.63</b>
NPV @ 10%	USDm	4.51
NPV @ 15%	USDm	4.03
NPV @ 20%	USDm	3.60
IRR	%	103.4

Minxcon performed single-parameter sensitivity analyses based on the real cash flow to ascertain the impact on the NPV. For the DCF, the grade and commodity prices have the most significant impact on the sensitivity of the project followed by the variable cost. The project is least sensitive to capital and fixed costs.

*Project Sensitivity (NPV<sub>7.59%</sub>)*



A range of values was calculated for the DCF valuation by determining an upper and lower range. The upper and lower ranges were determined by applying a maximum and minimum standard deviation to a number of key factors namely commodity prices, grade, exchange rate, operating costs and capital costs.

The mine has a range of values between USD0.79 million and USD9.00 million with a best estimated full value of USD4.63 million at a real discount rate of 7.59%.

*Range of Values*

Valuation Method	Lower Value	Estimated value	Upper Value
	USDm	USDm	USDm
Discounted Cash Flow	0.79	4.63	9.00

**Qualified Person’s Conclusions and Recommendations**

**I. Conclusions**

**Mineral Resources**

The Inferred confidence in the Mineral Resource classification for the Kombat operations is based on a combination of factors such as low local drillhole data density, lack of QAQC on the historical drillhole datasets, inaccurate depletion voids and that underground stope sampling data was not available to assist in constraining the mineralised halos. The methodology employed by Minxcon for the historical mine void depletions in the underground portion may be aggressive but necessary based on the survey data available.

A considerable volume of historical geological mapping and interpretation and drillhole core is preserved at the mine that has not been included in the current modelling which may serve to significantly increase the confidence in the Mineral Resource estimate in future.

Minimal measured bulk density values are available to support the current estimate contributing to the Inferred Mineral Resource classification, regardless of the use of the Tsumeb Formula used in density calculations, which relates sulphide make-up and sulphide content to bulk density. However, additional density measurements were taken in the 2017 RC drilling campaign which supported the figures used to date.

The 2017 drilling campaign achieved the its aim of upgrading the open pit Mineral Resources from an Inferred Mineral Resource to an Indicated Mineral Resource and substantiated the geological model, albeit at a slightly lower grade in places.

**Mining**

The orebody analysis showed that the shallow orebodies situated at Kombat East and Kombat Central are amenable to open pit mining. Ultimate pits were selected for pit design where the designs were based on geotechnical recommendation. The optimal extraction sequence for the project starts with Kombat East and Kombat Central at 35 ktpm. This mining strategy is achievable, realistic and conservative. The mining plan only targeted Indicated Mineral Resources, with Inferred Mineral Resources not considered in this report.

**Engineering and Infrastructure**

The Kombat West operation is well established and easily accessible via the existing road and rail network in the area. Although all major infrastructure such as power supply, water supply, shaft and associated equipment, buildings and amenities are already in place and sufficient for the operation of the mining areas, minor repairs and upgrades will be required. More extensive repairs and upgrades will be required particularly on the Kombat intake substation and the power distribution network. The open pit operation will require minimal additional infrastructure as contractor mining will be conducted.

## **Processing**

The plant processing methodologies and equipment is based on well-understood and proven technologies. The process design criteria and expected recoveries for the open pit material are of a high confidence based on recent batch flotation test work results as well as historic production data.

Underground water at Kombat is vital for NamWater as it is used to supplement Windhoek water supply. As a result, a new tailings storage facility will be built which will comply with modern standards for tailings waste storage where an effective barrier system will be included to limit any potential environmental disturbances.

## **Economic Analysis**

The Kombat open pit project was evaluated to be economically feasible with a best estimated NPV of USD4.63 million over the short life of three years. The Project has very healthy IRR of 103.4% due to significant infrastructure having already been established and the capital requirements being relatively low.

The break-even copper price of the Project was calculated to be USD5,818/CuEq t, with an all-in cost margin of 14.8%, which is lower compared to similar mines. The short life of mine (three years), however, skews the result to the negative. The Project has an all-in sustainable cost of USD65/Milled t which equates to USD5,818/CuEq t or USD2.64/CuEq lb.

An initial capital investment USD6.5 million is required to fund the operation with a payback period for the Project of 1.6 years. The Project is most sensitive to the feed grade followed by commodity prices.

## **II. Recommendations**

### **Mineral Resources**

Minxcon recommends that all sections and plans with historical stope void profiles be digitised and incorporated into the mine void model in order to accurately deplete the Mineral Resource estimate.

Large-scale re-assay and bulk density assessments should be undertaken from the existing wealth of drillhole core on the mine in order to increase assay confidence in the historical drilling dataset. All samples should be sent to an accredited laboratory.

Historical geological mapping (underground and surface) should be digitally captured and elevated in order to lend further integrity to the digital Mineral Resource estimation process.

The 2017 drilling campaign was Phase 1 of the recommended drilling for the Project. Additional drilling (Phases 2, 3 and 4) is recommended to expand the Mineral Resources, further improve the confidence in the orebody, and should also consider the oxide sulphide transition.

### **Mining**

It is recommended to update the geotechnical studies to include geotechnical drilling and rock strength tests to confirm the current design assumptions.

### **Engineering and Infrastructure**

Priority should be given to the final detailed design required for the refurbishment and recommissioning of the Kombat West intake substation to ensure sufficient and reliable power supply to the open pit mining operation and 35 ktpm process plant.

