



Trigon Metals Inc.

Consolidated Financial Statements

For the years ended March 31, 2019 and 2018

(Expressed in Canadian Dollars)



Independent Auditor's Report

To the Shareholders of Trigon Metals Inc.

Opinion

We have audited the consolidated financial statements of Trigon Metals Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' (deficiency) equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its current assets and certain liabilities were past due (Note 8). The Company's property licenses are currently subject to a renewal application process (Note 6). As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report



to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Glen McFarland.

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
July 29, 2019

Trigon Metals Inc.
Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at	Notes	March 31, 2019	March 31, 2018
ASSETS			
Current assets			
Cash		\$ 565,690	\$ 28,138
Amounts receivable	4	95,008	103,334
Prepaid expenses		6,733	16,111
Total current assets		667,431	147,583
Non-current assets			
Property and equipment	5	342,138	352,786
Total Assets		\$ 1,009,569	\$ 500,369
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7,13	\$ 464,181	\$ 576,202
Bridge financing	8	1,349,739	-
Total Liabilities		1,813,920	576,202
(DEFICIENCY) EQUITY			
(Deficiency) attributable to shareholders of Trigon Metals Inc.:			
Share capital	11	36,627,071	34,762,335
Warrants	12	1,073,898	920,985
Contributed surplus	12	720,042	828,593
Deficit		(38,842,961)	(36,258,189)
Total (deficiency) equity attributable to shareholders of Trigon Metals Inc.		(421,950)	253,724
Non-controlling interest		(382,401)	(329,557)
Total Deficiency		(804,351)	(75,833)
Total Liabilities and Deficiency		\$ 1,009,569	\$ 500,369

Nature of operation and going concern (note 1)

Commitments and contingencies (note 14)

Approved by the Board of Directors on July 29, 2019.

"Jed Richardson"

 Jed Richardson
 Director

"Robert Schafer"

 Robert Schafer
 Director

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

Trigon Metals Inc.
Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Notes	Years ended March 31,	
		2019	2018
Expenses			
Consulting fees	13	\$ 1,053,027	\$ 1,287,016
Professional fees		69,984	118,025
Share-based payments	12,13	81,852	366,605
Travel and related costs		26,994	133,489
Shareholder communications and filing fees		87,311	88,945
General and administrative costs		206,672	165,121
Exploration and evaluation expenditures	6	1,194,313	1,689,999
Depreciation	5	5,062	6,520
Foreign exchange (gain) loss		(4,797)	22,986
Total expenses		\$ 2,720,418	\$ 3,878,706
Other income (expense)			
Other income		2,705	60,221
Interest expense	8	(108,739)	-
Loss on disposal of equipment and vehicle	5	(1,567)	(44)
Net loss and comprehensive loss		\$ (2,828,019)	\$ (3,818,529)
Net loss and comprehensive loss attributable to:			
Shareholders of Trigon Metals Inc.		\$ (2,775,175)	\$ (3,610,063)
Non-controlling interest		(52,844)	(208,466)
		\$ (2,828,019)	\$ (3,818,529)
Loss per share			
Basic and diluted		(0.10)	(0.17)
Weighted average number of common shares outstanding			
Basic and diluted		29,075,733	23,140,780

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

Trigon Metals Inc.
Consolidated Statements of Changes in Shareholders' (Deficiency) Equity

(Expressed in Canadian dollars)

Attributable to equity owners of Trigon Metals Inc.

	Notes	Number of common shares	Share Capital	Contributed surplus	Warrants	Deficit	Total shareholders' (deficiency) equity	Non- Controlling Interest	Total (deficiency) equity
Balance as at March 31, 2017		18,205,463	\$ 32,429,180	\$ 932,686	\$ 404,821	\$ (33,118,824)	\$ 647,863	\$ (121,091)	\$ 526,772
Net loss for the year		-	-	-	-	(3,610,063)	(3,610,063)	(208,466)	(3,818,529)
Private placement	11	8,281,666	2,569,500	-	-	-	2,569,500	-	2,569,500
Warrants issued	11,12	-	(622,040)	-	622,040	-	-	-	-
Share and warrants issued costs	11,12	-	(20,412)	-	(6,435)	-	(26,847)	-	(26,847)
Warrants exercised	11	766,666	306,666	-	-	-	306,666	-	306,666
Value of warrants exercised	11,12	-	99,441	-	(99,441)	-	-	-	-
Share-based payments	12	-	-	366,605	-	-	366,605	-	366,605
Expired options	12	-	-	(470,698)	-	470,698	-	-	-
Balance as at March 31, 2018		27,253,795	\$ 34,762,335	\$ 828,593	\$ 920,985	\$ (36,258,189)	\$ 253,724	\$ (329,557)	\$ (75,833)
Net loss for the year		-	-	-	-	(2,775,175)	(2,775,175)	(52,844)	(2,828,019)
Private placement	11	18,603,744	2,030,541	-	-	-	2,030,541	-	2,030,541
Warrants issued	11,12	-	(154,060)	-	154,060	-	-	-	-
Share and warrants issued costs	11,12	-	(11,745)	-	(1,147)	-	(12,892)	-	(12,892)
Share-based payments	12	-	-	81,852	-	-	81,852	-	81,852
Expired options	12	-	-	(190,403)	-	190,403	-	-	-
Balance as at March 31, 2019		45,857,539	\$ 36,627,071	\$ 720,042	\$ 1,073,898	\$ (38,842,961)	\$ (421,950)	\$ (382,401)	\$ (804,351)

