



# **Trigon Metals Inc.**

## **Management's Discussion and Analysis**

*For the three and six months ended September 30, 2020*

TSX-V: TM

**Trigon Metals Inc.**  
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**For the three and six months ended September 30, 2020**

**Date: November 26, 2020**

This Management's Discussion and Analysis ("MD&A") provides a review of the financial position and results of operations of Trigon Metals Inc. and its subsidiaries (the "Company" or "Trigon Metals" or "Trigon") and should be read in conjunction with the condensed interim consolidated financial statements and notes thereto for the three and six months ended September 30, 2020, and the audited consolidated financial statements and notes thereto for the years ended March 31, 2020 and 2019. This MD&A covers the most recently completed financial period and the subsequent period up to the date of this MD&A. All amounts are expressed in Canadian dollars, except share amounts, unless otherwise stated.

The unaudited condensed interim consolidated financial statements were prepared by management in accordance with International Accounting Standards ("IAS") 34 – *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). Except as disclosed in the statements, the condensed interim consolidated financial statements follow the same accounting policies and methods of computation as the most recent audited consolidated financial statements for the year ended March 31, 2020, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB and International Financial Reporting Interpretation Committee ("IFRIC") interpretations.

The Company's unaudited condensed interim consolidated financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of the business (see Going Concern). The reader should be aware that historical results are not necessarily indicative of future performance.

The audit committee of the Company has reviewed this MD&A and the unaudited condensed interim consolidated financial statements for the three and six months ended September 30, 2020 and the Company's board of directors approved these documents prior to their release.

#### **Qualified Persons**

Fanie Müller, P.Eng., is a "qualified person" as such term is defined in National Instrument 43-101 ("NI 43-101") and CIM definition standards and has reviewed, verified and approved the technical and scientific information and data included in this MD&A.

#### **Overview**

Trigon is a publicly traded Canadian exploration and development company listed on the TSX Venture Exchange ("TSXV") under the symbol "TM", with its core business focused on the exploitation of copper and silver resources in attractive jurisdictions in Africa, where it has substantial assets in place with significant exploration upside.

The Company was incorporated under the *Canada Business Corporations Act* on April 1, 2005. On December 28, 2016, the Company changed its name from Kombat Copper Inc. to Trigon Metals Inc. The Company's head office is located at 130 Queens Quay East, Suite 1224, Toronto, Ontario M5A 0P6.

The Company, through Trigon Mining (Namibia) (Pty) Ltd ("Trigon Namibia"), holds an 80% interest in five mining licenses and one exclusive prospecting license in the Otavi Mountain lands, an area of Namibia known for its high-grade copper deposits. Within these licenses are two past-producing mines, including the Company's Kombat project. The Kombat project's extensive infrastructure includes an 800 metre vertical shaft, which was completed in 2006, two recently-operational vertical shafts, ramp systems, extensive underground workings, mine buildings, a tailings facility, and a mill and concentrator with a rail siding. The Kombat mine originally opened in 1961 and between 1962 and 2007 produced 12.46 million tonnes of ore grading 2.62% copper, 1.55% lead and 18 g/t silver. The project is linked to vital existing infrastructure, including power, water, roads, and rail to the port of Walvis Bay.

In September 2020, the Company completed the acquisition of a 100% equity interest in Technomine Africa S.A.R.L. (“Technomine”), a Moroccan company holding the high potential Silver Hill copper-silver exploration project in Morocco (“Silver Hill” or the “Silver Hill project”). The Company is therefore now the holder of an operating permit constituting the Silver Hill project and five research permits comprising the Tamdout project, both in Morocco. Both projects are early stage exploration projects and the Company will be focusing on an exploration program to build on initial promising drill and sampling results at Silver Hill.

### **Highlights**

- On November 26, 2020, the Company confirmed the renewal of environmental clearances for exploration activities in Namibia, which was a pre-requisite for the upcoming exploration program.
- On November 12, 2020, the Company reported large mineralized intersections along an extended strike length at Silver Hill.
- On October 29, 2020, the Company filed an updated NI 43-101 technical report in respect of the increased Mineral Resources reported at the Kombat project.
- On October 13, 2020, the Company closed the second tranche of its broker and non-broker private placement financing (Tranche II) for gross proceeds of \$515,200.
- On October 5, 2020, the Company reported samples assayed at the Silver Hill project, extending the potential strike length to 2.0 km of high-grade mineralization.
- On September 28, 2020, the Company announced a significant increase in the total Mineral Resources reported at the Kombat project from 7.0 million tonnes (as at February 28, 2018) to 39.1 million tonnes (including inferred resources).
- On September 24, 2020, the Company closed a brokered and non-broker private placement financing (Tranche I) for gross proceeds of \$4,843,650.
- On September 24, 2020, the Company completed the acquisition of Technomine and filed an NI 43-101 Technical Report for the Silver Hill project.
- On September 8, 2020, the Company announced the potential for a significant increase in the Mineral Resources reported at the Kombat project and provided an update on the funding process with Shandong Xinhai Mining Technology & Equipment Inc. (“Xinhai”).
- On August 10, 2020, the Company announced that the results of an exploratory drilling program at the Silver Hill project show a well mineralized halo around high-grade core in Morocco.
- On August 4, 2020, the Company announced the signing of an amendment to extend the agreement for the acquisition of the Silver Hill project.
- On August 4, 2020, the Company announced that Technomine was granted a five-year environmental permit.
- On May 25, 2020, the Company signed a definitive agreement to acquire the high potential Silver Hill project in Morocco.

### **Company Outlook and Recent Developments**

#### ***Acquisition of the Silver Hill Copper-Silver Exploration Project, Morocco and exploration results***

On September 24, 2020, the Company completed its previously announced acquisition of a 100% equity interest in Technomine, a Moroccan company, from Technomine’s shareholders (the “Vendors”) (the “Technomine transaction”). Technomine owns a 100% interest in the Silver Hill and Tamdout projects in Morocco.

The Technomine transaction is part of the Company's continued focus to strategically acquire and develop copper properties in favourable African mining jurisdictions.

The Silver Hill project is situated in the Anti-Atlas region of Morocco, a regional address well known for base metal occurrences in Morocco. Surface exploration shows copper and silver mineralization at high grades distributed over a wide surface area.

Highlights of the Silver Hill project include:

- Ancient slags distributed widely across one third of the concession indicate a history of primitive metal recovery, most likely for silver.
- An abundance of copper oxide minerals, as well as old workings and slags on the property on surface and in-situ indicate excellent potential for a copper prospect.
- The project is easily accessible via the regional road network, with a well-maintained gravel road sufficient to be used for an exploration program.

Morocco is a favourable jurisdiction, with a well-established mining industry. The country is a friendly business environment with a strong mining history, but very little systematic modern exploration.

Under the terms of the acquisition, Trigon paid the Vendors CAD \$500,000 in cash and issued 6,000,000 common shares on closing of the Technomine transaction (the "First Payment"). On the one-year anniversary of the closing of the Technomine transaction, Trigon must pay to the Vendors CAD\$400,000, and issue such number of Trigon common shares equal to CAD \$250,000 (the "Second Payment").

Upon the completion of an independent NI 43-101 compliant mineral resource estimate at Silver Hill showing at least 100,000 tonnes of contained copper and/or equivalent, Trigon shall issue such number of shares equal to CAD \$1,250,000 to the Vendors.

In addition, a finder's fee of 5% of the cash and share consideration pursuant to the First Payment has been paid by Trigon to Majilias Inc. (the "Finder"), an arm's length person. A further fee of 5% of the cash and share consideration pursuant to the Second Payment shall be paid to the Finder concurrently with the payments to the Vendors, as described above.

On May 21, 2020, an environmental permit was granted by local investment authorities for the exploration, exploitation and treatment of copper and silver metal at Silver Hill for a period of five years. This permit grants the environmental approvals to take the project through to production.

Previous exploration activities undertaken by Technomine at Silver Hill identified three geological structures. The main structure of interest (Structure 1) is a shallow dipping zone of an assumed true thickness ranging from 1 to 3 metres that has been traced and worked laterally for more than 5km. Two other worked structures have been identified on the project that appear to be repeats of the mineralization lower in the geological sequence. Each has returned high grades of copper (1.1% to 12.1% Cu), and silver (up to 250-270g/t).

In August 2020, under Trigon's guidance, Technomine undertook an elementary exploratory drilling program at Silver Hill. The drilling was done using a small underpowered rig only capable of drilling shallow holes, of which three of the four reached the targeted mineralized structure, and two of the four ended in mineralization and had to be stopped due to drill rig limitations.