## **Other Relevant Data and Information**

### **I. Preliminary Economic Assessment - Introduction**

Minxcon completed an upside analysis, in the form of a PEA, on the mining methods, treatment methods and development of additional infrastructure required to economically mine Inferred Resources at Asis Far West, Gross Otavi and Asis West.

A DCF valuation was carried out on the Inferred Mineral Resources only on a standalone basis. The value derived is considered to represent the upside potential value of the current copper and lead Inferred Resources at Asis Far West, Gross Otavi and Asis West. **The PEA is preliminary in nature and there is no certainty that it will be realized. The PEA includes Inferred Mineral Reserves that are considered too speculative geologically to have economic consideration applied to them that would enable them to be categorized as Mineral Reserves.**

Mining at Kombat would commence with open pit mining operations at Kombat East and Kombat Central since they require minimal establishment and will thus be less capital intensive. The existing plant and associated infrastructure will be refurbished to ensure a throughput of 35 ktpm with a new TSF built to the west of the plant to house flotation plant tailings. Underground sections of Asis Far West and Asis West will be more capital intensive to re-establish than the surface operations. Of these two underground areas, the infrastructure at Asis West would require significantly more capital investment than Asis Far West and is therefore scheduled to be mined after Asis Far West.

Development of underground mining at Asis Far West will commence while Kombat Central is being mined. The plant would be expanded to a capacity of 60 ktpm to treat material from Asis Far West once Kombat Central is depleted. Open pit mining operations would move to Gross Otavi once Kombat Central is depleted to ensure that the plant feed is maintained after Asis Far West is mined. Development of underground mining at Asis West will commence while Gross Otavi is being mined. Asis West will be mined upon depletion of Gross Otavi.

### **II. Mining**

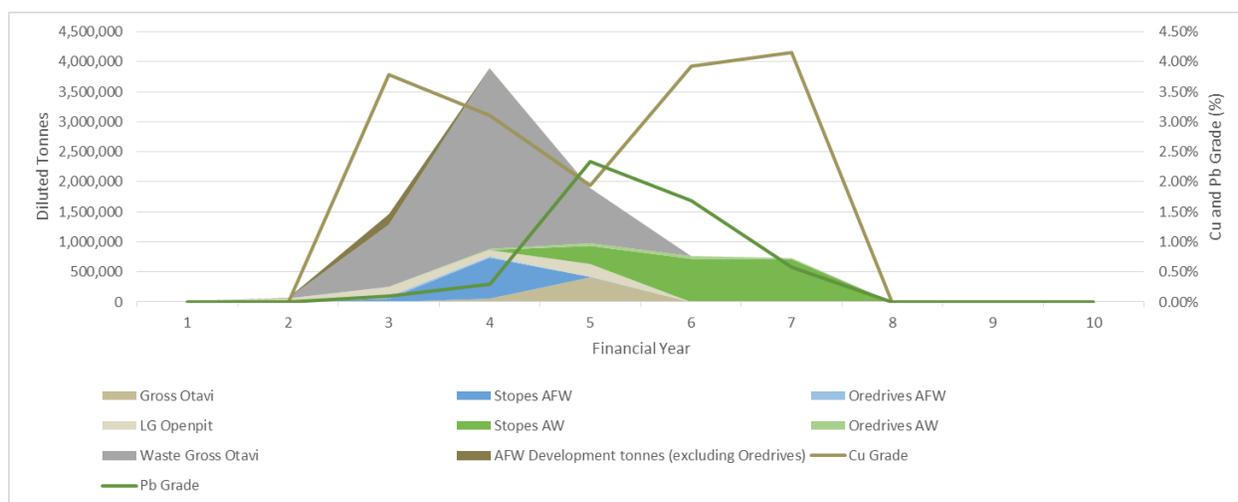
The Kombat mining operations would consider, under the PEA, comprising conventional open pit at Gross Otavi, and underground mining at Asis Far West and Asis West. Gross Otavi has a stripping ratio of 11.27 with 0.47 Mt of ore at a copper grade of 1.19% and a lead grade of 3.43%.

Asis Far West requires 1045 m of development for decline and passing bays, 2,925 m horizontal development and 713 m raisebore development. Asis Far West contains 0.80 Mt of ore at a copper grade of 3.32% and a lead grade of 0.008%.

Asis West contains 1.73 Mt of ore at an average copper grade of 3.93% and a lead grade of 0.94%.

The diluted production profile for Inferred Mineral Resource is shown in the figure to follow.

## DILUTED PLANT FEED TONNES FROM INFERRED MINERAL RESOURCE



### III. Mining Operating Cost

The open pit mining operating cost was sourced from a previously submitted proposal from a reputable industry known mining contractor. The underground mining operating cost was sourced from a previous study and inflated. The fixed cost for the operation was estimated by Minxcon.

### IV. Engineering and Infrastructure

The Kombat West, Asis West and Asis Far West operations are well-established operations with all main infrastructure required already in place. Some maintenance, repairs and refurbishment will be required especially at the Asis Far West underground operation.

Recommissioning of the Asis Far West dewatering system, shaft, winding plant, ventilation system and power supply will be done to enable exploration from the underground workings. Once exploration has been done, the shaft, winding plant, ventilation system and associated underground workings will have to be re-established to allow for mining at the planned 60 ktpm. Subsequent to the recommissioning and commencement of mining at Asis Far West, the Asis West infrastructure will be recommissioned. The recommissioning of the Asis West operation will require similar work to that of Asis Far West and will include work on the dewatering system, shaft infrastructure, winding plant, ventilation system and power supply.

The existing infrastructure as well as the power and water supply infrastructure will subsequent to re-establishment be capable and sufficient to accommodate the production rates planned as part of the PEA.