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

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

	Notes	Years ended March 31,	
		2019	2018
Cash provided by (used in):			
Operating activities			
Net loss for the year		\$ (2,828,019)	\$ (3,818,529)
Adjustments for items not affecting cash:			
Share-based payments	12	81,852	366,605
Depreciation	5	5,062	6,520
Interest expense	8	108,739	-
Loss on disposal of property and equipment		1,567	44
Foreign exchange loss		3,189	6
Net cash from operating activities before changes in working capital		(2,627,610)	(3,445,354)
Net changes in non-cash working capital			
Change in amounts receivable		8,326	(22,357)
Change in prepaid expenses		9,378	3,539
Change in accounts payable and accrued liabilities		(112,021)	226,044
Net cash flows (used in) operating activities		(2,721,927)	(3,238,128)
Investing activities			
Purchase of property and equipment	5	-	(5,480)
Proceeds on disposal of equipment	5	830	557
Decreased in restricted cash		-	30,000
Net cash flows provided by investing activities		830	25,077
Financing activities			
Shares issued from private placements	11	2,030,541	2,569,500
Shares issued from warrants exercised	11	-	306,666
Share and warrant issuance costs	11,12	(12,892)	(26,847)
Bridge financing	8	1,241,000	-
Net cash flows provided by financing activities		3,258,649	2,849,319
Increase (decrease) in cash during the year		537,552	(363,732)
Cash - Beginning of year		28,138	391,870
Cash - End of year		\$ 565,690	\$ 28,138

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

Trigon Metals Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019 and 2018

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

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

These consolidated financial statements were reviewed, approved and authorized for issue by the Board of Directors on July 29, 2019.

The principal business activities of Trigon and its subsidiaries (collectively, the “Company”) are the acquisition, maintenance, exploration and development of mines and mineral properties in the African country of Namibia. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Significant time and major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the amounts shown for property and equipment is dependent upon the Company obtaining the necessary financing to complete the exploration, evaluation and development of its properties, the discovery of economically recoverable reserves and future profitable operations, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis.

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

Going concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. A different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2019, the Company had negative working capital of \$(1,146,489) compared with negative working capital of \$(428,619) as at March 31, 2018 and certain liabilities were past due (Note 8). In the year ended March 31, 2019, the Company incurred a net loss of \$2,828,019 (2018: \$3,818,529). The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with current cash on hand, potential proceeds from the exercise of warrants/stock options, further private placements and borrowings, if available. During the year ended March 31, 2019, the Company was able to raise funds through debt and equity financing (see Notes 8 and 11). However, 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.

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

Trigon Metals Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2019 and 2018

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are stated at their fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Consolidation

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

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

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

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

Trigon Metals Inc.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2019 and 2018
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Consolidation (Continued)

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

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

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

Foreign currency transactions

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

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

Property and equipment

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

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

Impairment of non-financial assets

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

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

Trigon Metals Inc.
Notes to the Consolidated Financial Statements

For the years ended March 31, 2019 and 2018
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and evaluation expenditures

Exploration and evaluation expenditures comprise costs of the initial search for mineral deposits and performing a detailed assessment of deposits that have been identified as having economic potential. Exploration and evaluation costs are expensed as incurred and included in the consolidated statement of loss and until technical feasibility and commercial viability of extraction of reserves are demonstrable. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine are capitalized to mine development assets. Exploration and evaluation costs include an allocation of administration and salary costs as determined by management.

Financial instruments

Financial assets and liabilities

Accounting policy under IFRS 9 applicable from April 1, 2018

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either FVPL or FVOCI, and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The Company’s cash and amounts receivable are recorded at amortized cost.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Trigon Metals Inc.
Notes to the Consolidated Financial Statements

For the years ended March 31, 2019 and 2018
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets and liabilities (Continued)

Accounting policy under IFRS 9 applicable from April 1, 2018 (Continued)

Financial assets (Continued)

Subsequent measurement – financial assets at FVOCI (Continued)

Dividends from such investments are recognized in other income in the consolidated statements of loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities and bridge financing, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the consolidated statement of loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

Accounting policy under IAS 39 applicable prior to April 1, 2018

The accounting policy under IAS 39 for the comparative information presented in respect of financial assets and liabilities was as follows:

Trigon Metals Inc.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2019 and 2018
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets and liabilities (Continued)

Accounting policy under IAS 39 applicable prior to April 1, 2018 (Continued)

Financial assets

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

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

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

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

Financial liabilities

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

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

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

Impairment of financial assets (including receivables)

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

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

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

Trigon Metals Inc.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2019 and 2018
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

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

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The Company had no material provisions at March 31, 2019 and 2018.

Rehabilitation provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statement of loss as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in the consolidated statement of loss.

The Company had no material decommissioning obligations as at March 31, 2019 and 2018.

