



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the holders of the common shares (the “**Shareholders**”) of Trigon Metals Inc. (“**Trigon**” or the “**Corporation**”) will be held virtually on Friday, November 26, 2021 at 11:00 a.m. (Toronto time) by way of a live webcast and teleconference accessible by the following particulars.

|                       |   |
|-----------------------|---|
| <b>Webcast</b>        | <a href="https://millerthomson.webex.com/millerthomson/j.php?MTID=mf6dcdca8e4347a32132f8610cec529b9">https://millerthomson.webex.com/millerthomson/j.php?MTID=mf6dcdca8e4347a32132f8610cec529b9</a> |
|                       | <b>Meeting Number:</b> 2303 410 4140  |
|                       | <b>Password:</b> MilTom2021   |
| <b>Teleconference</b> | <b>Dial-In:</b> 1-416-915-6528  |
|                       | <b>Conference ID:</b> 2303 410 4140   |

The purpose of the Meeting is as follows:

1. **Financial Statements.** Receive and consider the audited consolidated financial statements as at and for the fiscal year ended March 31, 2021, together with the report of the auditors thereon and the unaudited condensed interim consolidated financial statements for the three-month period ended June 30, 2021;
2. **Elect Directors.** Consider and elect the directors for the ensuing year;
3. **Auditor Appointment.** Consider and, if acceptable, appoint McGovern Hurley LLP, Chartered Accountants, as auditor of the Corporation;
4. **Stock Option Plan.** Consider and, if acceptable, re-approve the Corporation’s stock option plan; and
5. **Other Business.** Consider other business as may properly come before the Meeting or any postponement(s) or adjournment(s) thereof.

This notice is accompanied by a form of proxy, a management information circular (the “**Circular**”), the audited consolidated financial statements of the Corporation as at and for the fiscal year ended March 31, 2021 and related management’s discussion and analysis of the financial condition and the unaudited condensed interim consolidated financial statements for the three-month period ended June 30, 2021 and related management’s discussion and analysis.

Shareholders are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting. Please review the enclosed Circular and date, sign and return the enclosed form of proxy to the Corporation’s transfer agent by Wednesday, November 24, 2021 at 11:00 a.m. (Toronto time). Alternatively, shareholders may cast their vote online at [www.voteproxyonline.com](http://www.voteproxyonline.com). Proxy inquiries can be sent via email to [TMXEInvestorServices@tmx.com](mailto:TMXEInvestorServices@tmx.com).

The directors of the Corporation have fixed the close of business on October 20, 2021, as the record date, being the date for the determination of the registered holders entitled to notice and to vote at the Meeting and any postponement(s) or adjournments(s) thereof.

**In light of the recent coronavirus (COVID-19) outbreak and in order to protect the health and safety of our Shareholders and the broader community, the Corporation will be holding the Meeting virtually via a live webcast and teleconference. Registered Shareholders and formally appointed proxyholders who wish to vote at the Meeting must complete the Request for Voting Number Form attached to the Circular as Schedule “C” and return to TSX Trust at TSXTRUSTPROXYVOTING@TMX.COM 5 days prior to the Meeting, upon which they will receive a voting number which will enable them to vote at the Meeting. All other Shareholders (including beneficial Shareholders that hold Trigon common shares through a broker or other intermediary) are encouraged to vote by proxy in accordance with the Corporation’s usual procedures in advance of the Meeting to the greatest extent possible. To the extent that a registered Shareholder cannot vote by proxy and wishes to vote directly at the Meeting, they should advise TSX Trust in writing and the Corporation and TSX Trust will endeavor to accommodate such request.**

DATED at Toronto, Ontario as of the 28<sup>th</sup> day of October, 2021

BY ORDER OF THE BOARD OF DIRECTORS

*“Jed Richardson”*

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President & Chief Executive Officer

# MANAGEMENT INFORMATION CIRCULAR

## ABOUT THE SHAREHOLDER MEETING

October 28, 2021

### Solicitation of Proxies

You have received this management information circular (the “**Circular**”) because you owned common shares (“**Common Shares**”) of Trigon Metals Inc. (“**Trigon**” or the “**Corporation**”) as of October 20, 2021. You are therefore entitled to vote at the annual and special meeting of common shareholders (the “**Meeting**”) to be held on Friday, November 26, 2021 at 11:00 a.m. (Toronto time) virtually by way of a live webcast and teleconference at the time and website address and teleconference number and for the purposes set forth in the accompanying Notice of Meeting and at any postponement(s) or adjournment(s) thereof.

The Board of Directors (“**Board**”) of the Corporation has set the record date for the Meeting as October 20, 2021 (the “**Record Date**”).

Management is soliciting your proxy for the Meeting. The Board has fixed 11:00 a.m. (Toronto time) on Wednesday, November 24, 2021 or 48 hours (excluding Saturdays, Sundays or holidays) before any postponement(s) or adjournment(s) of the Meeting, as the time by which proxies to be acted upon at the Meeting shall be deposited with the Corporation’s transfer agent. The costs of solicitation by management will be borne by the Corporation.

**In light of the recent coronavirus (COVID-19) outbreak and in order to protect the health and safety of our Shareholders and the broader community, the Corporation will be holding the Meeting virtually via a live webcast and teleconference. Registered Shareholders and formally appointed proxyholders who wish to vote at the Meeting must complete the Request for Voting Number Form attached to the Circular as Schedule “C” and return to TSX Trust at TSXTRUSTPROXYVOTING@TMX.COM at least 5 days prior to the Meeting, upon which they will receive a voting number which will enable them to vote at the Meeting. All other Shareholders (including beneficial Shareholders that hold shares through a broker or other intermediary) are encouraged to vote by proxy in accordance with the Corporation’s usual procedures in advance of the Meeting to the greatest extent possible. To the extent that a registered Shareholder cannot vote by proxy and wishes to vote directly at the Meeting, they should advise TSX Trust in writing and the Corporation and TSX Trust will endeavor to accommodate such request.**

The live webcast and teleconference are accessible by the following particulars:

|                       |   |
|-----------------------|---|
| <b>Webcast</b>        | <a href="https://millerthomson.webex.com/millerthomson/j.php?MTID=mf6dcdca8e4347a32132f8610cec529b9">https://millerthomson.webex.com/millerthomson/j.php?MTID=mf6dcdca8e4347a32132f8610cec529b9</a> |
|                       | <b>Meeting Number:</b> 2303 410 4140  |
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|                       | <b>Conference ID:</b> 2303 410 4140   |

These materials are being sent to both registered and non-registered owners of Common Shares. The Corporation or its agent has obtained information regarding non-registered owners in accordance with the applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Corporation shall make a list of all persons who are registered shareholders of the Corporation (“**Shareholders**”) on the Record Date and the number of Common Shares registered in the name of each Shareholder on that date. Each Shareholder is entitled to one vote on each matter to be acted on at the Meeting for each Common Share registered in his or her name as it appears on the list.

Unless otherwise stated, the information contained in this Circular is as of the date hereof. All dollar amount references in this Circular, unless otherwise indicated, are expressed in Canadian dollars.

## **Voting**

### *Appointment and Revocation of Proxies*

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **You may appoint some other person or entity to represent you at the Meeting by inserting such person’s name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent of the Corporation indicated on the enclosed envelope not later than the times set out above.**

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy given pursuant to this solicitation by depositing an instrument in writing (including another proxy bearing a later date) executed by the Shareholder or by an attorney authorized in writing at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1 at any time up to and including the last business day preceding the day of the Meeting.