It is recommended that during the next study level a complete and detailed assessment and plan be conducted with regards to the dewatering of the underground operation as well as the refurbishment requirements of the shaft system. These areas will be critical in terms of re-establishment of the operation.

According to a water balance conducted, it can be expected that both during initial dewatering and dewatering during steady state production, excess water will be present at the operation. Although NamWater utilises the majority of the excess water there may still be excess water remaining that will have to be discarded. A clear plan needs to be set out in terms of how and where excess water can be discarded/released.

A detailed trade-off study will be required to select mining equipment that will be able to be transported down the vertical shaft and still meet the required production.

## V. Processing

The existing Kombat plant will initially process open pit material from the Central and East pits at 35 ktpm as detailed in the Mineral Reserve. It would then be expanded to a capacity of 60 ktpm in order to initially process Asis Far West underground material, Gross Otavi open pit material and then underground ore from Asis West.

A third TSF phase will be required to house the additional plant tonnes arising from processing of Asis West. The third phase will need to be built the year after Phase 2 is constructed.

It was assumed that the underground ore at Asis Far West and Asis West will have similar metallurgical properties to that of the open pit with a Cu recovery of 93%. These recoveries assumptions are deemed to be a low risk as the metallurgy is expected to be similar to the open pit.

Kombat will target a lead and a copper concentrate when treating Gross Otavi. A copper recovery into a copper concentrate of 70% was assumed and a lead recovery into a lead concentrate of 80% was assumed based on historic production data and efficiencies. Recoveries for processing of Gross Otavi are therefore at a lower confidence and should be verified through metallurgical test work.

## VI. Financial Valuation

The scope of this valuation exercise was to determine the value accretion that the remaining Inferred Mineral Resources could add to the Project. This was done by using the DCF method on a Free Cash Flow to the Firm (“FCFF”) basis, to calculate the NPV and the intrinsic value (fundamental value based on the technical inputs, and a cash flow projection that creates an NPV) of the PEA Mineral Resources in real terms. The DCF model for the PEA is based on the underground Mineral Resources of Asis Far West and Asis West and the open-pittable Mineral Resource of Gross Otavi.

The PEA cash flow summary is highlighted in table below. The free cash generated from the Inferred Mineral Resources at Asis Far West, Gross Otavi and Asis West is USD154.1 million. An additional USD63.9 million capital excluding contingencies and SIB will be required due to the significant capital requirement to develop the Asis Far West and Asis West underground operations.

### PEA CASH FLOW SUMMARY

Item	Unit	PEA
<b>Revenue</b>	<b>USDm</b>	<b>624.2</b>
<b>Mining cost</b>	<b>USDm</b>	<b>(153.6)</b>
Fixed Mining Cost	USDm	(24.5)
Variable Mining Cost	USDm	(129.2)
Contingency	USDm	0.0
<b>Plant cost</b>	<b>USDm</b>	<b>(36.9)</b>
Fixed Plant Cost	USDm	(9.3)
Variable Plant Cost	USDm	(27.6)
Contingency	USDm	0.0
<b>Other Costs</b>	<b>USDm</b>	<b>(89.6)</b>
Other Cost Fixed	USDm	0.0
Other Costs Variable	USDm	(84.4)
Contingency	USDm	0.0
Rehabilitation	USDm	(0.5)
SLP	USDm	(4.7)
<b>Direct Cash Costs (C1)</b>	<b>USDm</b>	<b>(280.1)</b>
Initial Capital expenditure	USDm	(63.9)
Contingency	USDm	(3.5)
SIB	USDm	(3.8)
<b>Production Cost (C2)</b>	<b>USDm</b>	<b>(351.3)</b>
Royalty	USDm	0.0
Namibian Revenue Royalty	USDm	(17.8)
Other Fixed Costs	USDm	(8.3)
<b>All-in Sustainable Cost (C3)</b>	<b>USDm</b>	<b>(377.4)</b>
<b>Profit from Operations*</b>	<b>USDm</b>	<b>318.0</b>

Taxation	USDm	(92.7)
<b>Income after tax</b>	<b>USDm</b>	<b>154.1</b>

**Notes:**

1. \* Profit from Operations - Earnings before interest, tax depreciation and amortization and excludes capital expenditure.
2. Numbers may not add up due to rounding.

Costs reported for the PEA are displayed in the following table. The costs are displayed per milled tonne as well as per recovered copper equivalent tonne and copper equivalent pound. The PEA all-in sustainable cost is USD126/milled tonne that equates to USD4,027/CuEq t and USD1.83/CuEq lb.