Income taxes

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

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

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

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

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

Cash is comprised of cash on hand and deposits that generally mature within 90 days from the date of acquisition.

Prepaid expenses

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

Loss per share

Basic loss per share is calculated by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding for the year. In the event of the Company reporting net profit, the diluted loss per share will be similar to basic loss per share, except that the denominator will be increased to include the number of additional shares that would have been outstanding if the dilutive potential common shares in connection with the issued share options and warrants had been issued using the treasury stock method. The Company's options and warrants were anti-dilutive for the years ended March 31, 2019 and 2018.

Share-based payments

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

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

Warrants

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

Contingencies

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

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

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating segments

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

Changes in accounting policies

Accounting changes

During fiscal 2019, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These include IFRS 2 and IFRIC 22. The new standards and changes did not have any material impact on the Company's consolidated financial statements.

Effective April 1, 2018, the Company adopted IFRS 9, *Financial Instruments*, which resulted in changes in accounting policies as described below. In accordance with the transitional provisions in both standards, the Company adopted this standard retrospectively without restating comparatives, with the cumulative impact adjusted in the opening balances as at April 1, 2018. There were no effects on opening balances at April 1, 2018 with respect to the adoption of this policy.

IFRS 9, Financial Instruments

IFRS 9 replaces International Accounting Standard ("IAS") 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial assets and hedge accounting. It establishes two primary measurement categories for financial assets: (i) amortized cost and (ii) fair value either through profit or loss ("FVPL") or through other comprehensive income ("FVOCI"); establishes criteria for the classification of financial assets within each measurement category based on business model and cash flow characteristics; and eliminates the existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. IFRS 9 also introduces a new expected credit loss model for the purpose of assessing the impairment of financial assets.

The following table shows the previous classification under IAS 39 and the new classification under IFRS 9 for the Company's financial instruments:

	Financial instrument classification	
	Under IAS 39	Under IFRS 9
Financial assets		
Cash	Loans and receivables	Amortized cost
Amounts receivable	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Bridge financing	Other financial liabilities	Amortized cost

The Company adopted IFRS 9 retrospectively without restating comparatives and therefore the comparative information in respect of financial instruments for the year ended March 31, 2018 was accounted for in accordance with the Company's previous accounting policy under IAS 39. See significant accounting policies which outline the current and previous accounting policies pertaining to financial instruments.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in accounting policies (Continued)

Future accounting changes

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for annual accounting periods beginning on April 1, 2019 or later. Updates that are not applicable or are not consequential to the Company have been excluded.

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRIC 23 – Uncertainty Over Income Tax Treatments (“IFRIC 23”) was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. The Company does not expect the adoption of IFRIC 23 to have a significant impact on its consolidated financial statements.

IFRS 16 – Leases (“IFRS 16”) was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company does not expect the adoption of IFRS 16 to have a significant impact on its consolidated financial statements.

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3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

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

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

Critical judgment in applying accounting policies:

- Assets' carrying values and impairment charges

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

- Control of subsidiaries

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

- Determination of functional currency

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

Key sources of estimation uncertainty:

- Depreciation rates

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

- Assets' carrying values and impairment charges

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

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3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS (Continued)

Key sources of estimation uncertainty (Continued)

- 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, 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 in light of 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.

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3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS (Continued)

Key sources of estimation uncertainty (Continued)

- Income, value added, withholding and other taxes (continued)

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.

- Contingencies

Refer to Note 14.

4. AMOUNTS RECEIVABLE

	March 31, 2019		March 31, 2018	
Sales taxes receivable	\$	89,671	\$	94,706
Other		5,337		8,628
	\$	95,008	\$	103,334

5. PROPERTY AND EQUIPMENT

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

	March 31, 2019			March 31, 2018		
	Cost	Accumulated Depreciation	Net book value	Cost	Accumulated Depreciation	Net book value
Furniture	\$ 6,300	\$ 6,300	\$ -	\$ 6,300	\$ 6,300	\$ -
Vehicles	22,903	8,624	14,279	104,590	84,223	20,367
Land and buildings	243,428	7,614	235,814	243,428	6,091	237,337
Equipment	164,985	72,940	92,045	166,201	71,119	95,082
	\$ 437,616	\$ 95,478	\$ 342,138	\$ 520,519	\$ 167,733	\$ 352,786

Reconciliation of the carrying amounts for the periods ended March 31, 2019 and March 31, 2018 are as follows:

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5. PROPERTY AND EQUIPMENT (Continued)