The results demonstrated good mineralization over a larger than expected horizon, with highlights as follows:

- S1 - Silver Hill Hole 1: intercepted 13.5 metres grading 71.5 g/t silver and 1.08% at 26.5 to 40 metres down the hole, drill core ended in mineralization. Within the drill intercept was **2.5 metres grading 266.6 g/t silver and 3.87 % copper.**
- S3 – Silver Hill Hole 3: intercepted 7.0 metres grading 48.6 g/t silver and 0.75% copper at 25 to 32 metres down the hole, the hole ended at 35.5 metres. Within the drill intercept was **1.5 metres grading 122 g/t silver and 1.59% copper.**

- S5 – Silver Hill Hole 5: intercepted **5.0 metres grading 18.9 g/t silver and 1.49 % copper** at 29 to 34 metres down the hole, drill core ended in mineralization.

In October 2020, Trigon reported further positive results from grab samples taken at Silver Hill. This surface sampling returned results from a newly identified area of mineralization, containing evidence of historical mining (refer hole J10 below). The new area is presumed to be an extension of the uppermost structure, extending the known area of mineralization 1.2 km beyond the previous work, increasing the potential strike length to at least 2 km. The remainder of the work focused on the second structure that to date has reported higher copper grades but lower silver grades than Structure 1.

The table and figure below sets out highlights and location of the sampling results.

Hole ID	Notes	Ag (g/t)	Cu (%)
J2	Road cut outcrop (2nd structure)	1	5.84
J3	Adit wall (2nd structure)	24	5.04
J5	Adit wall (2nd structure) visible azurite	280	14.32
J6	Sample from waste pile at entrance of adit (2nd structure)	32	12.40
J9	Sample from waste pile at entrance of adit (2nd structure)	24	21.36
<b>J10</b>	<b>Sample from Eastern ancient shafts (Structure 1) increases the potential strike length to at least 2km</b>	<b>112</b>	<b>6.80</b>

In November 2020, Trigon announced the results of an initial exploratory drilling program to increase its knowledge of the Silver Hill project and gain a better understanding of the local geology. The Company drilled five diamond drill core holes, with a total coverage of 900 metres.

All of the new holes were successful in intercepting copper mineralization, highlighted by wide intercepts of copper mineralization, in particular the following drill holes (copper grades shown):

- S8 – 3 metre intersection with an average grade of 0.5% and a maximum sample grade of 2.3%. Copper occurrences from a depth of 4 metres, but main mineralized zone intersected at a depth of 83 metres.
- S9 – 31 metre intersection with an average grade of 0.7%, including a 3 metre intersection at 1.8% and a maximum sample grade of 6.1%. Copper occurrences from a depth of 4 metres. Main mineralized zone intersected at a depth of 37 metres.
- S10 – 19 metre intersection with an average grade of 0.6%, including a 3.5 metre intersection at 1.1% and a maximum sample grade of 1.7%. Copper occurrences from a depth of 20 metres, but main mineralized zone intersected at a depth of 94 metres.
- S11 – 20 metre intersection with an average grade of 0.6%, including a 4metre intersection at 1.2% and a maximum sample grade of 2.1%. Copper occurrences from a depth of 13 metres. Main mineralized zone intersected at a depth of 118 metres.
- S12 – 5 metre intersection with an average grade of 0.5% and a maximum sample grade of 1.6%. Copper occurrences from a depth of 23 metres, but main mineralized zone intersected at a depth of 115 metres.

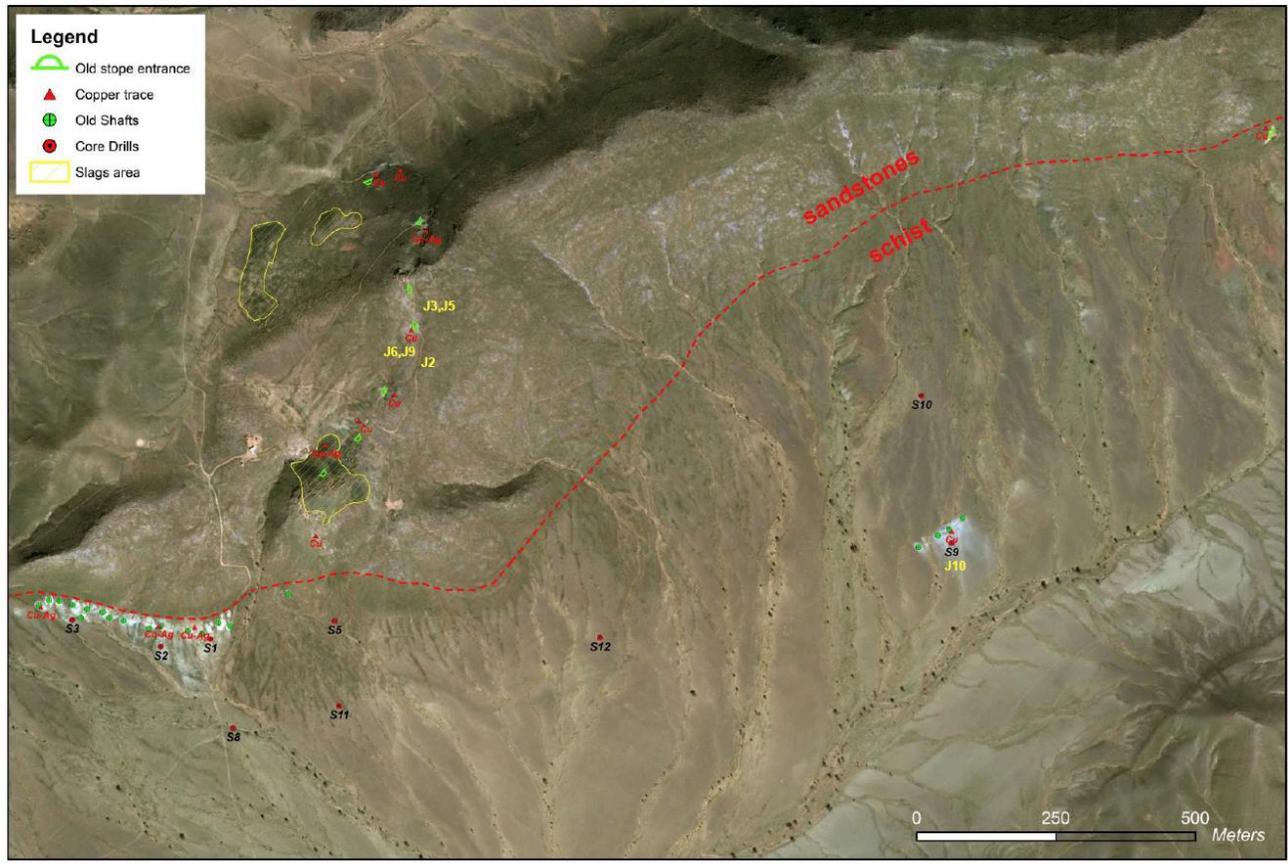
The results of the November drill program have provided the Company with valuable information in terms of the geology of Silver Hill project area with key takeaways, as follows:

- The results have confirmed the strike extension beyond S5 in an easterly direction.
- Sulphides have been detected at depth, where previously only oxides were noted in surface sampling.
- The drilling has also confirmed a larger mineralized zone (halo) around the higher-grade areas, as was anticipated from the shallow drilling done in August 2020.

The Company will utilize these results and information to design a second phase drilling program focusing primarily on an area further to the north where grades as high as 21% copper and 280 g/t silver were obtained from grab sampling. The aim of this second phase drilling program will be to get a better understanding of the

structural and local geology, to test mineralization and potential sulphides below this high-grade oxide zone as well as to investigate a potential second structure with strike extension to the north.

The figure below demonstrates the position of the aforementioned drill holes and samples on the Silver Hill property.



### **Mineral Resource update at the Kombat Copper Project, Namibia**

On September 8, 2020, Trigon announced the potential for a significant increase in the Mineral Resources at Kombat.

The previous Mineral Resource reported for Kombat as at February 28, 2018 (the “2018 Mineral Resource”), was a combined open pit and underground compliant Mineral Resource 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 (all in the Kombat East and Kombat Central open pit areas), 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 the open pit and underground areas). The Company also had a probable Mineral Reserve estimate for the Kombat East and Kombat Central open pit areas of 0.77 million tonnes at a grade of 1.30% copper, 0.47% lead and 4.33 g/t silver.

The 2018 Mineral Resource was based on historic drilling results, including the surface drill program undertaken in 2017, all of which drilling was undertaken with defined quality assurance and quality control (“QA/QC”) protocols to ensure compliance with NI 43-101 requirements for resource modelling and classification. In the last quarter, the Company appointed technical consultants, Minxcon (Pty) Ltd (“Minxcon”), to undertake a further detailed analysis of its extensive database of historical information, including historic underground drilling information which had not previously been considered in the determination of Mineral Resource estimations due to inadequate QA/QC information being available at that time.