**FINANCIAL COST INDICATORS (PEA)**

Item	Unit	PEA
<b>Net Turnover</b>	<b>USD/Milled tonne</b>	<b>208</b>
Mine Cost	USD/Milled tonne	51
Plant Costs	USD/Milled tonne	12
Other Costs	USD/Milled tonne	30
<b>Direct Cash Costs (C1)</b>	<b>USD/Milled tonne</b>	<b>93</b>
Capex	USD/Milled tonne	24
<b>Production Costs (C2)</b>	<b>USD/Milled tonne</b>	<b>117</b>
Royalties	USD/Milled tonne	6
Corporate Overheads	USD/Milled tonne	3
<b>All-in Sustainable Costs (C3)</b>	<b>USD/Milled tonne</b>	<b>126</b>
<b>All-in Sustainable Cost Margin</b>	<b>%</b>	<b>39.5%</b>
Profit from Operations*	USD/Milled tonne	106
Profit from Operations* Margin	%	51%
Saleable Metal Recovered Cu	kt	91.2
Saleable Metal Recovered Pb	kt	14.5
Saleable Metal Recovered Ag	koz	2,300.1
Copper Eq. Tonnes**	t	93,719
<b>Net Turnover</b>	<b>USD/Copper Eq. t</b>	<b>6,660</b>
Mine Cost	USD/Copper Eq. t	1,639
Plant Costs	USD/Copper Eq. t	394
Other Costs	USD/Copper Eq. t	956
<b>Direct Cash Costs (C1)</b>	<b>USD/Copper Eq. t</b>	<b>2,989</b>
Capex	USD/Copper Eq. t	760
<b>Production Costs (C2)</b>	<b>USD/Copper Eq. t</b>	<b>3,749</b>
Royalties	USD/Copper Eq. t	190
Corporate Overheads	USD/Copper Eq. t	88
<b>All-in Sustainable Costs (C3)</b>	<b>USD/Copper Eq. t</b>	<b>4,027</b>
Profit from Operations*	USD/Copper Eq. t	3,393
<b>Net Turnover</b>	<b>USD/Copper Eq. lb</b>	<b>3.02</b>
Mine Cost	USD/Copper Eq. lb	0.74
Plant Costs	USD/Copper Eq. lb	0.18
Other Costs	USD/Copper Eq. lb	0.43
<b>Direct Cash Costs (C1)</b>	<b>USD/Copper Eq. lb</b>	<b>1.36</b>
Capex	USD/Copper Eq. lb	0.34
<b>Production Costs (C2)</b>	<b>USD/Copper Eq. lb</b>	<b>1.70</b>
Royalties	USD/Copper Eq. lb	0.09
Corporate Overheads	USD/Copper Eq. lb	0.04
<b>All-in Sustainable Costs (C3)</b>	<b>USD/Copper Eq. lb</b>	<b>1.83</b>
Profit from Operations*	USD/Copper Eq. lb	1.54

**Notes:**

1. \* Profit from Operations - Earnings before interest, tax depreciation and amortization and excludes capital expenditure.
2. Numbers may not add up due to rounding.
3. All-in Sustainable Cost Margin = (Net Turnover – All-in Sustainable Cost)/Net Turnover.
4. \*\* Cu equivalent tonnes calculated after taking into account payability terms.

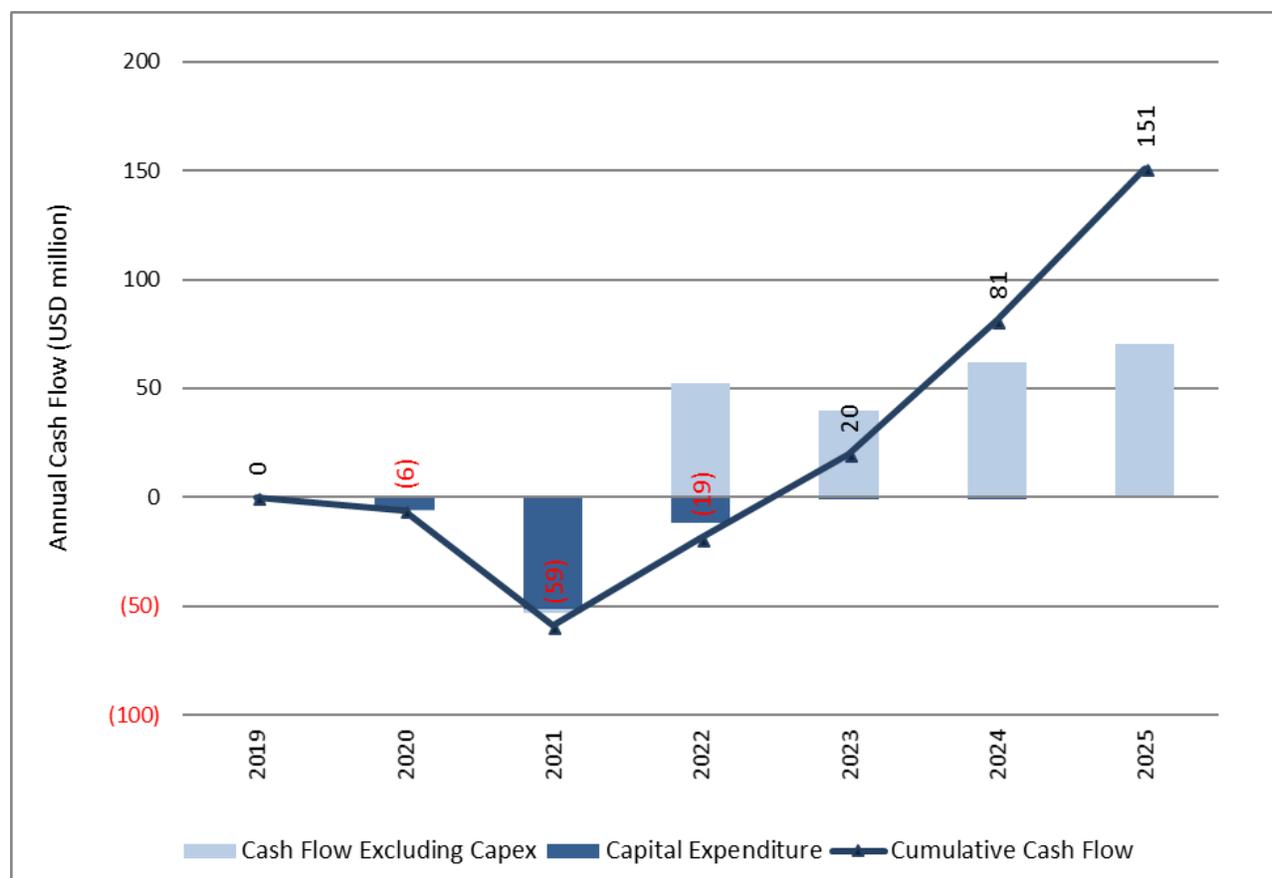
The table below illustrates the PEA NPV at various discount rates with a best-estimated PEA value of USD83.6 million at a real discount rate of 9.96%.