Cost	Furniture	Vehicles	Land & Buildings	Equipment	Total
Balance as at March 31, 2017	\$ 6,300	\$ 104,590	\$ 242,811	\$ 161,946	\$ 515,647
Additions	-	-	617	4,863	5,480
Disposals	-	-	-	(608)	(608)
Balance as at March 31, 2018	\$ 6,300	\$ 104,590	\$ 243,428	\$ 166,201	\$ 520,519
Disposals	-	(81,687)	-	(1,216)	(82,903)
Balance as at March 31, 2019	\$ 6,300	\$ 22,903	\$ 243,428	\$ 164,985	\$ 437,616
Accumulated depreciation, depletion and impairment					
Balance as at March 31, 2017	\$ (6,300)	\$ (84,223)	\$ (4,569)	\$ (66,121)	\$ (161,213)
Changes for the year	-	-	\$ (1,522)	\$ (4,998)	\$ (6,520)
Balance as at March 31, 2018	\$ (6,300)	\$ (84,223)	\$ (6,091)	\$ (71,119)	\$ (167,733)
Changes for the year	-	75,599	(1,523)	(1,821)	72,255
Balance as at March 31, 2019	\$ (6,300)	\$ (8,624)	\$ (7,614)	\$ (72,940)	\$ (95,478)
Net book value as at March 31, 2018	\$ -	\$ 20,367	\$ 237,337	\$ 95,082	\$ 352,786
Net book value as at March 31, 2019	\$ -	\$ 14,279	\$ 235,814	\$ 92,045	\$ 342,138

6. EXPLORATION AND EVALUATION EXPENDITURES

	For the years ended March 31,	
	2019	2018
Drilling	\$ 1,933	\$ 102,612
License and permit	1,296	510
Feasibility studies	185,735	228,483
Environmental assessment	23,933	116,868
Technical report	19,587	142,299
Assay and survey	9,155	105,969
Field office and support	149,867	155,479
Consulting and labour	768,405	773,542
Travel	34,402	64,237
Total exploration and evaluation expenditures	\$ 1,194,313	\$ 1,689,999

The Company holds an effective 80% interest in its five mining licenses in Northern Namibia through its subsidiary, Trigon Mining (Namibia) (Pty) Ltd. The mining licenses expired in March 2019 and applications for their renewal were lodged by the Company. The Company is currently waiting for a response from the Ministry of Mines and Energy in Namibia.

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7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		March 31, 2019		March 31, 2018
Trade payables	\$	135,864	\$	338,560
Accruals		328,317		237,642
	\$	464,181	\$	576,202

8. BRIDGE FINANCING

		March 31, 2019		March 31, 2018
Individual (i)	Unsecured loan	\$ 501,403	\$	-
Aberdeen International Inc.(ii)	Unsecured loan	749,802		-
Sulliden Mining Capital Inc.(iii)	Unsecured loan	98,534		-
		\$ 1,349,739	\$	-

- (i) During the year ended March 31, 2019, the Company entered into loan agreements for \$200,000 (“First loan”) and a further \$250,000 (“Second loan”). Loan principals and accrued interest of 12% per annum are due and payable on or before December 31, 2019. The Company may negotiate repayment of the loans 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. As of March 31, 2019, total principal plus accrued interest of \$501,403 remained outstanding.
- (ii) During the year ended March 31, 2019, 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	November 30, 2018
Second loan	June 26, 2018	\$275,000	12% per annum	December 26, 2018
Amended second loan	September 4, 2018	\$80,000	12% per annum	December 26, 2018
	December 31, 2018	\$140,000	12% per annum	

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. On December 31, 2018, the Company received a further \$140,000 from Aberdeen and continued to accrue interest. The Company is currently renegotiating the terms of all the loans with the lender. As of March 31, 2019, total principal plus accrued interest of \$749,802 remained outstanding.

Aberdeen is a 10% security holder of the Company. Pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions, the loans from Aberdeen constitute related party transactions. The Company relied on an exemption from formal valuation and minority shareholder approval requirements of NI 61-101 on the basis that the value of the loans was less than 25% of the Company’s market capitalization.

- (iii) During the year ended March 31, 2019, the Company entered into a loan agreement with Sulliden Mining Capital Inc. for \$96,000. The amount owed is subject to 12% interest per annum. The loan is unsecured and due on demand. As of March 31, 2019, total principal plus accrued interest of \$98,534 remained outstanding.

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9. FINANCIAL INSTRUMENTS

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

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

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

Financial assets and financial liabilities as at March 31, 2019 and 2018 were as follows:

	Amortized costs		
	Financial assets	Financial liabilities	TOTAL
<i>At March 31, 2019</i>			
Financial assets:			
Cash	\$ 565,690	\$ -	\$ 565,690
Amounts receivable (Note 4)	5,337	-	5,337
Financial liabilities:			
Accounts payable and accrued liabilities	-	464,181	464,181
Bridge financing (Note 8)	-	1,349,739	1,349,739
<i>At March 31, 2018</i>			
Financial assets:			
Cash	\$ 28,138	\$ -	\$ 28,138
Amounts receivable	8,628	-	8,628
Financial liabilities:			
Accounts payable and accrued liabilities	-	576,202	576,202

10. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS

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

Risk management is carried out by the management team under policies approved by the Board of Directors. The Company's capital management objectives, policies and processes have remained unchanged during the year ended March 31, 2019. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of March 31, 2019, the Company may not be compliant with the policies of the TSXV. The impact of any such violation is not known and is ultimately dependent on the discretion of the TSXV.

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10. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS (Continued)

Financial risks

The Company's financial instruments comprise cash, amounts receivable, accounts payable, accrued liabilities and bridge financing. The main use of these financial instruments is to fund operations and the pursuit of capital transactions. The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are credit risk, liquidity risk and market risk. The Company has limited 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, those summarized below.