On September 28, 2020, the Company announced an updated Mineral Resource estimate for Kombat as set out below, prepared and classified by Minxcon in accordance with the reporting guidelines as set out in NI 43-101 (the “2020 Mineral Resource”).

On October 29, 2020, the Company filed an updated NI43-101 technical report on the 2020 Mineral Resource (the “2020 Kombat Report”).

### Open Pit

Table 1 below is a summary of the 2020 Mineral Resource estimate for the open pit areas (Kombat and Gross Otavi) as at September 1, 2020.

**Table 1 – Updated Mineral Resource Estimate as at September 1, 2020 – Open Pit (0.6% copper equivalent cut-off)**

Area	Resource Classification	Tonnes (incl Geo Loss)	Density	Cu	Pb	Ag	Cu	Pb	Ag (kg)
		Mt		%	%	g/t	Tonnes	Tonnes	Kg
Kombat East	Indicated	5.27	2.81	0.86	0.98	0.49	45 065	51 849	2 595
Kombat Central		2.08	2.81	1.04	0.63	0.80	21 728	13 177	1 660
Kombat West									
<b>Total Indicated</b>		<b>7.35</b>	<b>2.81</b>	<b>0.91</b>	<b>0.88</b>	<b>0.58</b>	<b>66 793</b>	<b>65 026</b>	<b>4 255</b>
Kombat East	Inferred	4.26	2.82	0.85	1.33	0.55	36 195	56 582	2 340
Kombat Central		3.08	2.83	1.23	1.40	0.25	38 023	43 335	758
Kombat West		3.42	2.83	1.22	1.47	0.48	41 620	50 209	1 625
<b>Total Inferred Kombat</b>		<b>10.76</b>	<b>2.83</b>	<b>1.08</b>	<b>1.40</b>	<b>0.44</b>	<b>115 838</b>	<b>150 125</b>	<b>4 723</b>
Otavi	Inferred	0.64	2.84	0.93	2.50	0.85	6 006	16 053	546
<b>Total Inferred</b>		<b>11.40</b>	<b>2.83</b>	<b>1.07</b>	<b>1.46</b>	<b>0.46</b>	<b>121 844</b>	<b>166 178</b>	<b>5 269</b>

### Notes

1. The open pit Mineral Resource is declared with in the resource pit with a CuEq cut-off of 0.6% for Kombat and 0.77% for Gross Otavi.
2. Gross Otavi Mineral Resource and parameters have not changed from 2018.
3. Historical mine voids have been depleted from the Mineral Resource.
4. A geological loss of 15% for the Inferred and 10% for the Indicated Mineral Resource has been applied.
5. Mineral Resources are reported as total Mineral Resources and are not attributed.

### Underground

Table 2 below is a summary of the 2020 Mineral Resource estimate for the underground areas at Kombat and Asis as at September 1, 2020.

**Table 2 – Updated Mineral Resource Estimate as at September 1, 2020 – Underground (1.8% copper equivalent cut-off)**

Area	Resource Classification	Tonnes (incl Geo Loss)	Density	Cu	Pb	Ag	Cu	Pb	Ag (kg)
		Mt		%	%	g/t	Tonnes	Tonnes	Kg
Kombat East	Inferred	0.01	2.86	1.68	2.77	0.88	130	215	7
Kombat Central		0.48	2.86	2.20	2.02	2.53	10 614	9 725	1 221
Kombat West		0.22	2.87	2.13	2.48	3.17	4 785	5 589	713

Asis West		18.13	2.86	2.85	1.29	6.02	517 666	234 597	109 111
Asis Gap		1.04	2.84	2.75	0.44	3.53	28 649	4 549	3 680
Asis Far West		0.47	2.85	3.64	0.20	44.10	16 921	942	20 522
<b>Total Inferred</b>		<b>20.36</b>	<b>2.86</b>	<b>2.84</b>	<b>1.26</b>	<b>6.64</b>	<b>578 765</b>	<b>255 617</b>	<b>135 255</b>

#### Notes

1. The underground Mineral Resource is declared at a CuEq cut-off of 1.8%.
2. Historical mine voids have been depleted from the Mineral Resource.
3. A geological loss of 15% for the Inferred and 10% for the Indicated Mineral Resource has been applied.
4. Mineral Resources are reported as total Mineral Resources and are not attributed.

#### Combined Open Pit and Underground

Table 3 below is a summary of the 2020 Mineral Resource estimate for the combined open pit and underground areas at Kombat, Asis and Gross Otavi as at 1 September 2020.

**Table 3 – Updated Mineral Resource Estimate as at September 1, 2020 – Combined Open Pit and Underground**

Area	Resource Classification	Tonnes (incl Geo Loss)	Density	Cu	Pb	Ag	Cu	Pb	Ag (kg)
		Mt		%	%	g/t	Tonnes	Tonnes	Kg
Kombat East	Indicated	5.27	2.81	0.86	0.98	0.49	45 065	51 849	2 595
Kombat Central		2.08	2.81	1.04	0.63	0.80	21 728	13 177	1 660
<b>Total Indicated</b>		<b>7.35</b>	<b>2.81</b>	<b>0.91</b>	<b>0.88</b>	<b>0.58</b>	<b>66 793</b>	<b>65 026</b>	<b>4 255</b>
Kombat East	Inferred	4.27	2.82	0.85	1.33	0.55	36 325	56 797	2 347
Kombat Central		3.57	2.83	1.36	1.49	0.55	48 636	53 060	1 979
Kombat West		3.64	2.83	1.27	1.53	0.64	46 405	55 797	2 338
Asis West		18.13	2.86	2.85	1.29	6.02	517 666	234 597	109 111
Asis Gap		1.04	2.84	2.75	0.44	3.53	28 649	4 549	3 680
Asis Far West		0.47	2.85	3.64	0.20	44.10	16 921	942	20 522
<b>Total Inferred Kombat</b>			<b>31.12</b>	<b>2.85</b>	<b>2.23</b>	<b>1.30</b>	<b>4.50</b>	<b>694 603</b>	<b>405 742</b>
Otavi	Inferred	0.64	2.84	0.93	2.50	0.85	6 006	16 053	546
<b>Total Inferred</b>		<b>31.76</b>	<b>2.85</b>	<b>2.21</b>	<b>1.33</b>	<b>4.42</b>	<b>700 609</b>	<b>421 795</b>	<b>140 524</b>

#### Notes

1. The open pit Mineral Resource is declared with in the resource pit with a CuEq cut-off of 0.6% for Kombat and 0.77% for Gross Otavi.
2. The underground Mineral Resource is declared outside the resource pit at a CuEq cut-off of 1.8%.
3. Historical mine voids have been depleted from the Mineral Resource.
4. A geological loss of 15% for the Inferred and 10% for the Indicated Mineral Resource has been applied.
5. Mineral Resources are reported as total Mineral Resources and are not attributed.

Minxcon is currently identifying available specific historic drill holes for resampling, as well as preparing and designing a detailed cost estimate for a drilling program. This confirmatory drilling program will focus on the additional drill holes included in the 2020 Mineral Resource database to enable the Company to use the information for further upgrading the Resource and Reserve estimates.

In light of the significant upside potential represented by the above information in terms of the scale of the future mining operations at Kombat, the Company has paused its restart strategy in order to complete the abovementioned exercise and reassess the potential for a larger mining operation at Kombat.

### ***Update on funding process with Xinhai***

On March 7, 2019, Trigon entered into a non-binding Memorandum of Understanding with Xinhai (“Xinhai MOU”) pursuant to which Xinhai agreed to invest in Trigon, in exchange for the right to be appointed as the engineering, procurement and construction (“EPC”) contractor for the open pit mining operations at Trigon’s Kombat project (“the proposed Xinhai transaction”). At that time, the open pit operations represented the first phase of the Company’s life-of-mine (“LoM”) strategy to bring both the Kombat open pit and underground mines back into production.

Trigon has been in ongoing discussions with Xinhai regarding the Xinhai MOU, however due to the global COVID-19 pandemic, the investment and financing process with Xinhai was delayed beyond original timing expectations, and in September 2020 when Trigon announced the upside potential on the Kombat Minerals Resources, Xinhai agreed to halt its processes to align with Trigon’s strategy to potentially develop a larger operation.

Xinhai retains a keen interest in partnering with Trigon on the future restart of Kombat, and discussions between the parties will continue in this regard.