#### PEA VALUATION SUMMARY

Real Discount Rate	Unit	PEA
NPV @ 0%	USDm	154.1
NPV @ 5%	USDm	115.1
<b>NPV @ 9.96%</b>	<b>USDm</b>	<b>83.6</b>
NPV @ 15%	USDm	65.1
NPV @ 20%	USDm	49.0

The annual cash flow before capital expenditure, total capital expenditure and cumulative cash flow forecast for the PEA over the life of mine is displayed in the figure below. The open pits (East and Central) will require the least work and time before they can go into operation and will precede the PEA (Asis Far West, Gross Otavi and Asis West). While the open pits are being mined it enables the combined Project to pay back the initial infrastructure and plant capital and make a small return. Additionally, this allows the time for the underground project to complete the studies, exploration, refurbishment, dewatering and development required to come into full production.

#### PEA ANNUAL AND CUMULATIVE CASH FLOW



The Technical Report is available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The scientific and technical information in this AIF has been reviewed and approved by Fanie Muller, P.Eng, the VP Operations of the Corporation and a Qualified Person as defined by NI 43-101.

## DIVIDENDS

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The constating documents of the Corporation do not limit its ability to pay dividends on its Common Shares. However, the Corporation does not expect to pay dividends in the foreseeable future. Payment of dividends in the future will be made at the discretion of the Board.

## DESCRIPTION OF CAPITAL STRUCTURE

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The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of non-voting preferred shares. As of the date hereof there were 27,253,810 Common Shares issued and outstanding and no preferred shares issued and outstanding.

### Common Shares

Holders of Common Shares are entitled to receive notice of and to attend any meetings of shareholders and shall have one vote per share at all meetings, except meetings at which only holders of another class or series of shares are entitled to vote separately as such class or series. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Board and, upon liquidation, dissolution or winding up of the Corporation, are entitled to receive on a pro rata basis the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

## MARKET FOR SECURITIES

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### Trading Price and Volume

The Common Shares trade on the TSXV under the symbol "TM". The table below shows the price ranges and volume of trading on the TSXV for each month of the calendar year ended March 31, 2018.

Period	High (\$/Share)	Low(\$/Share)	Volume
March 2018	0.31	0.265	23,627
February 2018	0.33	0.25	32,648
January 2018	0.35	0.275	42,548
December 2017	0.41	0.29	56,873
November 2017	0.45	0.315	109,653
October 2017	0.49	0.375	101,088
September 2017	0.44	0.275	73,986
August 2017	0.35	0.24	52,409
July 2017	0.385	0.23	24,912
June 2017	0.29	0.23	18,597
May 2017	0.32	0.25	29,203
April 2017	0.395	0.29	17,256

### Prior Sales

During the financial year ended March 31, 2018, the Corporation issued the following securities:

Transaction Date	Number of Securities	Type of Securities	Issue Price (\$)
March 2, 2018	271,428	Units <sup>(1)</sup>	0.35
February, 28, 2018	550,000	Common	0.40

		Shares <sup>(2)</sup>	
January 15, 2018	1,428,571	Units <sup>(1)</sup>	0.35
November 1, 2017	216,666	Common Shares <sup>(2)</sup>	0.40
October 16, 2017	25,000	Stock Options <sup>(3)</sup>	N/A
October 11, 2017	25,000	Stock Options <sup>(4)</sup>	N/A
September 5, 2017	275,000	Stock Options <sup>(5)</sup>	N/A
August 22, 2017	3,116,667	Common Shares <sup>(6)</sup>	0.30
August 11, 2017	25,000	Stock Options <sup>(7)</sup>	N/A
July 31, 2017	1,848,333	Common Shares <sup>(6)</sup>	0.30
July 19, 2017	675,000	Stock Options <sup>(8)</sup>	N/A
June 1, 2017	1,616,667	Common Shares <sup>(6)</sup>	0.30
April 20, 2017	250,000	Stock Options <sup>(9)</sup>	N/A

(1) Units issued pursuant to a private placement financing. Each unit is comprised of one common share and one common share purchase warrant, where each warrant entitles the holder thereof to acquire one common share for a period of two years from the date of purchase for an exercise price of \$0.50, subject to an acceleration provision. See “*General Development of the Business*”.

(2) Issued pursuant to an exercise of warrants.

(3) Options granted to a consultant. The options are exercisable for Common Shares for a period of five years at an exercise price of \$0.415.

(4) Options granted to a consultant. The options are exercisable for Common Shares for a period of five years at an exercise price of \$0.45.

(5) Options granted to certain consultants. The options are exercisable for Common Shares for a period of five years at an exercise price of \$0.35.

(6) Units issued pursuant to a private placement financing. Each unit is comprised of one common share and one-half of one common share purchase warrant, where each whole warrant entitles the holder thereof to acquire one common share for a period of three years from the date of purchase for an exercise price of \$0.40. See “*General Development of the Business*”.

(7) Options granted to a consultant. The options are exercisable for Common Shares for a period of five years at an exercise price of \$0.24.