### *Voting of Proxies*

#### *Registered Shareholders*

**Registered Shareholders and formally appointed proxyholders who wish to vote at the Meeting must complete the Request for Voting Number Form attached to the Circular as Schedule “C” and return to TSX Trust at TSXTRUSTPROXYVOTING@TMX.COM at least 5 days prior to the Meeting, upon which they will receive a voting number which will enable them to vote at the Meeting.**

Voting by proxy is the easiest way to vote because you can appoint anyone to be your proxyholder to attend the Meeting and vote your Common Shares according to your instructions. This person does not need to be a Shareholder. The executive officers named in the proxy form can act as your proxyholder and vote your Common Shares according to your instructions.

If you appoint the Trigon proxyholders and do not indicate your voting instructions, they will vote your Common Shares:

- for the nominated directors;
- for the appointment of the auditors; and
- for the re-approval of the Stock Option Plan (as defined below);

**If you want to appoint someone else as your proxyholder, print that person’s name in the blank space provided in the proxy form (or complete another proxy form) and send the form to the Corporation’s transfer agent. Make sure this person is aware that you appointed them as your proxyholder and that they must complete the Request for Voting Number Form attached to the Circular as Schedule “C” and return to TSX Trust at TSXTRUSTPROXYVOTING@TMX.COM at least 5 days prior to the Meeting, upon which they will receive a voting number which will enable them to attend and vote at the Meeting on your behalf and according to your instructions. If you do not indicate your voting instructions, your proxyholder can vote as he or she sees fit.**

At the time of printing this Circular, management is not aware of any amendments, variations or other matters to come before the Meeting. If other matters are properly brought before the meeting, your proxyholder can vote as he or she sees fit.

The transfer agent must receive the completed proxy form by 11:00 a.m. (Toronto time) on Wednesday, November 24, 2021 or 48 hours (excluding Saturdays, Sundays or holidays) before any postponement(s) or adjournment(s) of the Meeting.

#### *Non-Registered Shareholders*

Non-registered Shareholders (“**Non-Registered Shareholders**”) are those holders who beneficially own Common Shares registered in the name of an intermediary with whom the Non-Registered Shareholder deals in respect of the Common Shares, such as, banks, trust companies, securities dealers (all, an “**Intermediary**”) or in the name of a clearing agency such as CDS&Co. Securities laws require the Corporation to send the Meeting materials to the Intermediaries and clearing agencies so they can distribute them to our Non-Registered Shareholders. These materials include the notice of the meeting, the Circular, a proxy or voting instruction form, a consent form to receive supplemental mailings, a copy of the Corporation’s 2020 annual report if the Non-Registered Shareholder requested a copy and documents by electronic delivery.

Intermediaries and clearing agencies must forward the Meeting materials to Non-Registered Shareholders unless the Non-Registered Shareholder has waived the right to receive them. If you’re a Non-Registered Shareholder and have not waived the right to receive the materials, your package includes either a voting instruction form (not signed by your intermediary), or a proxy form (signed by your intermediary).

Either form instructs your Intermediary (the registered Shareholder) to vote your Common Shares according to your instructions. Be sure to send back your completed form as soon as possible to ensure your Intermediary carries out your voting instructions.

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#### *Voting Securities and Principal Holders*

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of the Record Date, the Corporation has 157,132,395 Common Shares issued and outstanding and no preferred shares issued and outstanding.

To the knowledge of the directors and officers of the Corporation, as at the Record Date, no person beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to the Common Shares, other than Eric Sprott who has disclosed publicly that he holds or controls 31,048,332 Common Shares, which represents approximately 19.76% of the outstanding Common Shares as of the Record Date.

## BUSINESS OF THE MEETING

Other than in respect of the election of directors and approval of the Stock Option Plan, no informed person (as such term is defined under applicable securities laws) of the Corporation or Nominee (as defined herein) (and each of their associates or affiliates) has had any direct or indirect material interest in any transaction involving the Corporation since April 1, 2020 or in any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries other than as disclosed herein.

### Financial Statements

The consolidated financial statements for the financial year ended March 31, 2021 and the related management's discussion and analysis of financial condition and results of operations ("the MD&A"), together with the auditor's report thereon and the unaudited condensed interim consolidated financial statements for the three-month period ended June 30, 2021 and related management's discussion and analysis will be presented to Shareholders for review at the Meeting and were mailed to Shareholders with the Notice of Meeting and this Circular. No vote by the Shareholders is required with respect to this matter.

### Election of Directors

The Corporation has nominated five persons (the "**Nominees**") for election as directors of the Corporation, who will hold office until the next annual meeting of Shareholders or until his or her successor is elected or appointed. Stephan Theron is not standing for re-election at the Meeting, Shareholders will be asked to elect these Nominees as directors of the Corporation. **The persons in the enclosed form of proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director.**

#### *Director Profiles*

Each of the five nominated directors is profiled below, including his or her background and experience, committee memberships, share ownership and other public company directorships.

JED RICHARDSON  
ONTARIO, CANADA

DIRECTOR SINCE SEPTEMBER 2018

Mr. Richardson is the President and Chief Executive Officer of Trigon. Mr. Richardson is an experienced mining and finance executive, particularly with his career in capital markets and his background in the exploration and resource development as CEO of Great Quest Fertilizer, active in West Africa, and formerly as an executive at Amazon Mining developing resource assets in Brazil. Mr. Richardson spent a large portion of his career in capital markets working as a research analyst at Sprott Securities and RBC Capital Markets. He also worked as a Mining Engineer for Alcan Aluminum after graduating from the University of Toronto. Mr. Richardson holds a B.A.Sc in Mineral and Geological Engineering.

|                                     |                             |
|-------------------------------------|-----------------------------|
| <b>Shareholdings:</b>               | 5,067,080                   |
| <b>Other Public Company Boards:</b> | Great Quest Fertilizer Ltd. |

LARISA SPROTT  
ONTARIO, CANADA

DIRECTOR SINCE SEPTEMBER 2018

Ms. Sprott has spent much of her life around the investment business and the investment side of the natural resource sector. She currently serves as the President of Sprott Money, an online retailer of gold, silver and platinum bullion to investors and collectors. Prior, she worked as an investment advisor with Sprott Asset Management, and her work history includes experience in Public Relations with Toronto based firm DKPR. Amongst a list of charitable work, she is on the Board of Directors for the Sprott Foundation. Ms. Sprott holds a Master's of Science in Education.

**Shareholdings:** 225,000  
**Other Public Company Boards:** None

DAYE KABA  
ONTARIO, CANADA

DIRECTOR SINCE NOVEMBER 2019

Mr. Kaba is a partner in the Global Metals & Mining group at McCarthy Tétrault in Toronto with over twenty years of experience. His practice focuses on mergers and acquisitions, securities and commercial law matters, with a focus on the mining sector in Africa. Mr. Kaba previously worked at Fasken Martineau DuMoulin LLP in Toronto and Coudert Brothers LLP in Paris. He received his JD from the University of Michigan and is called to the New York bar and the Ontario bar. Mr. Kaba is a member of various associations including the Canadian Bar Association, the American Bar Association, the World Association of Mining Lawyers (WAOML) and the Prospector and Developers Association of Canada (PDAC). He is fluent in English, French and Portuguese.