### **Summary of Properties**

#### ***Technomine (Silver Hill project)***

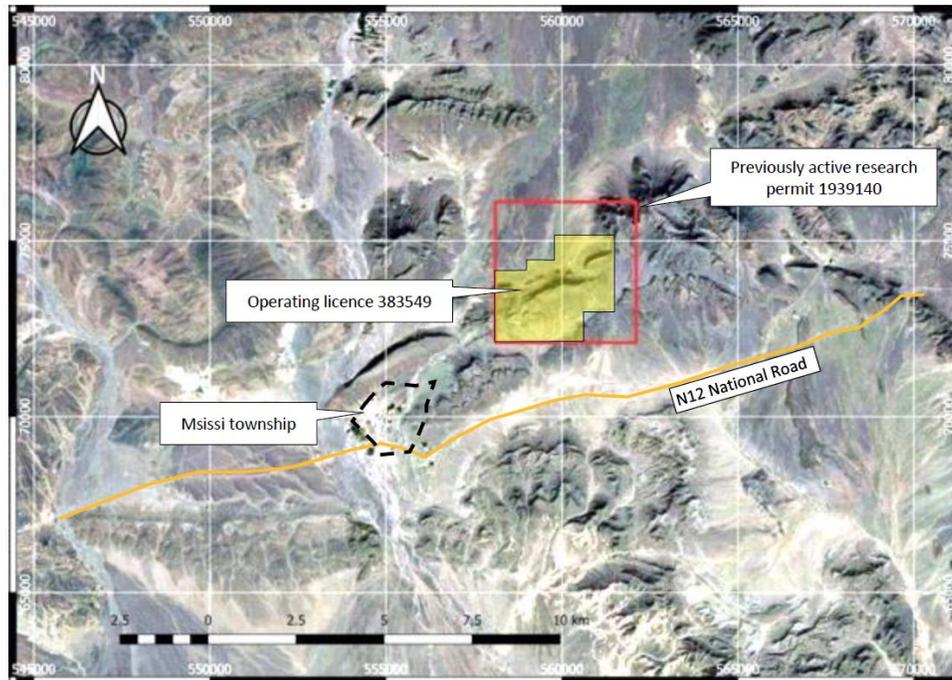
##### **History**

On September 24, 2020 the Company acquired 100% of the outstanding shares of Moroccan company, Technomine. The primary asset of Technomine is the Silver Hill project, permitted by an operating licence, located in the eastern region of Morocco. In addition, Technomine is the holder of five research permits comprising the Tamdout property, also located in Morocco. No work has been undertaken to date on the Tamdout property and Trigon’s focus in Morocco at this stage is on the Silver Hill project.

##### **Overview**

The Silver Hill project is located in the eastern region of Morocco towards the border with Algeria, in the Eastern Anti-Atlas belt, approximately 5km north-east of the town Msissi in the Tinghir province. The area is well known for various mineral occurrences, especially copper and silver.

Technomine is the holder of one operating licence, No. 383548 (Silver Hill project) and five research permits, No’s 2941611, 3941612, 3941613, 3941614 and 3941615 (Tamdout project). The operating licence covers an area of 789 ha and is valid until December 20218. The research permits are all valid until November 2022.



The Silver Hill project is classified as an early stage exploration project, with no formal exploration program to classify a Mineral Resource having been undertaken in the property's known history. Technomine and Trigon have recently completed some initial exploration work which has produced promising results (refer Company Outlook and Recent Developments section above for additional detail).

The project can easily be accessed via the national road network which is of high quality and standards. There is limited on-site infrastructure and power and water infrastructure will have to be developed. There is however a 22kV powerline running adjacent to the property as well as good potential for underground water.

On May 21, 2020, an environmental permit was granted by local authorities for the exploration, exploitation and treatment of copper and silver metal at Silver Hill for a period of five years. The approval of documentation included, *inter alia*, the community consultation process, plans for dust suppression and handling of explosives, despite the project's early stage. This permit grants the environmental approvals to take the project through to production.

### **Recent Developments**

In August 2020, under Trigon's guidance, Technomine undertook an elementary exploratory drilling program at Silver Hill. The drilling was done using a small underpowered rig only capable of drilling shallow holes, of which three of the four reached the targeted mineralized structure, and two of the four ended in mineralization. The results demonstrated good mineralization over a larger than expected horizon, with highlights set out in the Company Outlook and Recent Developments section above.

In October 2020, Trigon reported further positive results from grab samples taken at Silver Hill, as set out in the Company Outlook and Recent Developments section above.

In November 2020, Trigon undertook an exploratory drilling program to increase the Company's existing knowledge of the project and to gain a better understanding of the local geology. In terms of this program, the Company drilled five diamond core holes (S8 – S12) with a total coverage of 900 metres. All of the new holes were successful in intercepting copper mineralization, highlighted by wide intercepts.

The Company will utilize these results and information to design a second phase drilling program as described above.

## Current strategy

Trigon is currently implementing a full exploration program to required standards, to get a better understanding of the structural and local geology, to test mineralization and potential sulphides below the high-grade oxide zone as well as to investigate a potential second structure with strike extension to the north.

## **Trigon Namibia (Kombat project)**

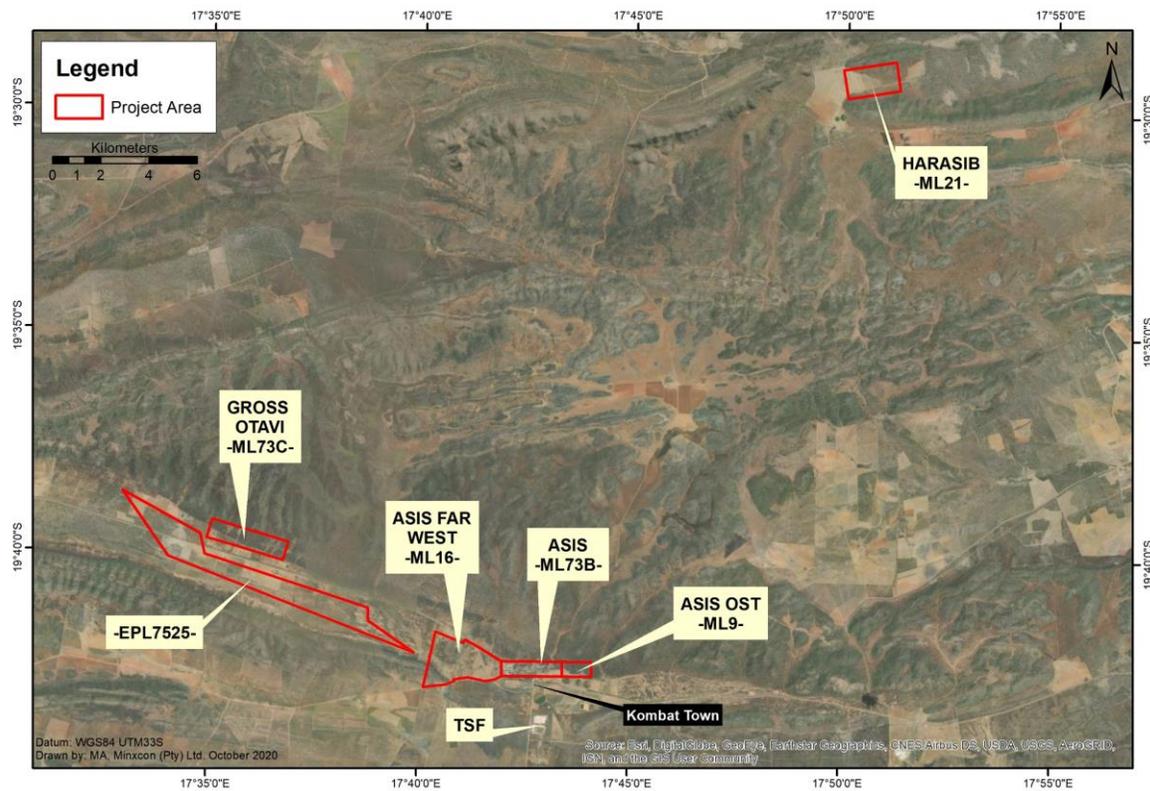
### History

On April 23, 2012, the Company acquired 80% of the outstanding shares of Namibian company, Manila Investments (Pty) Ltd., which on August 16, 2018 changed its name to Trigon Mining (Namibia) (Pty) Ltd. The primary asset of the Trigon Namibia is its 100% interest in the formerly producing Kombat mine, located in northern Namibia, comprising five mining licenses and one exclusive prospecting licence together with the infrastructure of the formerly producing mine. The mining licenses were due for renewal in March 2019 and the necessary renewal applications were submitted in a timely manner. The Company is currently awaiting a response from the Namibian Ministry of Mines and Energy which is expected in the ordinary course. The exclusive prospecting licence was awarded in January 2020 and is valid for a period of three years.