(8) Options granted to certain consultants, officers and/or directors. The options are exercisable for Common Shares for a period of five years at an exercise price of \$0.385.

(9) Options granted to certain directors. The options are exercisable for Common Shares for a period of five years at an exercise price of \$0.29.

## DIRECTORS AND OFFICERS

The following table sets forth the name, province or state of residence and position held with the Corporation of each of the current executive officers and directors of the Corporation. All directors hold office until the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed.

Name and Province of Residence	Position(s) with Corporation and Period of Service as a Director	Principal Occupation	Number of Common Shares Beneficially Held	Percentage of Common Shares Beneficially Held <sup>(1)</sup>
Stephan Theron <sup>(1)</sup> Ontario, Canada	President and Chief Executive Officer and Director since June 2016	President and Chief Executive Officer of the Corporation	437,600	1.6%

Name and Province of Residence	Position(s) with Corporation and Period of Service as a Director	Principal Occupation	Number of Common Shares Beneficially Held	Percentage of Common Shares Beneficially Held <sup>(1)</sup>
Mark Eaton <i>Ontario, Canada</i>	Chairman since July 2017	Executive Chairman of Belo Sun Mining Corp.	500,000	1.83%
Justin Reid <sup>(1),(2)</sup> <i>Ontario, Canada</i>	Director since January 2014	Chief Executive Officer of Troilus Gold Corporation	166,250	0.6%
Robert Schafer <sup>(1),(2)</sup> <i>Utah, USA</i>	Director since April 2017	Corporate Director	Nil	Nil
Stephen Woodhead <i>Ontario, Canada</i>	Chief Financial Officer since August 1, 2017	Financial Consultant	50,000	0.18%
Damian Lopez <i>Ontario, Canada</i>	Corporate Secretary since February 2016	Legal Consultant	33,000	0.12%

(1) Member of the Audit Committee.

(2) Member of the Corporate Governance and Compensation Committee.

The directors and officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control over, 1,186,850 Common Shares, representing approximately 4.35% of the issued and outstanding Common Shares of the Corporation as of the date hereof, based on the information provided by these individuals.

The principal occupation, business or employment of each of the Corporation's directors and executive officers within the past five years are disclosed in the brief biographies below.

#### **Mark Eaton, Chairman**

Mr. Eaton is a graduate from Hull University, England and is an experienced investment professional with over 20 years of experience in equity capital markets specializing in the resource sector. He has held the position of Managing Director of Global Mining Sales, a division of CIBC World Markets and Manager of US Equity Sales for CIBC World Markets. Mr. Eaton is also a former Partner and Director of Loewen Ondaatje McCutcheon Ltd., a Toronto-based investment dealer. In addition to his experience in institutional mine finance and investment banking, Mr. Eaton has served in management and on the Boards of several public mining companies. Mr. Eaton is the current Executive Chairman and the former Chief Executive Officer of Belo Sun Mining Corp.

#### **Justin Reid, Director**

Mr. Reid is a geologist and capital markets executive with over 20 years of experience focused exclusively in the mineral resource space. Mr. Reid started his career as a geologist with SGS and Cominco Ltd after which he became a partner and senior mining analyst at Cormark Securities in Toronto. In 2009, Mr. Reid was named Executive General Manager at Paladin Energy, where he was responsible for leading all merger and acquisition, corporate and market related activities. He returned to Canada in early 2011 assuming the role of Managing Director Global Mining Sales at National Bank Financial, where he directed the firm's sales and trading in the mining sector. He was the Chief Executive Officer and a director of Sulliden Mining Capital Inc. from August 2014 to December 2017 and previously, the President of Sulliden Gold Corporation Ltd. from February 2013 to August 2014. He is currently Chief Executive Officer and a director of Troilus Gold Corp. Mr. Reid holds a B.Sc from the University of Regina, a M.Sc from the University of Toronto and an MBA from the Kellogg School of Management at North Western University.

### **Robert Schafer, Director**

Robert Schafer has over 30 years of international experience as a geologist exploring for mineral deposits in more than 70 countries. As an executive, manager and field geologist with companies including Billiton, BHP, Kinross and Hunter Dickinson, Mr. Schafer led teams to the discovery of several deposits in the western USA (Briggs and Griffon gold mines), as well as developing strategies that led to brown fields discoveries in western Canada, southern Africa and far east Russia (Birkachan gold mine). Mr. Schafer is the immediate Past President of the Prospectors and Developers Association of Canada (PDAC) as well as Past President of both the Canadian Institute for Mining, Metallurgy and Petroleum (CIM) and the Mining and Metallurgical Society of America (MMSA). He is a Certified Corporate Director (ICD.D), a RPGeo and is also an active member of the Society for Mining, Metallurgy and Exploration (SME) in the USA, where he served on its Board for more than a decade. Mr. Schafer serves as a member of the Board of Directors for both the Canadian Mining Hall of Fame and National Mining Hall of Fame in the USA. He is the recipient of the William Lawrence Saunders Gold Medal from the American Institute of Mining, Metallurgical and Petroleum Engineers (AIME) and the Daniel C. Jackling Award from SME for career achievements, two of the highest mining recognitions in the USA.

### **Stephan Theron, President Chief Executive Officer and Director**

Mr. Theron is the President and Chief Executive Officer of Trigon. Mr. Theron brings 17 years of extensive management, capital project development and M&A experience within the mining industry. Prior to joining Trigon, Mr. Theron was Managing Director at Liberty Metals & Mining, a private equity group based in Boston, Massachusetts. Mr. Theron was also a strategic member on the board of directors of True Gold Mining. Prior to his work in Boston, Stephan was President & CEO at Forbes & Manhattan Coal Corp. He has structured numerous mining focused investments and has worked on mining projects throughout Africa and North America. Mr. Theron holds a degree in finance and is a Certified General Accountant and Chartered Professional Accountant in Ontario, Canada.