**Shareholdings:** Nil  
**Other Public Company Boards:** None

DAVID SHAW  
BRITISH COLUMBIA, CANADA

DIRECTOR SINCE OCTOBER 2019

Mr. Shaw brings a wealth of expertise in public companies and exploration geology. He has worked both in the technical and financial communities within the resource industry for nearly 40 years. He served as an in-house structural consultant on both metal and hydrocarbon exploration programs, then as a member of a hydrocarbon project financial evaluation team with Chevron Resources in Calgary and Vancouver. He initiated and developed the Resource Research Group at Charlton Securities Ltd., Calgary before assuming the position of Senior Mining Analyst, Corporate Finance at Yorkton Securities Inc. in Vancouver. Throughout David's career he has built strong relationships with European financial institutions and the global mining community and gained valuable experience in Africa. Dr. Shaw holds a PhD in Structural Geology from Carleton University.

**Shareholdings:** 70,000  
**Other Public Company Boards:** Cerro de Pasco Resources Inc.  
Genius Metals Inc.  
Great Quest Fertilizer Ltd.  
Medallion Resources Ltd.

GABRIEL OLLIVIER  
ALBERTA, CANADA

INAUGURAL NOMINATION

Mr. Ollivier is currently the Acting President and CEO of United Hydrocarbon International Corp. since January 2018, and also the President and CEO of Equus Energy Advisors Inc. since 2011. Mr. Ollivier is also currently the Chairman of Children Believe, an international NGO based in Canada as well as being a Director at Childfund Alliance.

**Shareholdings:** Nil  
**Other Public Company Boards:** Nil

### *Other Information about the Director Nominees*

No director or executive officer of the Corporation is, as of the date hereof, or has been, within the ten years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the company.

No director or executive officer has, as of the date hereof, within the 10 years before the date of this Circular become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

No proposed director has, as of the date hereof, been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

No director or executive officer of the Corporation is, as of the date hereof, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to an order that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the director ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

### **Appointment of Auditors**

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of McGovern Hurley LLP, Chartered Accountants, as auditors of the Corporation until the close of the next annual meeting of Shareholders and to authorize the directors to fix their remuneration. McGovern Hurley LLP, Chartered Accountants, have been the auditors of the Corporation since January 10, 2014.

The following table sets out the audit and audit-related fees billed by the Corporation's auditors for the years ended March 31, 2020 and March 31, 2021.

| <b>Service</b>     | <b>2020</b>     | <b>2021</b>     |
|--------------------|-----------------|-----------------|
| Audit Fees         | \$38,000        | \$45,000        |
| Audit-Related Fees |                 |                 |
| Tax Fees           | \$3,500         | \$3,500         |
| Other Fees         |                 |                 |
| <b>Total:</b>      | <b>\$41,500</b> | <b>\$48,500</b> |

For additional information about the Corporation's auditors and the Audit Committee (as defined below), please refer to the section "Committees of the Board – Audit Committee".

### **Approval of Stock Option Plan**

The Corporation's stock option plan ("**Stock Option Plan**") is designed to advance the interests of the Corporation by encouraging employees, officers, directors and consultants to have equity participation in the Corporation through the acquisition of Common Shares. Accordingly, the Corporation adopted the Stock Option Plan, which was approved by Shareholders at its last annual and special meeting of

Shareholders on December 10, 2020. A copy of the Stock Option Plan is attached at Schedule “A” hereto. The following is a summary of the terms of the proposed Stock Option Plan, which is qualified in its entirety by the provisions of the Stock Option Plan.

The Stock Option Plan is a “rolling” stock option plan under the policies of the TSX Venture Exchange (the “**Exchange**”) as under the Stock Option Plan the Corporation is authorized to grant stock options of up to 10% of its issued and outstanding Common Shares at the time of the stock option grant, from time to time, with no vesting provisions. As of the date hereof, there is an aggregate of 4,199,000 stock options outstanding under the Stock Option Plan, which represents approximately 2.67% of the outstanding Common Shares.

Directors, officers, employees and certain consultants shall be eligible to receive stock options under the Stock Option Plan. Upon the termination of an optionholder’s engagement with the Corporation, the cancellation or early vesting of any stock option shall be at the discretion of the Board. In general, the Corporation expects that stock options will be cancelled 90 days following an optionholder’s termination from the Corporation. Stock options granted under the Stock Option Plan shall not be assignable.

The terms and conditions of each option granted under the Stock Option Plan will be determined by the Board. Options will be priced in the context of the market and in compliance with applicable securities laws and Exchange guidelines. Vesting terms will be determined at the discretion of the Board. The Board shall also determine the term of stock options granted under the Stock Option Plan, provided that no stock option shall be outstanding for a period greater than ten years.

The Board believes that except for certain material changes to the Stock Option Plan it is important that the Board has the flexibility to make changes to the Stock Option Plan without Shareholder approval, including appropriate adjustments to outstanding options in the event of certain corporate transactions, the addition of provisions requiring forfeiture of options in certain circumstances, specifying practices with respect to applicable tax withholdings and changes to enhance clarity or correct ambiguous provisions.

The Stock Option Plan does not provide for the transformation of stock options granted under the Stock Option Plan into stock appreciation rights involving the issuance of securities from the treasury of the Corporation.

The Corporation will not provide financial assistance to any optionholder to facilitate the exercise of options under the Stock Option Plan.

The Corporation is required to obtain the approval of its Shareholders to any stock option plan that is a “rolling” plan yearly at the Corporation’s annual meeting of Shareholders. Accordingly, at the Meeting, Shareholders will be asked to approve the following ordinary resolution approving the Stock Option Plan:

“BE IT RESOLVED THAT:

1. the current Stock Option Plan of Trigon Metals Inc. (the “Corporation”), as described in the management information circular of the Corporation dated October 28, 2021 is hereby approved; and
2. any director or officer of the Corporation is hereby authorized to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the true intent of these resolutions.”

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE STOCK OPTION PLAN UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH ORDINARY RESOLUTION.**

## CORPORATE GOVERNANCE

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Management of the Corporation and the Board recognize the importance of corporate governance in effectively managing the Corporation, protecting employees and Shareholders, and enhancing Shareholder value.

The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. The directors are kept informed regarding the Corporation's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks that the Corporation faces.

The Corporation believes that its corporate governance practices are in compliance with applicable Canadian requirements. The Corporation is committed to monitoring governance developments to ensure its practices remain current and appropriate.

### **Ethical Business Conduct**

The Board is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct.

#### *Code of Conduct*

The Corporation has a Code of Business Conduct and Ethics (the "**Code**") for its directors, officers and employees. Any non-compliance with the Code is to be reported to the CEO (as defined below). In addition, the Board conducts regular audits to test compliance with the Code.

The Board takes steps to ensure that directors, officers and employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or employee of the Corporation has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from the Corporation's Directors, Chairman and CEO regarding any potential conflicts of interest.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations in all jurisdictions in which the Corporation conducts business; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

A copy of the Code and other corporate governance policies may be found under the profile of the Corporation on SEDAR at [www.sedar.com](http://www.sedar.com) or upon request to the Corporation by contacting the Communications Manager of the Corporation by email at [karen.mason@trigonmetals.com](mailto:karen.mason@trigonmetals.com) or by telephone at (416) 574-5257.

#### *Whistleblower Policy*

The Corporation has a whistleblower policy which allows its directors, officers, consultants and employees who feel that a violation of the Code has occurred, or who have concerns regarding financial statement disclosure issues, accounting, internal accounting controls or auditing matters, to report such violations or concerns on a confidential and anonymous basis. Reporting a violation of the Code is made by informing

anonymously to the Whistleblower hotline or URL or (if desired) to a member of the Audit Committee, who then investigates each matter so reported and takes corrective and disciplinary action, if appropriate. Reporting concerns regarding financial statement disclosure or other appropriate issues are to be forwarded in a sealed envelope to the Chairman of the Audit Committee who then investigates each matter reported and takes corrective and disciplinary action, if appropriate.