The following discussion also includes a sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and show the impact on income or loss and shareholders' equity, where applicable. The sensitivity analysis has been prepared for the year ended March 31, 2019, using the amounts of other financial assets and liabilities held as at the consolidated statement of financial position date.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets. 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. 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.

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 management's ability to raise the required capital through future equity or debt issuances.

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

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, the Company had a cash balance of \$565,690 (March 31, 2018: \$28,138) and amounts receivable other than sales taxes receivable of \$5,337 (March 31, 2018: \$8,628). As at March 31, 2019, the Company's financial liabilities consisted of accounts payable and accrued liabilities of \$464,181 (March 31, 2018: \$576,202) based on contractual undiscounted payments and short-term borrowings of \$1,349,739 (March 31, 2018: \$nil), all due in less than one year.

In the year ended March 31, 2019, Trigon raised \$2,030,541 through private placement financings and \$1,241,000 through debt instruments.

During the year ended March 31, 2018, the Company raised \$2,569,500 through private placement financings and \$306,666 through the exercise of warrants.

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10. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS (Continued)

Market risk

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

The ability of the Company to explore, evaluate and develop its exploration and mining 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.

Foreign currency risk

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

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash is limited due to the short-term investment nature. The Company's outstanding loans and interest-bearing debts are subject to fixed interest rates, and the Company has not entered into any interest rate swaps or other rate program at this time.

Sensitivity analysis

The carrying amount of cash, accounts receivable, accounts payable and short-term borrowings equals fair market value. The effect of changes in foreign exchange rates on net loss is deemed insignificant as the number and amount of foreign-currency transactions are relatively small. Had the foreign exchange rates been higher (lower) by 10%, the foreign exchange in the consolidated statement of loss would have been lower (higher) by approximately \$2,715 (year ended March 31, 2018: \$2,990).

11. SHARE CAPITAL

(a) Authorized:

Unlimited number of voting common shares

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

(b) Issued:

Reconciliation of the number and value of common shares for the year ended March 31, 2019 and 2018 were as follows. All issued shares are fully paid.

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11. SHARE CAPITAL (Continued)

	Number of shares	Issued Capital
Balance, March 31, 2017	18,205,463	\$ 32,429,180
Shares issued pursuant to private placements	8,281,666	2,569,500
Shares issued through exercise of warrants	766,666	306,666
Valuation on warrants exercised	-	99,441
Cost of issue	-	(20,412)
Warrants issued	-	(622,040)
Balance, March 31, 2018	27,253,795	\$ 34,762,335
Shares issued pursuant to private placements	18,603,744	2,030,541
Warrants issued	-	(154,060)
Cost of issue	-	(11,745)
Balance, March 31, 2019	45,857,539	\$ 36,627,071

On October 1, 2018, the Company closed a non-brokered private placement financing. The Company issued 3,403,330 units at a price of \$0.15 per unit for gross proceeds of \$510,500. Each unit is comprised of one common share of Trigon and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of \$0.25 for a period of 36 months following the closing date of the Offering. The issue date fair value of the warrants was estimated at \$154,060 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 97%; risk-free interest rate of 2.31% and an expected life of 3 years. The Company also paid share and warrant issue costs of \$3,802. The Company did not pay any finder's fees in connection with the Offering. Certain directors and officers of Trigon acquired a portion of the financing, and their participation is considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101"). The Insider Participation is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101.

On March 28, 2019, the Company closed a non-brokered private placement financing. The Company issued 15,200,414 common shares at a price of \$0.10 per share for gross proceeds of \$1,520,041. The shares issued pursuant to the Offering will be subject to a four month and one day statutory hold period expiring on July 29, 2019. The Company did not pay any finder's fees in connection with the Offering but incurred share issue costs of \$9,090. Certain directors and officers of the Company have subscribed for shares pursuant to the financing and their participation will be considered to be a "related party transaction" as defined under MI 61-101. The Insider Participation is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101.

On June 1, 2017, the Company announced the closing of a non-brokered private placement of units. The Company issued 1,616,667 units at a price of \$0.30 per unit for aggregate gross proceeds of \$485,000. Each whole unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of \$0.40 for a period of 36 months following the closing date. The issue date fair value of the warrants was estimated at \$104,845 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 107%; risk-free interest rate of 0.75% and an expected life of 3 years. The Company also paid share and warrant issue costs of \$3,675.

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11. SHARE CAPITAL (Continued)

On July 31, 2017, the Company announced the closing of the first tranche of a non-brokered private placement of units. The Company issued 1,848,333 units at a price of \$0.30 per unit for aggregate gross proceeds of \$554,500. Each whole unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of \$0.40 for a period of 36 months following the closing date. The issue date fair value of the warrants was estimated at \$131,258 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 120%; risk-free interest rate of 1.37% and an expected life of 3 years. The Company also paid share and warrant issue costs of \$7,500.