### **Stephen Woodhead, Chief Financial Officer**

Mr. Woodhead is a graduate of the University of Cape Town and a member of the South African Institute of Chartered Accountants. Mr. Woodhead has over 25 years of experience having worked for the South African Department of Finance and Trans Hex Group, a South African diamond producer, before relocating to Canada in 1997 as Chief Financial Officer of Trans Hex International. From 2003 until it was acquired by Yamana Gold in 2006, Mr. Woodhead was the Chief Financial Officer of Desert Sun Mining, developer of the Jacobina gold mine in Brazil, and in 2011 and 2012 was Chief Financial officer of Crocodile Gold Corp. Mr. Woodhead has also acted as Chief Financial Officer of Admiral Bay Resources (oil and gas), Beartooth Platinum (platinum group metals), Longford (oil and gas), Aberdeen International (royalty), Sanatana Diamonds (diamonds) and Homeland Energy (coal); as Vice President, Finance of Glass Earth (gold) and Luri Gold (gold); and has served as a director of Apogee Minerals (silver) and Vaaldiam Mining (diamonds).

### **Damian Lopez, Corporate Secretary**

Mr. Lopez is a corporate securities lawyer who works as a legal consultant to several publicly traded companies in the mining industry. Previously, from 2011 to 2015, Mr. Lopez practiced corporate and securities law at Stikeman Elliott LLP. Mr. Lopez obtained a Juris Doctor degree from Osgoode Hall Law School in 2010 and a Bachelor of Commerce degree from the University of Toronto in 2007.

### **Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

No director or executive officer of the Corporation is, as at the date of this AIF, or has been, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) while that person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days (an “**Order**”); (ii) was

subject to an Order that was issued, after the person ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director, executive officer or shareholder holding a sufficient number of securities to materially affect control of the Corporation:

- (a) has, as at the date of this AIF, or has been within the ten years before the date of this AIF, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy, or insolvency, or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

No director or executive officer of the Corporation, or a shareholder holding sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **iii. Conflicts of Interest**

Certain of the Corporation's directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies. To the extent that such other companies may participate in ventures in which the Corporation may participate, the directors or officers of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will step out of the room during discussions and abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. Under the laws of Canada, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

## **AUDIT COMMITTEE DISCLOSURE**

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National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Corporation to have a written audit committee charter and to make the disclosure required by Form 52-110F2.

### **iv. Audit Committee Charter**

A copy of the Charter of the Audit Committee of the Board, which has been adopted by the Board in order to comply with NI 52-110 and to more properly define the role of the Audit Committee in the oversight of the financial reporting process of the Corporation is attached hereto as Schedule “A”. Nothing in the Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

The Audit Committee is comprised of Justin Reid, Robert Schafer and Stephan Theron. Messrs Reid and Schafer are independent of the Corporation, as such term is defined in NI 52-110. Mr. Theron is not independent as he is an officer of the Corporation. Each member of the Audit Committee is financially literate, as such term is defined in NI 52-110.

### **Relevant Education and Experience**

A brief summary of the qualifications of each member of the Audit Committee may be found above under the heading “*Directors and Officers*”.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation’s most recently completed financial year has there been a recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on any available exemption regarding the composition, responsibilities or otherwise of the Audit Committee.

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### **External Auditor Service Fees**

#### Audit Fees

The Corporation’s external auditors, UHY McGovern Hurley LLP, billed the Corporation \$40,000 in the financial year ended March 31, 2018 and billed \$38,000 in the financial year ended March 31, 2017, for audit fees.

#### Audit-Related Fees

UHY McGovern Hurley LLP did not provide any audit related fees to the Corporation during the financial years ended March 31, 2018 and March 31, 2017.

#### Tax Fees

UHY McGovern Hurley LLP billed the Corporation \$4,000 in the financial year ending March 31, 2018 and \$4,200 in the financial year ended March 31, 2017 for tax compliance, tax advice and tax planning.

#### All Other Fees

No other fees were charged by UHY McGovern Hurley LLP for the financial years ended March 31, 2018 and March 31, 2017.

### **PROMOTERS**

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To the best of the Corporation’s knowledge, no person or company has been within the two most recently completed fiscal years, or is during the current fiscal year, a promoter of the Corporation or any of its subsidiaries.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

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There are no current legal proceedings and there were no legal proceedings during the year ended March 31, 2018 to which the Corporation was a party or of which any of the Corporation's property was subject, nor, to the best of the Corporation's knowledge, are there any such legal proceedings contemplated.

There have been no penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the fiscal year ended March 31, 2018 or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision in the Corporation. The Corporation has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the fiscal year ended March 31, 2018.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

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None of the directors, executive officers or principal shareholders of the Corporation and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction within the past three years or in any proposed transaction that has materially affected or will materially affect the Corporation or any of its subsidiaries.

## **TRANSFER AGENTS AND REGISTRARS**

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The Corporation's transfer agent and registrar is TSX Trust Company, located in Toronto, Ontario.

## **MATERIAL CONTRACTS**

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Except for contracts entered into by the Corporation in the ordinary course of business or otherwise disclosed herein, no contracts entered into during the financial year ended March 31, 2018, or which remain in effect can reasonably be regarded as presently material.