## **ABOUT THE BOARD**

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### **Independence of the Board**

The Board is currently comprised of five members, three members of whom the Board has determined are independent. Mr. Richardson is not considered independent because he is the President and Chief Executive Officer of the Corporation. Mr. Theron is not considered independent as he was the former Chief Executive Officer of the Corporation. Mr. Theron is not standing for re-election at the Meeting and the Board will be comprised of five members following the Meeting.

To facilitate the functioning of the Board independently of management, the following structures and processes are in place:

- the Chairman of the Board is independent;
- a majority of the directors are not management of the Corporation and are considered independent of the Corporation;
- members of management, including without limitation, the President and CEO of the Corporation, are not present for the discussion and determination of certain matters at meetings of the Board unless required;
- each of the Audit and Compensation Committees (as defined below) of the Board are comprised of a majority of independent directors;
- under the by-laws of the Corporation, any two directors may call a meeting of the Board;
- the President and CEO's compensation is considered by the Board, in his absence, and by the Compensation Committee at least once a year;
- in addition to the standing committees of the Board, independent committees will be appointed from time to time, when appropriate; and
- the Board policy is to hold in-camera meetings with the independent directors at the end of each Board or committee of the Board meeting to the extent required.

### **The Board Mandate**

The Board has adopted a written mandate that sets out duties and responsibilities of the Board to supervise the management of the business and affairs of the Corporation, and to act with a view towards the best interests of the Corporation. In discharging its mandate, the Board is responsible for the oversight and review of:

- the strategic planning process of the Corporation;
- identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training and monitoring senior management;
- a communications policy for the Corporation to facilitate communications with investors and other interested parties; and
- the integrity of the Corporation's internal control and management information systems.

The Board discharges its responsibilities directly and through its committees, currently consisting of the Audit Committee and the Compensation Committee.

## **The Chairman**

In terms of the governance of the Corporation, the Chairman of the Board's primary roles are to chair all meetings of the Board and Shareholder meetings in a manner that promotes meaningful discussion and to manage the affairs of the Board, including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Chairman of the Board's responsibilities include, without limitation, ensuring that the Board works together as a cohesive team with open communication, ensuring that the resources available to the Board are adequate to support its work, and to ensure that the necessary processes are in place to assess the effectiveness of the Board and its committees as well as the contribution of individual directors at least annually. The Chairman of the Board also acts as the primary spokesperson for the Board, ensuring that management is aware of concerns of the Board, Shareholders, other stakeholders and the public and, in addition, ensures that management strategies, plans and performance are appropriately represented to the Board. The Chairman of the Board maintains communications with the Corporation's executive management and consults regularly with the Board and management on the development and operation of the Corporation's projects.

## **Position Descriptions**

The Corporation has developed position descriptions for each of the Chairman of the Board and the Chairman of each of the committees of the Board. The Corporation has not developed a formal position description for the Chief Executive Officer. The Board assists in defining this role through its regular meetings. The responsibilities of the Chief Executive Officer are well-known by the Board and the Chief Executive Officer due to their extensive experience and knowledge in the industry and based on customary practice.

## **Meetings of Independent Directors**

The independent directors comprise the committees of the Board and hold in camera sessions without management at their committee meetings to review the business operations, corporate governance, compensation, and financial results of the Corporation.

## **Nomination of Directors**

The Board is solely responsible for identifying new candidates for nomination to the Board. The process by which candidates are identified is through recommendations presented to the Board, which establishes and discusses qualifications based on corporate law and regulatory requirements as well as education and experience related to the business of the Corporation.

## **Board Assessments**

The Board and its individual directors are assessed on an informal basis continually as to their effectiveness and contribution. The Chairman of the Board encourages discussion amongst the members of the Board as to the evaluation of the effectiveness of the Board as a whole and of each individual director. All directors are free to make suggestions for improvement of the practice of the Board at any time and are encouraged to do so.

## **Orientation and Continuing Education**

The Board will be responsible for ensuring that new directors are provided with an orientation and education program, which will include written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all meetings of the Board and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board notes that it has benefited from the experience and knowledge of individual members of the Board in respect of the evolving governance regime and principles. The Board ensures that all directors are apprised of changes in the Corporation's operations and business.

The Board takes an active interest in the progress of the Corporation's properties and assets and members are invited to visit the Corporation's properties in Namibia.

## **COMMITTEES OF THE BOARD**

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As of the Record Date, the Board had the following standing committees:

- Audit Committee
- Compensation Committee

All of the committees are comprised of directors, the majority of who are independent of management and each of the committees report directly to the Board. From time to time, when appropriate, *ad hoc* committees of the Board may be appointed by the Board.

### **Audit Committee**

The purpose of the audit committee of the Corporation ("**Audit Committee**") is to assist the Board's oversight of: (a) the integrity of the Corporation's financial statements; (b) the Corporation's compliance with legal and regulatory requirements; (c) the qualifications and independence of the Corporation's independent auditors; and (d) the performance of the independent auditors and the Corporation's internal audit function. Please see Schedule "B" for the Audit Committee Charter.

The Audit Committee is comprised of three directors: Larisa Sprott, Dr. David Shaw and Daye Kaba. Each member of the Audit Committee is financially literate and independent, as required by applicable securities laws. Please refer to "Director Profiles", commencing on page 5, for the relevant education and experience of each of the members of the Audit Committee.

The members of the Audit Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on either (a) an exemption in section 2.4 of the Instrument; or (b) an exemption from the Instrument, in whole or in part, granted under Part 8 (Exemptions) of the Instrument. As the Corporation is listed on the Exchange, it is relying on the exemption provided in section 6.1 of the Instrument, part 5 (Reporting Obligations).

### *External Auditor*

The Audit Committee pre-approves all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditors.

Please see page 8 for the fees paid to external auditors in 2020 and 2021.

The Audit Committee Charter is attached hereto as Schedule “B”.

### **Compensation Committee**

The compensation committee of the Corporation (“**Compensation Committee**”) is comprised of Larisa Sprott, Daye Kaba and Stephan Theron. Ms. Sprott and Mr. Kaba are independent. Please refer to “Director Profiles”, commencing on page 5, for the relevant education and experience of each of the members of the Compensation Committee. Mr. Theron is not standing for re-election at the Meeting and the Compensation Committee will be comprised of Ms. Sprott and Mr. Kaba following the meeting.

The Compensation Committee is established by the Board to assist the Board in fulfilling its responsibilities relating to human resources and compensation issues and to establish a plan of continuity for executive officers and other members of senior management (collectively, “**Executive Management**”). The Compensation Committee ensures that the Corporation has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance of executive management of a quality and nature that will enhance the sustainable profitability and growth of the Corporation.

The Compensation Committee’s role is to review compensation philosophy and practices for the Corporation, which includes reviewing the compensation philosophy and practices (a) for Executive Management, for recommendation to the Board for its consideration and approval, and (b) relating to all employees, including annual salary and incentive policies and programs, and material new benefit programs, or material changes to existing benefit programs.

The members of the Compensation Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

It is the general compensation philosophy of the Corporation to provide a blend of base salaries, bonuses and an equity incentive component in the form of options, as summarized under the heading “Oversight and Description of Director and Named Executive Officer Compensation”.