On August 22, 2017, the Company announced the closing of the second tranche of a non-brokered private placement of units. The Company issued 3,116,667 units at a price of \$0.30 per unit for aggregate gross proceeds of \$935,000. Each whole unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of \$0.40 for a period of 36 months following the closing date. The issue date fair value of the warrants was estimated at \$225,824 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 124%; risk-free interest rate of 1.30% and an expected life of 3 years. The Company also paid share and warrant issue costs of \$10,930.

On December 19, 2017, the Company announced that Forbes & Manhattan Resources Inc. ("Forbes") and certain other investors will subscribe to a private placement financing of up to 5,714,285 units at a price of \$0.35 per unit for gross proceeds of up to \$2,000,000, of which the first tranche was closed on January 15, 2018. The Company received gross proceeds of \$500,000 from Aberdeen International Inc. ("Aberdeen") on December 29, 2017 and upon TSXV approval issued 1,428,571 units. Aberdeen is a related party of Trigon as it owns more than 10% of the issued and outstanding common shares of the Company. Each whole unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of \$0.50 for a period of 24 months following the closing date. The issue date fair value of the warrants was estimated at \$136,936 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 102%; risk-free interest rate of 1.76% and an expected life of 2 years. The Company also paid share and warrant issue costs of \$1,250.

On March 2, 2018, the Company closed the second and final tranche of its previously announced non-brokered private placement of units and issued 271,428 units at a price of \$0.35 per unit for aggregate gross proceeds of \$95,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of \$0.50 for a period of 24 months following the closing date, subject to an acceleration provision whereby in the event that at any time after the expiry of the statutory hold period, the common shares trade at \$1.00 or higher on the TSX Venture Exchange (on an average trading volume of not less than 200,000 common shares per day) for a period of 20 consecutive days, the Company shall have the right to accelerate the expiry date of the warrants to the date that is 30 days after the Company issues a news release announcing that it has elected to exercise the acceleration right. The issue date fair value of the warrants was estimated at \$23,177 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 94%; risk-free interest rate of 1.77% and an expected life of 2 years. The Company also paid share and warrant issue costs of \$3,492.

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12. EQUITY RESERVES

Options

	Year ended March 31, 2019			Year ended March 31, 2018		
	Number of Options	Weighted Average Exercise price	Amount	Number of Options	Weighted Average Exercise price	Amount
Outstanding - Beginning of year	1,917,000	\$0.59	\$ 828,593	1,392,000	\$0.97	\$ 932,686
Expired/cancelled options	(343,000)	\$0.75	\$ (190,403)	(750,000)	\$0.91	\$ (470,698)
Granted and vested	450,000	\$0.20	\$ 81,852	1,275,000	\$0.36	\$ 366,605
Outstanding, End of year	2,024,000	\$0.48	\$ 720,042	1,917,000	\$0.59	\$ 828,593
Exercisable, End of year	2,024,000	\$0.48	\$ 720,042	1,817,000	\$0.60	\$ 828,593

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

On June 6, 2018, the Company granted 450,000 stock options to certain directors, officers and consultants to purchase shares of the Company at an exercise price of \$0.20 per option until June 6, 2023. The options vested immediately on the date of the grant and will expire five years from the date of grant. The fair value of these options estimated on the date of the grant using the Black-Scholes option pricing model was \$72,000 with the following assumptions: expected volatility of 112%, expected dividend yield of 0%, risk-free interest rate of 2.16% and expected life of 5 years.

On April 20, 2017, the Company granted 250,000 stock options to directors of the Company. The options vested immediately on the date of grant and are exercisable at a price of \$0.29 per option for a period of five years from the date of grant. The fair value of these options estimated on the date of the grant using the Black-Scholes option pricing model was \$58,950 with the following assumptions: expected volatility of 117%, expected dividend yield of 0%, risk-free interest rate of 1.03% and expected life of 5 years.

On July 19, 2017, the Company granted 675,000 stock options to directors, officers and a consultant of the Company. The options vested immediately on the date of grant and are exercisable at a price of \$0.385 per option for a period of five years from the date of grant. The fair value of these options estimated on the date of the grant using the Black-Scholes option pricing model was \$212,423 with the following assumptions: expected volatility of 117%, expected dividend yield of 0%, risk-free interest rate of 1.52% and expected life of 5 years.

On August 11, 2017, the Company granted 25,000 stock options to a consultant of the Company. The options vested immediately on the date of grant and are exercisable at a price of \$0.24 per option for a period of five years from the date of grant. The fair value of these options estimated on the date of the grant using the Black-Scholes option pricing model was \$4,743 with the following assumptions: expected volatility of 110%, expected dividend yield of 0%, risk-free interest rate of 1.46% and expected life of 5 years.

On September 5, 2017, the Company granted 275,000 stock options to consultants of the Company. 75,000 of the total options vested immediately on the date of grant, whereas 200,000 options vest quarterly over four equal installments every three months with the first installment vesting three months from the date of grant. These options are exercisable at a price of \$0.35 per option for a period of five years from the date of grant. The fair value of these options estimated on the date of the grant using the Black-Scholes option pricing model was \$80,465 with the following assumptions: expected volatility of 123%, expected dividend yield of 0%, risk-free interest rate of 1.56% and expected life of 5 years.