### Overview

The Kombat project is located in the Otavi Mountain Region in northern Namibia, an area recognized for its high-grade copper deposits.

Trigon Namibia is the holder of five mining licences in this region, namely the contiguous ML9 (Asis Ost), ML16 (Asis Far West) and ML73B (Asis), as well as ML21 (Harasib) and ML73C (Gross Otavi), and one exclusive prospecting licence EPL7525. The total combined area covered by the mining licences is some 1,219 ha, with the EPL covering an area of 1,057 ha. Although the mining licences all expired on March 31, 2019, renewal applications were timeously submitted in March 2018. In terms of section 94(2) of the Minerals Act, the licences remain valid until such time as the renewal application is approved or refused.



The Kombat project is classified as an advanced property, which historically has undergone long-lived production and extensive historical exploration from geophysical and geochemical surveys conducted during the 1960s to 1990s, to surface and underground drilling, where some 6,017 drillholes have been recorded and validated.

Infrastructure in the project region is well established with previous and current mining activity in the area, and the project itself has significant infrastructure in place including three vertical shafts, ramp systems, extensive underground workings, mine buildings, a tailings facility, and a mill and concentrator with a rail siding.

The Company has recently reported an updated Mineral Resource supported by an NI 43-101 compliant technical report in respect of the project as set out in more detail in the Company Outlook and Recent Developments section above and the Recent Developments section below.

In terms of environmental approvals, Trigon has an Environmental Clearance Certificate (“ECC”) as required for open pit mining operations and associated activities proposed for the Kombat East and Central areas of the Kombat project, including a new tailings storage facility. The ECC also includes clearance for dewatering for the underground exploration activities the Company intends to undertake. The clearance is valid for a period of three years, from July 2, 2018. The ECC for exploration activities on all mining licences was renewed on November 16, 2020 for a period of three years.

## **Recent Developments**

### ***National Instrument 43-101 Compliant Technical Report***

On October 29, 2020, the Company published the 2020 Kombat Report entitled “NI 43-101 Mineral Resource Report on the Kombat Project, Namibia”, with an effective date of October 1, 2020, reporting on the 2020 Mineral Resource estimate for the Kombat project as announced on September 28, 2020

The 2020 Mineral Resource comprises Indicated Mineral Resources of 7.35 million tonnes at a grade of 0.91% copper, 0.88% lead and 0.58 g/t silver and Inferred Mineral Resources of 31.76 million tonnes at a grade of 2.21% copper, 1.33% lead and 4.42 g/t silver. This represents increases of 283% and 317% respectively in copper metal content from the Indicated and Inferred Mineral Resource estimates reported as at February 28, 2018. The increases are attributed to the improved geological model and estimation due to the inclusion of the additional historical underground drillhole database as referred to above, as well as improved depletions of historical mine voids.

The previous NI 43-101 Technical Report published by Trigon was in 2018, with an effective date of April 30, 2018 (the “2018 Kombat Report”). Since then, although no ground developments or activities have advanced, additional historical exploration and drilling data has been sourced for the Kombat project, resulting in the update of the Mineral Resource estimate.

The 2018 Kombat Report included the results of a preliminary economic assessment and a feasibility study. As the 2020 Mineral Resources are significantly different from the 2018 Mineral Resources, Trigon has decided to move the project back to a Mineral Resource stage, as the Mineral Reserves, technical, engineering and economic studies will need to be redone in alignment with the revised Mineral Resources. The 2020 Kombat Report is therefore presented as a Mineral Resource report.

In addition, the upgrade of the Mineral Reserve reported in 2018 will be done at a later stage once the full potential of the Kombat operation is better understood with the forthcoming resampling and drilling program. This will ensure a more applicable mining strategy is developed based on the improved 2020 Mineral Resource.

## **Current strategy**

Minxcon is currently identifying available specific historic drill holes for resampling, as well as preparing and designing a detailed cost estimate for a drilling program. This confirmatory drilling program will focus on the additional drill holes included in the 2020 Mineral Resource database to enable the Company to use the information for further upgrading the Resource and Reserve estimates.

The Company has paused its restart strategy in order to reassess the potential for a larger mining operation at Kombat based on the results of this further work to be undertaken.

## Financial Review

The Company is a mineral exploration company and did not have any revenues or profits from operations during the three and six months ended September 30, 2020, or as of the date of this MD&A. Field exploration, supervisory costs and costs associated with maintaining its mineral properties are expensed and charged against earnings until the Company has a reasonable expectation that the property is capable of commercial production, supported by a positive economic analysis showing a NI 43-101 compliant Mineral Reserve, approved by the Board.

The exchange rates between the Canadian and Namibian dollars for the three and six months ended September 30, 2020 and 2019 were as follows:

Foreign currency exchange rates to Canadian dollars	Three months ended		Six months ended		Year ended	
	September 30,		September 30,		March 31,	
	2020	2019	2020	2019	2020	2019
Namibian dollars - average	12.6787	11.1144	12.7426	10.9767	11.2191	10.5333
Namibian dollars - closing	12.5883	11.4439	12.5883	11.4439	12.6123	10.8211

Copper and silver prices as at September 30, 2020, June 30, 2020 and March 31, 2020 are as follows:

	September 30, 2020	June 30, 2020	March 31, 2020
Copper prices (US\$ per lb)	3.03	2.72	2.23
Silver prices (C\$ per oz)	30.91	24.68	19.62

## Selected Annual Results

For the years ended	March 31, 2020	March 31, 2019	March 31, 2018
	\$	\$	\$
Net loss attributable to shareholders of the Company	<b>2,822,676</b>	2,775,175	3,610,063
Basic and diluted loss per share	<b>0.05</b>	0.01	0.17
Total assets	<b>2,430,872</b>	1,009,569	500,369
Total non-current financial liabilities	-	-	-

The Company's financial results have been driven primarily by ongoing exploration activities and studies in respect of its Namibian property. Exploration and evaluation expenditures and overall general and administrative expenses were lower in fiscal 2021 compared to fiscal 2020 due to the decreased level of activity and an associated decrease in the number of active personnel, in both number and time commitment, of both staff and consultants engaged by the Company in Namibia and Canada. This resulted, in particular, in lower consulting and labour and overall exploration activities, offset by mobilization costs for the recent work undertaken and ongoing by Minxcon. Administrative expenses were also lower in fiscal 2021 compared to fiscal 2020 across the board.

## Summary of Quarterly Results

	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
<b><u>Earning and cash flow</u></b>	\$	\$	\$	\$
Net loss attributable to shareholders of the Company	3,424,286	422,400	577,135	909,526
Basic and diluted loss per share	0.04	0.00	0.01	0.02
Cash flow used in operating activities	(332,364)	(457,858)	(1,093,853)	(294,589)
Cash flow from investing activities	10,702	10	8,865	-
Cash flow from / (used in) financing activities	4,305,869	-	3,088,880	(2,100)
<b><u>Balance sheet</u></b>				
Total assets	5,997,447	1,966,180	2,430,872	453,986

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
<b><u>Earning and cash flow</u></b>	\$	\$	\$	\$
Net loss attributable to shareholders of the Company	702,209	633,806	848,177	529,601
Basic and diluted loss (income) per share	0.01	0.01	0.03	0.02
Cash flow used in operating activities	(484,507)	(548,739)	(1,149,189)	(548,893)
Cash flow from investing activities	-	-	-	228
Cash flow from financing activities	811,774	-	1,570,951	682,698
<b><u>Balance sheet</u></b>				
Total assets	756,768	462,931	1,009,569	596,280

## Going Concern

The condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at September 30, 2020, the Company had working capital of \$4,507,074, compared with \$1,319,587 as at March 31, 2020. In the three and six months ended September 30, 2020, the Company incurred a net loss of \$3,452,581 and \$3,897,034 respectively (2019: \$690,031 and \$1,351,212). There is no assurance that additional financing will be available on terms acceptable to the Company, or at all. These matters represent material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

## Results of Operations

During the three and six months ended September 30, 2020, the Company recorded a net loss of \$3,452,581 (\$0.04 per share) and \$3,897,034 (\$0.04 per share), respectively compared to \$690,031 (\$0.01 per share) and \$1,351,212 (\$0.03 per share) for the same period in the prior year. The higher costs for the three and six months ended September 30, 2020, compared to the three and six months ended September 30, 2019 are mainly due to the transaction related to the acquisition of the Silver Hill property in Morocco, loss on disposal of equipment, offset by the lower overall expenditures in general and administration, lower exploration and evaluation expenditures and lower interest expense as the Company paid down the bridge loan.