## **OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

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### **Compensation of Directors**

The Board, at the recommendation of the Compensation Committee, determines the compensation payable to the directors of the Corporation and reviews such compensation periodically throughout the year. For their role as directors of the Corporation, each director of the Corporation who is not a Named Executive Officer (as defined herein) may, from time to time, be paid cash fees, awarded stock options under the provisions of the Stock Option Plan and/or receive cash bonuses. There are no other arrangements under which the directors of the Corporation who are not Named Executive Officers were compensated by the Corporation or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Corporation.

### **Compensation of Named Executive Officers**

For the financial year ended March 31, 2021, the objectives of the Corporation’s compensation strategy was to ensure that compensation for its Named Executive Officers is sufficiently attractive to recruit, retain and motivate high performing individuals to assist Trigon in achieving its goals.

Compensation for the Named Executive Officers is composed primarily of three components: base fees, performance bonuses and stock-based compensation. The process for determining executive compensation is relatively informal, in view of the size and stage of the Corporation and its operations. Executive officers are involved in the process and make recommendations to the Board, which considers for approval the discretionary components (e.g. cash bonuses) of the annual compensation of senior

management (other than the Chief Executive Officer). In establishing the levels of base fees, performance bonuses and the award of stock options, the Corporation takes into consideration a variety of factors, including the financial and operating performance of the Corporation, and each Named Executive Officer's individual performance and contribution towards meeting corporate objectives, responsibilities and length of service. Except as otherwise described below, the Corporation does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board deem as worthy of recognition.

#### *Salary*

Amounts paid to executive officers as base salary, including merit salary increases, are determined in accordance with an individual's performance and salaries in the marketplace for comparable positions. However, certain of the Named Executive Officers provide their services in similar capacities to other reporting issuers, in addition to Trigon. There is no mandatory framework that determines which of these factors may be more or less important and the emphasis placed on any of these factors may vary among the executive officers. The determination of base salaries relies principally on negotiations between the respective Named Executive Officer and the Corporation and is therefore heavily discretionary.

#### *Bonus*

Trigon's cash bonus awards are intended to reward an executive for the direct contribution which he or she can make to the Corporation. Named Executive Officers are entitled to receive discretionary bonuses from time to time as determined or approved by the Board or the Chief Executive Officer, as applicable. The Corporation does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather the Corporation uses informal goals which may include an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation. Precise goals or milestones are not pre-set by the Board. The Corporation paid \$30,000 in performance based bonuses to the Named Executive Officers during the financial year ended March 31, 2021.

#### *Indebtedness of Directors and Officers*

As at the date of this Circular, and during the financial year ended March 31, 2021, no director or executive officer of the Corporation or Nominee (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Corporation or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended March 31, 2021, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

#### *Directors' and Officers' Insurance and Indemnification*

The Corporation maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Corporation has purchased in respect of directors and officers an aggregate of US\$5 million in coverage. The approximate amount of premiums paid by the Corporation during the financial year ended March 31, 2021 in respect of such insurance was USD\$18,499.

#### *Summary Compensation Table*

The following table summarizes the compensation paid during the two most recently completed financial years in respect of the individuals who were carrying out the role of the Chief Executive Officer ("CEO") of the Corporation, Chief Financial Officer ("CFO") of the Corporation and Chief Operating Officer ("COO") of the Corporation (collectively, the "Named Executive Officers") and each of the directors of the Corporation. The CEO, CFO and COO are the only Named Executive Officers of the Corporation as the Corporation does not employ any other individuals whose total compensation is greater than \$150,000.

**TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES**

| Name and position  | Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
|--|------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Jed Richardson, President, Chief Executive Officer and Director <sup>(1) (2) (3)</sup>           | 2021 | 300,000   | 25,000     | Nil                            | Nil                       | Nil                                  | 325,000                 |
|  | 2020 | 300,000   | Nil        | Nil                            | Nil                       | Nil                                  | 300,000                 |
| Stephan Theron, Former President and Chief Executive Officer and Director <sup>(1) (2) (3)</sup> | 2021 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
|  | 2020 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| Deborah Battiston, Chief Financial Officer <sup>(1)(4)</sup>                                     | 2021 | 60,000  | 5,000      | Nil                            | Nil                       | Nil                                  | 65,000                  |
|  | 2020 | 20,000  | Nil        | Nil                            | Nil                       | Nil                                  | 20,000                  |
| Larisa Sprott, Director <sup>(5)</sup>   | 2021 | Nil   | 10,000     | Nil                            | Nil                       | Nil                                  | 10,000                  |
|  | 2020 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| Dr. David Shaw, Director <sup>(6)</sup>  | 2021 | Nil   | 10,000     | Nil                            | Nil                       | Nil                                  | 10,000                  |
|  | 2020 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| Daye Kaba, Director <sup>(7)</sup>   | 2021 | Nil   | 10,000     | Nil                            | Nil                       | Nil                                  | 10,000                  |
|  | 2020 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |

Notes:

- (1) Compensation has been paid as consulting fees under the independent contractor agreement with the Named Executive Officer as described under the heading “Employment, Consulting and Management Agreements” of this Circular.
- (2) Mr. Theron was appointed President and Chief Executive Officer on June 22, 2016. Mr. Theron resigned as President of the Corporation on September 27, 2018 following the appointment of Mr. Richardson as President.
- (3) Mr. Richardson was appointed President and Director on September 27, 2018. Mr. Richardson was appointed Chief Executive Officer on March 18, 2019 following Stephan Theron’s resignation as Chief Executive Officer.
- (4) Ms. Battiston was appointed as the CFO on December 19, 2019.
- (5) Ms. Sprott was appointed to the Board on September 27, 2018.
- (6) Mr. Shaw was appointed to the Board on October 21, 2019
- (7) Mr. Kaba was appointed to the Board on November 18, 2019.

**Stock Options and Other Compensation Securities**

The following table sets out all compensation securities granted or issued to each Named Executive Officer and director by the Corporation for services provided or to be provided, directly or indirectly, to the Corporation in the most recently completed financial year.

| Compensation Securities   |                               |   |                        |  |  |   |             |
|---|-------------------------------|---|------------------------|--|--|---|-------------|
| Name and position   | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry Date |
| Jed Richardson, President, Chief Executive Officer and Director <sup>(1)</sup>                  | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |
| Stephan Theron, Former President and Former Chief Executive Officer and Director <sup>(2)</sup> | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |
| Deborah Battiston, Chief Financial Officer <sup>(3)</sup>                                       | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |
| Larisa Sprott, Director <sup>(4)</sup>  | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |
| David Shaw, Director <sup>(5)</sup>   | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |
| Daye Kaba, Director <sup>(6)</sup>  | N/A                           | N/A   | N/A                    | N/A                                      | N/A  | N/A   | N/A         |

Notes:

- (1) As at March 31, 2021, Mr. Richardson held 100,000 stock options with a strike price of \$0.20 and expiring on June 6, 2023 and 500,000 stock options with a strike price of \$0.18 and expiring on October 21, 2024.
- (2) As at March 31, 2021, Mr. Theron held 150,000 stock options with a strike price of \$0.50 and expiring on June 22, 2021, 150,000 stock options with a strike price of \$0.385 and expiring on July 19, 2022, 100,000 stock options with a strike price of \$0.20 and expiring on June 6, 2023 and 200,000 stock options with a strike price of \$0.18 and expiring on October 21, 2024.
- (3) As at March 31, 2021, Ms. Battiston held no options.
- (4) As at March 31, 2021, Ms. Sprott held 350,000 stock options with a strike price of \$0.18 and expiring on October 21, 2024.
- (5) As at March 31, 2021, Dr. David Shaw held 350,000 stock options with a strike price of \$0.18 and expiring on October 21, 2024.
- (6) As at March 31, 2021, Mr. Kaba held 350,000 stock options with a strike price of \$0.18 and expiring on October 21, 2024.