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12. EQUITY RESERVES (Continued)

Options (Continued)

On October 11, 2017, the Company granted 25,000 stock options to a consultant of the Company. These options vested immediately and are exercisable at a price of \$0.415 per option for a period of five years from the date of grant. The fair value of these options estimated on the date of the grant using the Black-Scholes option pricing model was \$8,540 with the following assumptions: expected volatility of 119%, expected dividend yield of 0%, risk-free interest rate of 1.77% and expected life of 5 years.

On October 16, 2017, the Company granted 25,000 stock options to a consultant of the Company. These options vested immediately and are exercisable at a price of \$0.45 per option for a period of five years from the date of grant. The fair value of these options estimated on the date of the grant using the Black-Scholes option pricing model was \$9,008 with the following assumptions: expected volatility of 113%, expected dividend yield of 0%, risk-free interest rate of 1.71% and expected life of 5 years.

As at March 31, 2019, the Company had stock options outstanding and exercisable as follows:

		Option Summary				Black-Scholes Assumptions				
Grant date	Expiry date	Number outstanding	Number exercisable	Exercise price	Grant date fair value	Dividend yield (%)	Expected volatility (%)	Expected life (years)	Risk free rate (%)	Forefeiture Rate
26-Feb-15	26-Feb-20	308,500	308,500	\$1.00	\$ 188,185	0	144	5	0.78	0
8-Mar-16	8-Mar-21	165,500	165,500	\$0.85	\$ 114,195	0	116	5	0.72	0
22-Jun-16	22-Jun-21	150,000	150,000	\$0.50	\$ 61,500	0	120	5	0.70	0
20-Apr-17	20-Apr-22	150,000	150,000	\$0.29	\$ 35,370	0	117	5	1.03	0
19-Jul-17	19-Jul-22	650,000	650,000	\$0.385	\$ 204,556	0	117	5	1.52	0
11-Aug-17	11-Aug-22	25,000	25,000	\$0.24	\$ 4,743	0	110	5	1.46	0
5-Sep-17	5-Sep-22	75,000	75,000	\$0.35	\$ 21,945	0	123	5	1.56	0
11-Oct-17	11-Oct-22	25,000	25,000	\$0.415	\$ 8,540	0	119	5	1.77	0
16-Oct-17	16-Oct-22	25,000	25,000	\$0.45	\$ 9,008	0	113	5	1.71	0
6-Jun-18	6-Jun-23	450,000	450,000	\$0.20	\$ 72,000	0	112	5	2.16	0
		2,024,000	2,024,000	\$	720,042					

Warrants

Share purchase warrant transactions for the years ended March 31, 2019 and 2018 are summarized as follows:

	Year ended March 31, 2019			Year ended March 31, 2018		
	Number of Warrants	Weighted Average Exercise price	Amount	Number of Warrants	Weighted Average Exercise price	Amount
Outstanding, Beginning of year	5,655,915	\$0.66	\$ 920,985	1,431,750	\$1.30	\$ 404,821
Issued	3,403,330	\$0.25	\$ 154,060	4,990,831	\$0.43	\$ 622,040
Exercised	-	-	\$ -	(766,666)	\$0.40	\$ (99,441)
Warrant issue costs	-	-	\$ (1,147)	-	-	\$ (6,435)
Outstanding, End of year	9,059,245	\$0.50	\$ 1,073,898	5,655,915	\$0.66	\$ 920,985

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12. EQUITY RESERVES (Continued)

Warrants (Continued)

As at March 31, 2019, the Company had share purchase warrants outstanding as follows:

Grant date	Expiry date	Number outstanding	Exercise price	FMV at grant date
17-May-16	17-May-19	1,106,750	\$1.30 \$	322,924
16-Sep-16	16-Sep-19	325,000	\$1.30 \$	88,255
01-Jun-17	01-Jun-20	41,667	\$0.40 \$	5,404
31-Jul-17	31-Jul-20	924,166	\$0.40 \$	131,258
22-Aug-17	22-Aug-20	1,558,333	\$0.40 \$	225,824
15-Jan-18	15-Jan-20	1,428,571	\$0.50 \$	136,936
02-Mar-18	02-Mar-20	271,428	\$0.50 \$	23,176
01-Oct-18	01-Oct-21	3,403,330	\$0.25 \$	154,060
		9,059,245	\$0.50 \$	1,087,837

The Company has incurred issuance costs of \$13,939 related to the warrants granted.

13. RELATED PARTY TRANSACTIONS

Compensation of key management

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

	Years ended March 31,	
	2019	2018
Consulting fees	\$ 937,500	\$ 717,500
Share-based payments	64,000	263,505
	\$ 1,001,500	\$ 981,005

See also Note 14.

Included in accounts payable and accrued liabilities as at March 31, 2019 is approximately \$105,000 for consulting fees and moving expenses (March 31, 2018: \$63,281 – consulting fees, travel and moving expenses) charged by officers and directors of the Company.

Of the total options granted on June 6, 2018, 400,000 options were granted to directors and officers of the Company to purchase shares of the Company at \$0.20 per option until June 6, 2023.

On April 20, 2017, the Company granted 250,000 stock options to directors of the Company to purchase shares of the Company at \$0.29 per option until April 20, 2022. Of the total 250,000 options, 100,000 were cancelled on October 27, 2017.