## **INTERESTS OF EXPERTS**

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Each of Daniel van Heerden, (B Eng (Min.), MCom (Bus. Admin.), MMC, Pr.Eng. No. 20050318, FSAIMM, AMMSA), Uwe Engelmann, BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, MGSSA, and Johan Odendaal (BSc (Geol.), BSc (Min. Econ.), MSc (Min. Eng.), Pr.Sci.Nat., FSAIMM, MGSSA), each of Minxcon (Pty) Ltd. Uwe Engelmann (BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, MGSSA), is a "Qualified Person" who authored the Technical Report. To the knowledge of the Corporation, none of Messrs van Heerden, Engelmann and Odendaal nor Minxcon had an interest in any securities or other properties of the Corporation, its associates or affiliates as at the date of the Technical Report or as at the date hereof.

UHY McGovern Hurley LLP are the auditors of the Corporation and have performed the audit in respect of the audited annual consolidated financial statements of the Corporation as at and for the year ended March 31, 2018. UHY McGovern Hurley LLP are independent of the Corporation in accordance with the applicable rules of professional conduct.

## **ADDITIONAL INFORMATION**

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Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, and securities authorized for issuance under the Corporation's stock option plan is contained in the management information circular of the Corporation dated September 7, 2017.

Additional financial information is provided in the Corporation's annual consolidated financial statements and management's discussion and analysis for the year ended March 31, 2018. These documents and

other information about the Corporation can be found on SEDAR under the Corporation's profile at [www.sedar.com](http://www.sedar.com).

## SCHEDULE A AUDIT COMMITTEE CHARTER

### v. Audit Committee Charter

(Implemented pursuant to National Instrument 52-110)

This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

#### PART 1

**Purpose:** The purpose of the Committee is to:

- a) significantly improve the quality of the Corporation's financial reporting;
- b) assist the Board to properly and fully discharge its responsibilities;
- c) provide an avenue of enhanced communication between the Board and external auditors;
- d) enhance the external auditor's independence;
- e) increase the credibility and objectivity of financial reports; and
- f) strengthen the role of the outside members of the Board by facilitating in depth discussions between Members, management and external auditors.

#### 1.1 Definitions

"accounting principles" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"Affiliate" means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

"audit services" means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"Board" means the Board of Directors of the Corporation;

"Charter" means this audit committee charter;

"Corporation" means Trigon Metals Inc.;

"Committee" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

"Control Person" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation, except where there is evidence showing that the holder of those securities does not materially affect control of the Corporation;

"executive officer" means an individual who is:

- a) the Chair of the Corporation;
- b) the Vice-chair of the Corporation;
- c) the President of the Corporation;
- d) the Vice-president in charge of a principal business unit, division or function including sales, finance or production;

- e) an officer of the Corporation or any of its subsidiary entities who performs a policy-making function in respect of the Corporation; or
- f) any other individual who performs a policy-making function in respect of the Corporation;

"financially literate" has the meaning set forth in Section 1.3;

"immediate family member" means a person's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual's home;

"independent" has the meaning set forth in Section 1.2;

"Instrument" means National Instrument 52-110;

"MD&A" has the meaning ascribed to it in the National Instrument;

"Member" means a member of the Committee;

"National Instrument 51-102" means National Instrument 51-102 *Continuous Disclosure Obligations*;

"non-audit services" means services other than audit services;

## **1.2 Meaning of Independence**

1. A Member is independent if the Member has no direct or indirect material relationship with the Corporation.
2. For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgement.
3. Despite subsection 2 and without limitation, the following individuals are considered to have a material relationship with the Corporation:
  - a) a Control Person of the Corporation;
  - b) an Affiliate of the Corporation; and
  - c) an employee of the Corporation.

**1.3 Meaning of Financial Literacy** -- For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

## **PART 2**

**2.1 Audit Committee** – The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

**2.2 Relationship with External Auditors** – The Corporation will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

## **2.3 Committee Responsibilities**

1. The Committee shall be responsible for making the following recommendations to the Board:
  - a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
  - b) the compensation of the external auditor.

2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

This responsibility shall include:

- a) reviewing the audit plan with management and the external auditor;
- b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
- c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
- e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
- f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
- g) reviewing interim unaudited financial statements before release to the public;
- h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
- i) reviewing any evaluation of internal controls by the external auditor, together with management's response;
- j) reviewing the terms of reference of the internal auditor, if any;
- k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
- l) reviewing the appointments of the Chief Financial Officer and any key financial executives involved in the financial reporting process, as applicable.

3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.

4. The Committee shall review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.

5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.

6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.

7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in the National Instrument, on a routine basis, whether or not there is to be a change of auditor.

8. The Committee shall, as applicable, establish procedures for:

- a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
- b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

9. As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.

10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

**2.4 De Minimis Non-Audit Services** – The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
- b) the Corporation or the relevant subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

## **2.5 Delegation of Pre-Approval Function**

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).

2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

## **PART 3**

### **3.1 Composition**

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall be independent.
4. Every audit committee member shall be financially literate.

## **PART 4**

**4.1 Authority** – Until the replacement of this Charter, the Committee shall have the authority to:

- a) engage independent counsel and other advisors as it determines necessary to carry out its duties,
- b) set and pay the compensation for any advisors employed by the Committee,
- c) communicate directly with the internal and external auditors; and
- d) recommend the amendment or approval of audited and interim financial statements to the Board.

## **PART 5**

**5.1 Disclosure in Information Circular** -- If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (*Disclosure by Venture Issuers*).

## **PART 6**

## **6.1 Meetings**

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor, if any, and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.