	Three months ended		Six months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
<b>Expenses</b>				
Consulting fees	\$ 191,443	\$ 194,790	\$ 373,149	\$ 394,432
Professional fees	21,916	17,832	35,542	40,769
Travel and related costs	-	28,592	-	37,198
Shareholder communications and filing fees	104,272	138,740	114,583	154,692
General and administrative costs	37,038	50,610	75,445	100,766
Depreciation	1,975	1,932	3,901	3,863
Foreign exchange (gain)	607	6,349	(4,447)	4,066
	\$ 357,251	\$ 438,845	\$ 598,173	\$ 735,786
<b>Other items</b>				
Interest expense	(7,631)	(35,381)	(16,283)	(72,509)
Loss on disposal of equipment	(3,008)	-	(3,457)	-
Acquisition of mineral property	(2,862,338)	-	(2,862,338)	-
	\$ 3,230,228	\$ 474,226	\$ 3,480,251	\$ 808,295
<b>Exploration and evaluation expenditures</b>				
<b><u>Trigon Namibia</u></b>				
Feasibility studies	-	40,000	-	166,129
Technical report	24,297	-	24,297	-
Licence and permit	585	-	585	-
Assay and survey	-	-	623	2,395
Field office support	33,941	34,810	63,100	76,352
Consulting and labour	144,315	135,883	302,332	279,132
Travel	10,450	5,112	17,081	18,909
	\$ 213,588	\$ 215,805	\$ 408,018	\$ 542,917
<b><u>Technomine, Morocco</u></b>				
Travel	930	-	930	-
Assay and survey	7,822	-	7,822	-
	\$ 8,752	\$ -	\$ 8,752	\$ -
<b>Total Exploration and evaluation expenditures</b>	\$ 222,340	\$ 215,805	\$ 416,770	\$ 542,917
<b>Net (loss) and comprehensive (loss)</b>	\$ (3,452,568)	\$ (690,031)	\$ (3,897,021)	\$ (1,351,212)

Expenses of an administrative nature, including consulting and professional fees, travel, shareholder communications and general and administration costs, were kept as low as possible as the Company endeavours to raise the funding required to proceed with the development of the Kombat and Silver Hill projects. The Company completed the acquisition of Technomine during the current quarter and recognized transaction costs of \$2,862,351 being the excess of purchase price over the fair value of the Silver Hill property acquired.

Exploration and evaluation expenditure in the three and six months ended September 30, 2020 of \$222,340 and \$416,770 respectively (2019: \$215,805 and \$542,917) related to the costs of personnel and care and maintenance activities at Kombat, and included costs associated with updating the mineral resource, drilling design and the technical report incurred in respect of the Kombat project in Namibia. Expenditure during 2019 included costs of personnel and care and maintenance activities at the Kombat project, and included costs associated with the project evaluation by Xinhai.

## Cash Flows

### *Operating Activities*

Cash used in operating activities before changes in non-cash working capital was \$575,400 during the three

months ended September 30, 2020, compared to \$654,861 during the three months ended September 30, 2019. The decrease in cash used in operating activities is due primarily to a reduction in overall general and administrative expenses as the Company seeks to raise the financing necessary to proceed with development of the Kombat and Silver Hill projects.

Cash provided by working capital increased during the three months ended September 30, 2020 to \$242,676, compared with \$170,354 in the three months ended September 30, 2019, attributed primarily to an increase in accounts payable and accrued liabilities and a decrease in amounts receivable.

#### *Investing Activities*

Cash of \$10,702 was provided by investing activities in the three months ended September 30, 2020 relating to the disposal of equipment net of the purchase of furniture and equipment and cash acquired from the Silver Hill acquisition compared to \$nil provided in the three months ended September 30, 2019.

#### *Financing Activities*

Cash of \$4,305,869 was provided by financing activities during the three months ended September 30, 2020 and 2020 compared to \$811,774 provided during the three months ended September 30, 2019. During the three months ended September 30, 2020, the Company raised \$4,843,650 through private placement financing, received \$373,500 through the exercise of warrants, and repaid loan principal plus interest of \$434,505.

Subsequent to September 30, 2020, the company raised another \$515,200 from the Tranche II of the private placement financing.

### **Liquidity and Capital Resources**

The Company currently spends its available funds on its corporate, general and administrative obligations and to carry out exploration and development work at its project in Namibia with the objective of establishing ore of commercial tonnage and grade and bringing the Kombat project back into production. Going forward, the Company will also apply funds to exploration work on the Silver Hill project. As the Company is in the development phase and generates no revenues, the necessary funds have to be raised through equity or debt financing, most commonly within the Canadian public markets. Factors such as general market conditions for junior mining companies and the results of exploration activities will affect future capital raising, which may substantially affect future activities. The Company proposes to continue exploration and development activities at its projects and the raising or generation of additional capital will be required for future acquisitions, operations, and work programs. There are no assurances that the Company will continue to be successful in raising additional funds or that other forms of equity capital or debt financing will be available to the Company in the future or on satisfactory terms. Any additional equity financing may be on terms that are dilutive, or potentially dilutive, to the Company's shareholders and debt financing, if available, may involve restrictive covenants with respect to the Company's ability to pay dividends, raise additional capital or execute various other financial and operational plans.

Notwithstanding the foregoing, if, at any time, the Company's Board of Directors deems continued exploration or development expenditures at Trigon's properties to be unwarranted, based on results up to that time or for any other reason, the Company may suspend or discontinue exploration or development of such properties and apply the funds on hand towards the acquisition, exploration or development of new properties or, if required, the general working capital of the Company. Save as aforesaid, the Company does not have any commitments for material capital expenditures other than the Silver Hill project in Morocco. As at September 30, 2020, the Company had no other long-term debt except for a long term payable with respect to future payments per the definitive agreement entered into by the Company for the acquisition of Technomine.

The Company's objective is to maintain a strong capital base with the goal of:

- maintaining financial flexibility;
- maintaining creditor and investor confidence; and
- sustaining the future development of the business.

The Company manages its capital structure and adjusts it in light of changes in economic conditions and the

risk characteristics of the underlying assets. The most significant alternatives available for the management of the capital structure include adjusting capital spending or the issue of shares or raising of debt finance when management and the Board of Directors feel the timing is appropriate.

### **Non IFRS Measures**

The Company has included certain non-IFRS performance measures, namely working capital, throughout this document. In the mining industry, this is a common non-IFRS performance measure but does not have a standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. Non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The following table provides a reconciliation of working capital to the Company's eight most recently completed quarters.

As at September 30, 2020, the Company had working capital of \$4,507,074 compared to \$1,319,587 as at March 31, 2020, including cash of \$5,577,780 (March 31, 2020: \$2,051,421). The Company's primary capital needs are funds for the exploration and development of its mining properties, administrative expenses and working capital. The Company will maintain its excess working capital in Canadian dollars, which are only converted to Namibian dollars or Moroccan dirhams as required. The Company maintains most of its cash reserves at a large reputable Canadian commercial bank in high quality short-term deposits or cash.

Working Capital	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Cash	5,577,780	1,593,573	2,051,421	47,529	344,218	16,951	565,690	143,929
Receivables	103,359	33,500	33,953	67,007	64,944	89,091	95,008	98,544
Prepaid expenses	9,556	16,751	20,757	3,107	9,331	16,682	6,733	4,945
Accounts payable and accrued liabilities	(1,183,621)	(339,431)	(368,322)	(872,370)	(680,809)	(541,596)	(464,181)	(842,548)
Bridge financing	Nil	(426,874)	(418,222)	(812,638)	(791,616)	(1,386,867)	(1,349,739)	(1,215,238)
<b>Working Capital</b>	<b>4,507,074</b>	<b>877,519</b>	<b>1,319,587</b>	<b>(1,567,365)</b>	<b>(1,053,932)</b>	<b>(1,805,739)</b>	<b>(1,146,489)</b>	<b>(1,810,368)</b>

### **Bridge Financing**

	September 30, 2020	March 31, 2020
Aberdeen International Inc. Unsecured loan	-	418,222
	\$ -	\$ 418,222

The Company entered into loan agreements with Aberdeen International Inc. ("Aberdeen") as follows:

	Date	Principal	Interest	Repayment date
First loan	May 30, 2018	\$200,000	12% per annum	January 31, 2020
Second loan	June 26, 2018	\$275,000	12% per annum	January 31, 2020
Amended second loan	September 4, 2018	\$80,000	12% per annum	January 31, 2020
	December 31, 2018	\$140,000	12% per annum	January 31, 2020

Loan principal and accrued interest is due and payable in cash on or before the repayment date. The Company may negotiate repayment of the loans with Aberdeen via the transfer of securities or other investment products, but any arrangement for repayment other than in cash remains subject to a subsequent written agreement. Aberdeen extended the repayment date to January 31, 2020. In January 2020, the Company repaid loan principal of \$285,000 and \$120,000. As at January 31, 2020, the Company had not repaid the remaining balance of the loan and renegotiated the terms of the loans with Aberdeen.