### Exercise of Stock Options

No Named Executive Officer or director of the Corporation exercised stock options or compensation securities in the most recently completed financial year.

### Stock Option Plans and Other Incentive Plans

Options are granted pursuant to the Corporation's Stock Option Plan and in accordance with the rules of the Exchange. The Stock Option Plan is administered by the Board, upon the recommendations of the Compensation Committee. See above under the section "Business of the Meeting – Stock Option Plan."

The table below sets out the outstanding options under the Stock Option Plan, being the Corporation's only compensation plan under which Common Shares are authorized for issuance, as of March 31, 2021.

|  | Number of securities to be issued upon exercise of outstanding options | Weighted-average exercise price of outstanding options | Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a)) as of March 31, 2020 |
|--|--|--|--|
| Plan Category  | (a)  | (b)  | (c)  |
| Equity compensation plans approved by security holders     | 4,085,000  | 0.22   | 7,521,702  |
| Equity compensation plans not approved by security holders |  |  |  |
| <b>TOTAL</b>   | <b>4,274,000</b>   | <b>0.24</b>  | <b>7,521,702</b>   |

### Employment, Consulting and Management Agreements

The following describes the respective consulting and employment agreements entered into by the Corporation and its Named Executive Officers as of the date hereof.

| Name   | Monthly Fees  | Severance on Termination | Severance on Change of Control  |
|--|---------------|--------------------------|---|
| Jed Richardson<br>President & CEO            | 25,000        | 12 months' fees          | 24 months base fees plus aggregate bonuses paid in the 24 months prior to the Change of Control |
| Deborah Battiston<br>Chief Financial Officer | 5,000         | 12 months fees           | 24 months base fees plus aggregate bonuses paid in the 24 months prior to the Change of Control |
| <b>TOTAL</b>                                 | <b>30,000</b> | <b>360,000</b>           | <b>750,000</b>  |

- For the purpose of the agreements set forth above, "Change in Control" is defined as the acquisition by any person or entity of: shares or rights or options to acquire shares of the Corporation or securities which are convertible into shares of the Corporation or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation;
- shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Corporation or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast a meeting of the shareholders of the material subsidiary; or
- more than 50% of the material assets of the Corporation, including the acquisition of more than 50% of the material assets of any material subsidiary of the Corporation.

### Summary of Termination Payments

The estimated incremental payments, payables and benefits that might be paid to the officers pursuant to the above noted agreements in the event of termination without cause or after a Change of Control (assuming such termination or Change of Control is effective as of the Record Date) are detailed below:

| Named Executive Officer                             | Termination not for Cause (\$) | Termination on a Change of Control Approved (\$) |
|---|--------------------------------|--|
| <b>Jed Richardson</b><br>President & CEO            | 300,000                        | 600,000  |
| Salary and Quantified Benefits                      | Nil                            | Nil  |
| Bonus   | Nil                            | 25,000   |
| Total   | 300,000                        | 625,000  |
| <b>Deborah Battiston</b><br>Chief Financial Officer | 60,000                         | 120,000  |
| Salary and Quantified Benefits                      | Nil                            | Nil  |
| Bonus   | Nil                            | 5,000  |
| Total   | 60,000                         | 125,000  |

### Interest of Informed Persons in Material Transactions

Other than as set out below, no person who has been a director or executive officer of the Company, nor any proposed nominee for director of the Company, nor any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding Common Shares, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the beginning of the Company's last completed financial year or proposed transaction which has materially affected or would materially affect the Company or its subsidiaries.

Trigon has entered into (i) a loan agreement with Aberdeen International Inc. ("Aberdeen") pursuant to which Trigon has borrowed \$200,000 from Aberdeen (the "200 Loan"); (ii) a loan agreement with Aberdeen pursuant to which Trigon has borrowed CAD\$355,000 from Aberdeen (the "355 Loan") and (iii) a loan agreement with Aberdeen pursuant to which Trigon has borrowed CAD\$140,000 from Aberdeen (the "140 Loan"). Each loan is unsecured and subject to an interest rate of 12% per annum. The 200 Loan matured on November 30, 2018, the 355 Loan matured on December 26, 2018 and the 140 Loan is due on demand. On September 5, 2019, Aberdeen extended the maturity of the aforesaid loans to January 31, 2020. At the time Aberdeen and Trigon entered into each of these loans, Aberdeen owned more than 10% of the issued and outstanding common shares of Trigon. The outstanding loan principals and accrued interest have been fully repaid as of September 30, 2020.

## ADDITIONAL INFORMATION AND CONTACT INFORMATION

### Additional Information

Additional information relating to the Corporation may be found under the profile of the Corporation on SEDAR at [www.sedar.com](http://www.sedar.com). Additional financial information is provided in the Corporation's audited consolidated financial statements and related management's discussion and analysis for the financial year ended March 31, 2021, which can be found under the profile of the Corporation on SEDAR. Shareholders may also request these documents from the Corporation's CEO by email at [jed.richardson@trigonmetals.com](mailto:jed.richardson@trigonmetals.com) or by telephone at (416) 566-8134.

## **Board of Directors Approval**

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

*"Jed Richardson"*

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President & Chief Executive Officer

Toronto, Ontario  
October 28, 2021

## **SCHEDULE “A”**

### **TRIGON METALS INC. (the “Corporation”)**

#### **SHARE OPTION PLAN**

#### **ARTICLE 1 PURPOSE AND INTERPRETATION**

##### **Purpose**

1.1 The purpose of this Plan is to advance the interests of the Corporation by encouraging equity participation in the Corporation through the acquisition of Common Shares of the Corporation. It is the intention of the Corporation that this Plan will at all times be in compliance with the TSXV Policies (or, if applicable, the NEX Policies) and any inconsistencies between this Plan and the TSXV Policies (or, if applicable, the NEX Policies) will be resolved in favour of the latter.

##### **Definitions**

1.2 In this Plan

- (a) Affiliate means a company that is a parent or subsidiary of the Corporation, or that is controlled by the same entity as the Corporation;
- (b) Associate has the meaning set out in the Securities Act;
- (c) Black-out Period means an interval of time during which the Corporation has determined that one or more Participants may not trade any securities of the Corporation because they may be in possession of undisclosed material information pertaining to the Corporation, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company’s insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation or in respect of an Insider, that Insider, is subject);
- (d) Board means the Board of Directors of the Corporation or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) Change of Control includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
  - (i) any one Person holds a sufficient number of voting shares of the Corporation or resulting company to affect materially the control of the Corporation or resulting company, or,
  - (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Corporation or its successor to affect materially the control of the Corporation or its successor,
  - (iii) where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Corporation or its successor. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding

more than 20% of the voting shares of the Corporation or resulting company is deemed to materially affect control of the Corporation or resulting company;

(f) Common Shares means the common shares without par value in the capital of the Corporation providing such class is listed on the TSXV (or, NEX, as the case may be);

(g) Corporation means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;

(h) Consultant means an individual or Consultant Company, other than an Employee, Officer or Director that:

(i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Corporation or an Affiliate of the Corporation, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Corporation or an Affiliate and the individual or the Consultant Company;

(iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the business and affairs of the Corporation or an Affiliate of the Corporation; and

(iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Corporation;

(i) Consultant Company means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

(j) Directors means the directors of the Corporation as may be elected from time to time;

(k) Discounted Market Price has the meaning assigned by Policy 1.1 of the TSXV Policies;

(l) Disinterested Shareholder Approval means approval by a majority of the votes cast by all the Corporation's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;

(m) Distribution has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Corporation from treasury;

(n) Effective Date for an Option means the date of grant thereof by the Board;

(o) Employee means:

(i) an individual who is considered an employee under the Income Tax Act Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) an individual who works full-time for the Corporation or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or

- (iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions need not be made at source;
- (p) Exchange Hold Period has the meaning assigned by Policy 1.1 of the TSXV Policies;
- (q) Exercise Price means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (r) Expiry Date means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) Insider means an insider as defined in the TSXV Policies or as defined in securities legislation applicable to the Corporation;
- (t) Investor Relations Activities has the meaning assigned by Policy 1.1 of the TSXV Policies;
- (u) Management Corporation Employee means an individual employed by a Person providing management services to the Corporation which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;
- (v) Market Price has the meaning assigned by Policy 1.1 of the TSX Policies;
- (w) NEX means a separate board of the TSXV for companies previously listed on the TSXV or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;
- (x) NEX Issuer means a company listed on NEX;
- (y) NEX Policies means the rules and policies of NEX as amended from time to time;
- (z) Officer means a Board appointed officer of the Corporation;
- (aa) Option means the right to purchase Common Shares granted hereunder to a Service Provider;
- (bb) Option Commitment means the notice of grant of an Option delivered by the Corporation hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (cc) Optioned Shares means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (dd) Optionee means the recipient of an Option hereunder;
- (ee) Outstanding Shares means at the relevant time, the number of issued and outstanding Common Shares of the Corporation from time to time;
- (ff) Participant means a Service Provider that becomes an Optionee;
- (gg) Person includes a company, any unincorporated entity, or an individual;

- (hh) Plan means this share option plan, the terms of which are set out herein or as may be amended;
- (ii) Plan Shares means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in Section 2.2;
- (jj) Regulatory Approval means the approval of the TSXV and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (kk) Securities Act means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;
- (ll) Service Provider means a Person who is a bona fide Director, Officer, Employee, Management Corporation Employee, Consultant or Corporation Consultant, and also includes a company, of which 100% of the share capital is beneficially owned by one or more Service Providers;
- (mm) Share Compensation Arrangement means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- (nn) Shareholder Approval means approval by a majority of the votes cast by eligible shareholders of the Corporation at a duly constituted shareholders' meeting;
- (oo) Take Over Bid means a take over bid as defined in Multilateral Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Corporation;
- (pp) TSXV means the TSX Venture Exchange and any successor thereto; and
- (qq) TSXV Policies means the rules and policies of the TSXV as amended from time to time.

### **Other Words and Phrases**

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSXV Policies (and, if applicable, NEX Policies), will have the meaning assigned to them in the TSXV Policies (and, if applicable, NEX Policies).

### **Gender**

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

## **ARTICLE 2 SHARE OPTION PLAN**

### **Establishment of Share Option Plan**

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Corporation and its Affiliates.

## **Maximum Plan Shares**

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSXV Policies (and, if applicable, NEX Policies).

## **Eligibility**

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSXV and the Corporation is obtained.

## **Options Granted Under the Plan**

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

## **Limitations on Issue**

2.6 Subject to Section 2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares (unless the Corporation has obtained Disinterested Shareholder Approval under Section 2.10 (a)(iii) to do so);
- (b) the aggregate number of Options granted to Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSXV (or NEX, as the case may be); and
- (c) the aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSXV.

## **Options Not Exercised**

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

## **Powers of the Board**

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to:

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSXV Policies or the Corporation's tier classification thereunder;
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do; and
- (e) amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Service Providers (before a particular Option is granted) subject to the other terms hereof.

## **Amendment of the Plan by the Board of Directors**

2.9 Subject to the requirements of the TSXV Policies (or, if applicable, NEX policies) and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSXV, if applicable;
- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (d) it may make amendments as are necessary or desirable as a result of changes in laws, regulations or policies applicable to the Corporation, including, without limiting the foregoing, applicable securities laws and stock exchange policies;
- (e) if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (f) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

## **Terms or Amendments Requiring Disinterested Shareholder Approval**

2.10 The Corporation will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Corporation's other previous Share Compensation Arrangements, could result at any time in:
- (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;
  - (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or
  - (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or
- (b) any reduction in the Exercise Price of an Option previously granted to an Insider.

### **Options Granted Under the Corporation's Previous Share Option Plans**

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

## **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

### **Exercise Price**

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

### **Term of Option**

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

### **Option Amendment**

3.3 Subject to Section 2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSXV, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Corporation may extend its term, subject to the limits contained in Section 3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSXV prior to the exercise of such Option.

### **Vesting of Options**

3.6 Subject to Section 3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Corporation or any of its Affiliates as well as, at the discretion of the Board, achieving certain

milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Corporation or any of its Affiliates during the vesting period; or

(b) the Service Provider remaining as a Director of the Corporation or any of its Affiliates during the vesting period.

### **Vesting of Options Granted to Consultants Conducting Investor Relations Activities**

3.7 Notwithstanding Section 3.6, Options granted to Consultants conducting Investor Relations Activities will vest:

(a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or

(b) such longer vesting period as the Board may determine.

### **Effect of Take Over Bid**

3.8 If a Take Over Bid is made to the shareholders generally then the Corporation shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding Sections 3.6 and 3.7 or any vesting requirements set out in any Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSXV (or NEX, as the case may be) for vesting requirements imposed by the TSXV Policies.

### **Acceleration of Vesting on Change of Control**

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, subject to approval of the TSXV (or NEX, as the case may be) for vesting requirements imposed by the TSXV Policies.

### **Extension of Options Expiring During Blackout Period**

3.10 Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to approval of the TSXV (or NEX, as the case may be), be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding Section 2.8, the tenth Business Day period referred to in this Section 3.10 may not be extended by the Board.

### **Optionee Ceasing to be Director, Employee or Service Provider**

3.11 Options may be exercised after the Service Provider has left his/her employ/office or has been advised his/her services are no longer required or his/her service contract has expired, except as follows:

(a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;

(b) an Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee

ceases to be employed by or provide services to the Corporation, but only to the extent that such Option has vested at the date the Optionee ceased to be so employed by or to provide services to the Corporation; and

(c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

### **Non Assignable**

3.12 Subject to Section 3.11, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

### **Adjustment of the Number of Optioned Shares**

3.13 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

(a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Corporation will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;

(b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Corporation will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Corporation will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Corporation, a consolidation, merger or amalgamation of the Corporation with or into any other company or a sale of the property of the Corporation as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Corporation for the purposes of this Section 3.13;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Corporation will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this Section 3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Corporation; and

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this Section 3.13, such questions will be conclusively determined by the Corporation's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Toronto, Ontario (or in the city of the Corporation's principal executive office) that the Corporation may designate and who will be granted access to all appropriate records and such determination will be binding upon the Corporation and all Optionees.

## **ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES**

### **Option Commitment**

4.1 Upon grant of an Option hereunder, an authorized officer of the Corporation will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of the Optionees.