Of the total options granted on July 19, 2017, 650,000 options were granted to directors and officers of the company to purchase shares of the Company at \$0.385 per option until July 19, 2022.

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13. RELATED PARTY TRANSACTIONS (Continued)

Financings

In the private placement financing completed on October 1, 2018, directors and officers of Trigon acquired a total of 1,899,997 units for gross proceeds of \$285,000.

In the private placement financing completed on March 28, 2019, directors and officers of Trigon acquired a total of 5,000,414 shares for gross proceeds of \$500,041.

Of the private placement financing that closed on June 1, 2017, a related company which has a common director acquired 666,667 units for gross proceeds of \$200,000.

Of the private placement financing that closed on July 31, 2017, directors and officers of the Company acquired an aggregate of 383,333 units for gross proceeds of \$115,000.

Of the private placement financing that closed on August 22, 2017, officers of the Company acquired an aggregate of 133,333 units for gross proceeds of \$40,000.

Bridge financing

See Note 8.

14. COMMITMENTS AND CONTINGENCIES

Environmental

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company 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.

Trigon Mining (Namibia) (Pty) Ltd. – Property obligations

On April 23, 2012, the Company purchased, through the acquisition of TMN, an effective 80% interest in the mining assets commonly known as the Kombat mine, whose assets include a 100% interest in five Mining Licenses in northern Namibia. As at March 31, 2019, the Company has expended sufficient capital to ensure the licenses remain in good standing. The licenses expired in March 2019 and renewal applications were lodged by the Company. The Company is currently waiting for a response from the Ministry of Mines and Energy in Namibia.

Management contracts

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of up to \$900,000 to be made to the officers of the Company upon the occurrence of certain events such as a change of control. As the triggering effect has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contractual commitments remaining under the agreements are approximately \$472,000, all due within one year.

The Company also has a commitment of \$50,000 for bonus payments for which the triggering event has not occurred as at March 31, 2019. Upon the occurrence of the triggering event, the Company will have an increase in commitments relating to the subsequent occurrence of certain events such as a change of control or termination of the management contracts.

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14. COMMITMENTS AND CONTINGENCIES (Continued)

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.

15. INCOME TAXES

a) Provision for income taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2018 - 26.5%) were as follows:

	2019	2018
	\$	\$
Combined Canadian statutory income tax rate	26.50%	26.50%
(Loss) before income taxes	(2,828,019)	(3,818,529)
Expected income tax recovery based on statutory rate	(749,000)	(1,012,000)
Adjustment to expected income tax benefit:		
Stock based compensation	22,000	97,000
Non-deductible expenses and other	257,000	61,000
Changes and differences in tax rates	63,000	(92,000)
Change in benefit of tax assets recognized	407,000	946,000
Deferred income tax provision (recovery)	-	-

b) Deferred income tax

	2019	2018
	\$	\$
Deferred tax assets (liabilities) have been recognized as follows:		
Property and equipment - Namibia	(31,000)	(24,000)
Non-capital loss carry-forward - Namibia	31,000	24,000
Total	-	-

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

	2019	2018
	\$	\$
Share issuance costs - Canada	36,000	36,000
Exploration and evaluation expenditures - Canada	295,000	295,000
Non-capital loss carry-forwards - Canada	11,589,000	10,070,000
Non-capital loss carry-forwards - Barbados	227,000	218,000
Non-capital loss carry-forwards - Namibia	3,415,000	3,404,000

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15. INCOME TAXES (Continued)

b) Deferred income tax (Continued)

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

c) Losses carried forward

As at March 31, 2019, the Company had estimated non-capital losses for Canadian income tax purposes of approximately \$11,589,000 (2018 - \$10,070,000) available to use against future taxable income. The non-capital losses expire between 2032 and 2039.

The Company's Barbados subsidiaries have non-capital losses of approximately \$227,000 (2018 - \$218,000) available to use against future taxable income, expiring between 2021 and 2026.

In addition, the Company's Namibian subsidiaries have non-capital losses of approximately N\$37,851,000 (2018 - N\$31,675,000) available to use against future taxable income. These non-capital losses may be carried forward indefinitely.

Expiry	Canada	Barbados	Namibia	Total
2021	\$ -	\$ 19,000	\$ -	\$ 19,000
2022	-	155,000	-	155,000
2023	-	27,000	-	27,000
2024	-	15,000	-	15,000
2025	-	2,000	-	2,000
2026	-	9,000	-	9,000
2027	-	-	-	-
2032	1,951,000	-	-	1,951,000
2033	1,657,000	-	-	1,657,000
2034	976,000	-	-	976,000
2035	1,289,000	-	-	1,289,000
2036	1,089,000	-	-	1,089,000
2037	1,316,000	-	-	1,316,000
2038	1,792,000	-	-	1,792,000
2039	1,519,000	-	-	1,519,000
Indefinitely	-	-	3,498,000	3,498,000
	<u>\$ 11,589,000</u>	<u>\$ 227,000</u>	<u>\$ 3,498,000</u>	<u>\$ 15,314,000</u>