During the six months ended September 30, 2020, the Company repaid the loan principals plus accrued interest

of \$434,505 in full.

Aberdeen was a 10% security holder of the Company on a partially diluted basis in fiscal 2020 but ceased to be a 10% security holder as of July 31, 2020.

### **Operating Segments**

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

### **Off-Balance Sheet Arrangements**

To the best of management's knowledge, the Company has no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or the financial condition of the Company.

### **Financial Commitments, Contingencies and Litigation**

#### **Management contracts**

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of up to \$780,000 to be made to the officers of the Company upon the occurrence of certain events such as a change of control. As a triggering effect has not taken place, the contingent payments have not been reflected in the condensed interim consolidated financial statements. Additional minimum management contractual commitments remaining under the agreements are approximately \$425,000, all due within one year. The Company also has a commitment of \$25,000 for bonus payments for which the triggering event has not occurred as at September 30, 2020. Upon the occurrence of the triggering event, the Company will also have an increase in commitments relating to the subsequent occurrence of certain events such as a change of control or termination of the management contracts.

#### **Legal claims**

From time to time, the Company is named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at period end, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differs from these estimates, the difference will be accounted for as a charge to net loss in that period.

#### **Environmental**

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

#### **Property obligations**

#### **Kombat Project**

On April 23, 2012, the Company purchased, through the acquisition of Trigon Namibia, an effective 80% interest in the mining assets commonly known as the Kombat project, whose assets include a 100% interest in five mining licenses and one exclusive prospecting licence in northern Namibia. As at September 30, 2020, the Company has expended sufficient capital to ensure the licenses remain in good standing. The mining licenses expired in March 2019 and renewal applications were timeously lodged by the Company. The Company is currently waiting for a response from the Ministry of Mines and Energy in Namibia.

## Silver Hill Project

The Company completed its acquisition of 100% equity interest in Technomine, a Moroccan company from Technomine's shareholders during the current quarter. The Company is required to meet the terms of transaction outlined in the definitive agreement as consideration of the acquisition. See Company Outlook and Recent Developments section for details.

## Related Party Transactions

### Compensation of key management

Compensation awarded to key management, including the Company's directors and officers, during the three and six months ended September 30, 2020 and 2019 was as follows:

	Three months ended September 30,		Six months ended September 30,	
	2020	2019	2020	2019
Consulting fees	\$ 97,500	\$ 112,500	\$ 195,000	\$ 230,000
	\$ 97,500	\$ 112,500	\$ 195,000	\$ 230,000

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

Included in accounts payable and accrued liabilities as at September 30, 2020 was approximately \$27,500 for consulting fees and expenses (March 31, 2020: \$31,871) charged by current and former officers and directors of the Company.

The Company closed a brokered and non-brokered private placement financing on September 24, 2020. An insider of the Company subscribed for 1,715,000 units under the offering. Each transaction with an insider of the Company constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company is relying on exemptions from the formal valuation requirements of MI 61-101 pursuant to section 5.5(a) and the minority shareholder approval requirements of MI 61-101 pursuant to section 5.7(1)(a) in respect of such insider participation as the fair market value of the transaction, insofar as it involves interested parties, does not exceed 25% of the Company's market capitalization.

## Critical Management Judgments and Accounting Estimates

The preparation of the condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets and impact decisions as to when exploration and development costs should be capitalized or expensed. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual results may differ from these estimates and these differences could be material.

The significant areas of judgment and estimation uncertainty considered by management in preparing the condensed interim consolidated financial statements include:

*Critical judgment in applying accounting policies:*

- Carrying values and impairment charges

Events or changes in circumstances can give rise to significant impairment charges or reversals of

impairment in a particular year. Management exercises its judgment in determining when such events or changes in circumstances have arisen and where such circumstances evidence a significant or prolonged decline in the fair value of assets indicating impairment.

- Control of subsidiaries

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

- PNT FinanceCo Corp.
- Kombat Holdings Namibia (Pty) Ltd.
- Trigon Mining (Namibia) (Pty) Ltd. (formerly Manila Investments (Pty) Ltd.)
- Kombat Copper Mine (Pty) Ltd.
- Technomine Africa Sarl.

- Determination of functional currency

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

*Key sources of estimation uncertainty:*

- Depreciation rates

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

- Carrying values and impairment charges

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

- Mineral Reserve and Mineral Resource estimates

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

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

- Share-based payment transactions and warrants

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

- Estimation of decommissioning and restoration costs and the timing of expenditure

The cost estimates are updated annually to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations) and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations, and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- Income, value added, withholding and other taxes

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined considering all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

### Financial Instruments and Financial Risk Management

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

Financial assets and financial liabilities as at September 30, 2020 were as follows:

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit & loss	TOTAL
<u>At September 30, 2020</u>			
Financial assets:			
Cash	\$ 5,577,780	\$ -	\$ 5,577,780
Amounts receivable (Note 4)	46,268	-	46,268
Financial liabilities:			
Accounts payable and accrued liabilities	(2,722,279)	-	(2,722,279)
Bridge financing (Note 9)	-	-	-

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

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

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and for it to continue as a going concern. As the Company's properties are in the exploration and evaluation stage, the Company is currently unable to self-finance its operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are liquidity risk, credit risk and market risk. The Company has minimal interest rate risk as there are no outstanding variable-rate borrowings and the Company finances its operations primarily through share offerings and short-term, fixed interest rate debt. Management mandates and agrees policies for managing each of these risks.

The Company is exposed to a variety of financial risks by virtue of its activities including, but not limited to, the following:

- *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities as they come due. The Company's ability to continue as a going concern is dependent on the Board and management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

As at September 30, 2020, the Company had a cash balance of \$5,577,780 (March 31, 2020: \$2,054,421) and amounts receivable, other than sales taxes receivable, of \$46,268 (March 31, 2020: \$4,579). As at September 30, 2020, the Company's financial liabilities consisted of accounts payable and accrued liabilities of \$1,777,099 (March 31, 2020: \$368,322) based on contractual undiscounted payments and short-term borrowings of \$Nil (March 31, 2020: \$418,222), all due in less than one year, and long term liabilities of \$945,180 due in two years.

During the six months ended September 30, 2020, Trigon raised \$4,843,650 through private placement financing, received \$373,500 through warrants exercised, repaid \$290,000 of its short-term loan and made \$144,505 in interest payments.

- *Credit risk*

Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Not having a producing asset generating sales and accounts receivable, the Company's credit risk is considered limited as there is no exposure to a single customer or counterparty. With respect to credit risk arising from financial assets of the Company, which comprise cash and minimal receivables, the Company's exposure to credit risk arises from default of counterparties, with a maximum exposure equal to the carrying amount of these instruments. As cash balances are held with high credit quality financial institutions, the credit risk to the Company is considered minimal. The Company monitors and is subject to normal industry credit risks.

- *Commodity price risk*

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

- *Currency risk*

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

## **New accounting standards and interpretations**

### **New accounting policies**

On April 1, 2020, the Company adopted the amendments to refine the definition of materiality in IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors that came into effect. These amendments did not have any material impact on the Company's condensed interim consolidated financial statements.

## **Risks and Uncertainties**

Investing in the Company involves risks that should be carefully considered. The operations of the Company are speculative due to the high-risk nature of its business, being the acquisition, financing, exploration and development of mineral properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

### **Liquidity Concerns and Financing Risks**

The Company has limited financial resources, no source of operating cash flow and has no assurance that additional funding will be available for further exploration and the development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that adequate financing will be obtained in the future or that the terms of such financing, if secured, will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's projects with the possible loss of such properties.

While the Company's condensed interim consolidated financial statements have been prepared on the basis

that it is a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business, failure to secure additional funding may cast doubt about the validity of that assumption. Adjustments to the condensed interim consolidated financial statements, should they be required, could be material.

### **Exploration and Mining Risks**

The Company is engaged in mineral exploration and development activities. Mineral exploration and development involves a high degree of risk and few properties that are explored, are ultimately developed into producing mines. The long-term profitability of the Company's operations will be in part directly related to the cost and success of the Company's exploration programs, which may be affected by a number of factors beyond the Company's control. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to the exploration and development of, and production from, mineral resources, any of which could result in work stoppages; damage to or destruction of property or production facilities; personal injury; environmental damage; delays in mining; monetary losses and legal liability. Hazards such as unusual or unexpected geological formations, and other conditions such as formation pressures, flooding, fire, explosions, cave-ins, landslides, inclement or hazardous weather conditions, power outages, labour or transportation disruptions and the inability to obtain suitable machinery, equipment or labour are involved in mineral exploration, development and operation.

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 the funds required for development can be obtained on a timely basis.

Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. The economics of developing mineral properties are affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, allowable production, impediments to the importing and exporting of minerals and environmental protection.

### **Stage of Development**

The Company is in the business of exploring for mineral resources, with the ultimate goal of producing from its mineral properties. None of the Company's properties have commenced commercial production and Trigon has no history of earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that the Company will be able to develop any of its properties profitably or that its activities will generate positive cash flow. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants and personnel and purchase of equipment associated with advancing exploration, development and commercial production at the Company's properties. The Company expects to continue to incur losses for the foreseeable future. There can be no assurance that the Company will generate any revenues or achieve profitability. A prospective investor in the Company 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 Company'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 Company. 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 used and judgments made 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 Company's financial position and results of operations.

## **Regulatory Requirements, Permits and Licenses**

Even if the Company's mineral properties are proven to host economic Mineral Reserves or Mineral Resources, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits or the repatriation of profits. The Company's exploration and development activities, including mine, mill, road, rail and other transportation facilities, and potentially financing alternatives, require permits and approvals from various government authorities, and are subject to extensive federal, departmental and local laws and regulations governing prospecting, development, production, exports, project capitalization, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more time consuming and costly. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses, permits and approvals that may be required to explore, develop and finance its properties, or for the operation of mining facilities. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities.

## **Title to Properties**

It is possible that the Company's mineral properties may be subject to prior unregistered agreements, transfers or native land claims and title may be affected by undetected defects. Title to, and the area of, the mining claims may be disputed and there may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

The Company holds its interest in its Namibian properties through mining licences that expired in March 2019. Renewal applications were lodged in a timely manner and the Company is awaiting a response from the Ministry of Mines and Energy in Namibia.

## **Environmental Regulations**

The Company's activities are subject to environmental protection and employee health and safety 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 the 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 that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations, and there is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

## **Markets for Securities**

There can be no assurance that an active trading market in the Company's securities will be established and sustained or that significant fluctuations in the Company's share price will not occur. The market prices for securities of many companies, particularly exploration stage companies, are subject to wide fluctuations that are not necessarily reflective of their operating performance, underlying asset values or the prospects of such companies. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market conditions, may have a significant impact on the market price of the securities of the Company.

## **Commodity Prices**

The ability of the Company to explore and evaluate its mineral properties and the future profitability of the Company are directly related to the price of copper and other metals. Factors beyond the control of the Company may affect the marketability of any substances discovered and there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Copper and other metal prices fluctuate widely and are affected

by numerous factors beyond the control of the Company. The level of interest rates, the rates of inflation, the world supply of copper and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of copper has fluctuated widely in recent years and future price declines could cause commercial production to be impracticable, thereby having a materially adverse effect on the Company's business, financial condition and result of operations.

### **Economic Empowerment**

Maintaining the Company's licences requires alignment with the local and national objectives relevant to the areas in which the Company operates.

Over the last several years, Namibia has been developing a national policy framework that aims to address the perceived consequences 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 been legislated, the Company 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 Company or increase its cost of doing business in Namibia.

### **Uninsurable Risks**

The Company maintains insurance to cover normal business risks. The Company may, however, become subject to liability for pollution 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 Company's financial position. In the course of exploration and development of, and production from, mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, land movements, earth work failures, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company has currently decided not to take out insurance against such risks due to 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 securities of the Company.

### **Reliance on Key Individuals and Outside Parties**

The Company's success depends upon the personal efforts and commitment of key members of its existing management. It is expected that the contribution of these individuals will be a significant factor in the Company's growth and success. The loss of the services of these members of management and certain key employees could have a material adverse effect on the Company. The Company also relies upon consultants, engineers and others for exploration, development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore, and to develop the mining and processing facilities and infrastructure. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

### **Geopolitical Risks**

The Company's operations are currently in Namibia and Morocco, and as a result, the operations of the Company may be exposed to various levels of political, economic and other risks and uncertainties associated with operating in these countries, including approval of acquisitions by local authorities; regulation of the mining industry and licenses of the Company; restrictions on future exploitation and production; restrictions on the Company's ability to finance its operations; price, export and currency 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; war, terrorism or political boundary disputes; environmental legislation; labour relations; and site safety. In addition, legislative enactments may be delayed or announced without being enacted and future political action that may adversely affect the Company 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 Company.

## **Competition**

The mineral industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial and technical resources for the acquisition of mineral interests, as well as for the recruitment and retention of qualified employees. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees, or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

## **Conflicts of Interest**

Certain directors and officers of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing or exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of Trigon and to disclose any interest that they may have in any project or opportunity to the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

## **Litigation**

Legal proceedings, with and without merit, may arise from time to time in the course of the Company'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. Due to the inherent uncertainty of the litigation process, the resolution of any legal proceeding to which the Company or one or more of its subsidiaries may become subject, could have a material effect on the Company's financial position, results of operations, or mining and project development activities.

## **Corruption and Bribery Laws**

The Company's operations are governed by, and involve interactions with, many levels of government in multiple countries. The Company 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 Company 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 for 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 Company has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors or third party agents comply strictly with such laws. If the Company is 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 being imposed, resulting in a material adverse effect on the Company'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 Company's interpretation of taxation law as applied to its transactions and activities may not coincide with that of the relevant tax authorities. As a result, transactions may be challenged by tax authorities and the Company's operations may be reassessed, 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 being payable by the Company, which would have a negative impact on its financial results.

## **Limited Property Portfolio**

Currently the Company holds interests in one main project in each of Namibia and Morocco. As a result, unless the Company acquires additional property interests, any adverse developments affecting either of these properties would be expected to have a material adverse effect upon the Company and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of the Company.

## **Enforcement of Legal Rights**

The Company's material subsidiaries are organized under the laws of foreign jurisdictions and certain individuals of the Company's experts are located in foreign jurisdictions. Given that the Company's material assets are located outside of Canada, investors may have difficulty effecting service of process within Canada and collecting from or enforcing against the Company or its experts any judgments obtained through the Canadian courts or Canadian securities regulatory authorities, predicated on the civil liability provisions of Canadian securities legislation or otherwise. Similarly, in the event a dispute arises in relation to the Company's foreign operations, the Company 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.

## **Novel Coronavirus ("COVID-19")**

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

## **Additional Information and Continuous Disclosure**

Additional information, including the Company's press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval and is available online under its profile at [www.sedar.com](http://www.sedar.com).

## **Outstanding Share Data**

As at the date of this MD&A, the Company has:

- a) 113,725,357 common shares outstanding.
- b) 46,757,265 warrants outstanding with expiry dates ranging between October 1, 2021 and October 13, 2023. If all the warrants were exercised, 47,493,264 shares would be issued for proceeds of \$11,281,329.
- c) 4,274,000 stock options outstanding with expiry dates ranging between March 8, 2021 and October 21, 2024. If all the options were exercised, 4,274,000 shares would be issued for gross proceeds of \$1,027,575.

## **Cautionary Note Regarding Forward Looking Statements**

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements under Canadian securities legislation. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "budget", "forecast", "schedule", "continue", "estimate", "expect", "project", "predict", "potential", "target", "intend", "believe" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved". Such statements and assumptions include those relating to guidance; proposed acquisitions; strategy; development potential and timetable for the Company's properties; the

Company's ability to raise additional financing; results of operations and financial condition; mineralization projections; the timing, success and amount of future exploration and development; projected capital expenditure; mining or processing issues; currency exchange rates; government regulation and permitting of mining operations; reliance on qualified personnel; competition; dependence on outside parties; and environmental risks.

Forward-looking statements are 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 Company's projects are based on management expectations considering previous industry experience, exploration done to date and recommended programs, historic expenditures incurred and other factors that are set out in the technical reports referred to. By their nature, forward-looking statements are subject to numerous known and unknown risks and uncertainties that could significantly affect anticipated results or the level of activity, performance or achievement in the future and, accordingly, actual results may differ materially from those expressed or implied by such forward-looking statements. The Company is exposed to numerous operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control, that may significantly affect anticipated future results, 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 and uncertainty with court systems and the rule of law and other foreign country risks inherent to the jurisdictions where the Company operates; availability of external financing on acceptable terms; exchange rates; 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; other risk factors, including without limitation the risk factors described herein. Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, 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, and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

This MD&A contains information with respect to certain Non-GAAP measures, including certain cash costs per pound and all-in sustaining costs. These measures are included because these statistics are key performance measures that management may use to monitor performance. Management may use these statistics in future to assess how the Company is performing to plan and to assess the overall effectiveness and efficiency of mining operations. These performance measures do not have a meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.