### **Manner of Exercise**

4.2 An Optionee who wishes to exercise his Option may do so by delivering

- (a) a written notice to the Corporation specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) a certified cheque, wire transfer or bank draft payable to the Corporation for the aggregate Exercise Price for the Optioned Shares being acquired.

### **Tax Withholding and Procedures**

4.3 Notwithstanding anything else contained in this Plan, the Corporation may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in Section 4.2 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Corporation for the amount determined by the Corporation to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Corporation (if at all) in its sole and unfettered discretion, that the amount will be securely funded; and must in all other respects follow any related procedures and conditions imposed by the Corporation.

## **Delivery of Option Shares and Hold Periods**

4.4 As soon as practicable after receipt of the notice of exercise described in Section 4.2 and payment in full for the Optioned Shares being acquired, the Corporation will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Optionee is an Insider or the exercise price is set below the Market Price (as defined in the TSXV Policies) of the Common Shares on the TSXV at the time of grant, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month TSXV hold period commencing the date of the Option Commitment.

## **ARTICLE 5 GENERAL**

### **Employment and Services**

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Corporation, or interfere in any way with the right of the Corporation to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

### **No Representation or Warranty**

5.2 The Corporation makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the Income Tax Act (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Corporation.

### **Interpretation**

5.3 The Plan will be governed and construed in accordance with the laws of the Province of Ontario.

### **Continuation of Plan**

5.4 The Plan will become effective from and after November 29, 2012, and will remain effective provided that the Plan, or any amended version thereof receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Corporation subsequent to November 29, 2012.

### **Amendment of the Plan**

5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

**SCHEDULE "A"**  
**SHARE OPTION PLAN**

**OPTION COMMITMENT**

Notice is hereby given that, effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "Effective Date") TRIGON METALS INC. (the "Corporation") has granted to \_\_\_\_\_ (the "Optionee"), an Option to acquire \_\_\_\_\_ Common Shares ("Optioned Shares") up to 5:00 p.m. Toronto Time on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "Expiry Date") at an Exercise Price of Cdn\$\_\_\_\_\_ per share.

Optioned Shares are to vest immediately.

**[OR]**

Optioned Shares will vest as follows: [INSERT VESTING SCHEDULE] [INSERT VESTING TERMS]

The Option shall expire < > days after the Optionee ceases to be employed by or provide services to the Corporation.

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Corporation for the aggregate Exercise Price. A certificate, or written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter and may bear a minimum four month non-transferability legend from the date of this Option Commitment, the text of which is as follows. [Note: An Issuer may grant stock options without a hold period, provided the Option is not an Insider or the exercise price of the options is set at or above the market price of the Corporation's shares. If a four month hold period is applicable, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.]

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSXV AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSXV OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 12:00 A.M. (MIDNIGHT) ON [insert date 4 months from the date of grant]".

The Corporation and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under the TSXV Policies (and, if applicable, the NEX policies).

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSXV) by both the Corporation and the TSXV (or NEX, as the case may be) as more particularly set out in the Acknowledgement - Personal Information in use by the TSXV (or NEX, as the case may be) on the date of this Share Option Commitment.

**TRIGON METALS INC.**

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
*[insert name of optionee]*

## SCHEDULE "B"

### AUDIT COMMITTEE CHARTER

#### Audit Committee Charter

(Implemented pursuant to National Instrument 52-110)

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

#### PART 1

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

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

#### 1.1 Definitions

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

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

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

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

"Charter" means this audit committee charter;

"Corporation" means Trigon Metals Inc.;

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

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

"executive officer" means an individual who is:

- a) the Chair of the Corporation;
- b) the Vice-chair of the Corporation;
- c) the President of the Corporation;

- d) the Vice-president in charge of a principal business unit, division or function including sales, finance or production;
- e) an officer of the Corporation or any of its subsidiary entities who performs a policy-making function in respect of the Corporation; or
- f) any other individual who performs a policy-making function in respect of the Corporation;

“financially literate” has the meaning set forth in Section 1.3;

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

“independent” has the meaning set forth in Section 1.2;

“Instrument” means National Instrument 52-110;

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

“Member” means a member of the Committee;

“National Instrument 51-102” means National Instrument 51-102 *Continuous Disclosure Obligations*;

“non-audit services” means services other than audit services;

## **1.2 Meaning of Independence**

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

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

## **PART 2**

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

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

## **2.3 Committee Responsibilities**

1. The Committee shall be responsible for making the following recommendations to the Board:

- a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
- b) the compensation of the external auditor.

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

This responsibility shall include:

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

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

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

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

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

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

8. The Committee shall, as applicable, establish procedures for:
  - a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
  - b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

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

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

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

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

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

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

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

## **PART 3**

### **3.1 Composition**

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

## **PART 4**

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

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

## **PART 5**

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

## **PART 6**

### **6.1 Meetings**

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

**SCHEDULE "C"**  
**REQUEST FOR VOTING NUMBER FORM**

|   |   |
|---|---|
| <b>Issuer/Corporation Name:</b>   | <b>Trigon Metals Inc.</b>   |
| <b>Meeting Date:</b>  | <b>November 26, 2021</b>  |
| <b>Registered Holder or Appointee Name<sup>1</sup>:</b>   | <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/><br><b>(First Name, Last Name exactly as indicated by the Registered Holder that appointed you)</b> |
| <b>Registered Holder or Appointee Email Address:</b>  | <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/>  |
| <b>Registered Holder or Appointee Phone Number:</b>   | <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/>  |
| <b>Name of the Appointing Registered Holder:</b>  | <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/>  |
| <b>Name of the Securityholder Who Appointed You<sup>2</sup>:</b>  | <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/>  |
| <b>CUID<sup>3</sup>:</b>  | <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/>  |
| <p><b>PLEASE RETURN THE COMPLETED FORM TO <a href="mailto:TSXTRUSTPROXYVOTING@TMX.COM">TSXTRUSTPROXYVOTING@TMX.COM</a></b></p> <p>This form can also be accessed online at: <a href="https://tsxtrust.com/resource/en/75">https://tsxtrust.com/resource/en/75</a>.</p> <p>Please note that if the information you have provided does not match the information we have on file or is incomplete, TSX Trust may contact you for further information.</p> |   |

(1) The person who will be voting at the Meeting.

(2) If the securityholder who appointed you is a beneficial holder (i.e. they hold their securities through a broker/financial institution) please indicate the CUID code.

(3) 4 digit code located on the Voting Instruction Form, used to identify the financial institution/participant.



# **Trigon Metals Inc.**

## **Consolidated Financial Statements**

*For the years ended March 31, 2021 and 2020*

*(Expressed in Canadian Dollars)*

*Audit. Tax. Advisory.*

## **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, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' 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, 2021 and 2020 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, 2021. 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 Chris Milios.

**McGovern Hurley LLP**



**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
July 28, 2021

**Trigon Metals Inc.**  
**Consolidated Statements of Financial Position**  
(Expressed in Canadian dollars)

| As at  | Notes   | March 31, 2021      | March 31, 2020      |
|--|---------|---------------------|---------------------|
| <b>ASSETS</b>  |         |                     |                     |
| <b>Current assets</b>  |         |                     |                     |
| Cash   |         | \$ 3,332,334        | \$ 2,051,421        |
| Amounts receivable   | 4       | 56,557              | 33,953              |
| Prepaid expenses   | 5       | 26,044              | 20,757              |
| <b>Total current assets</b>  |         | <b>3,414,935</b>    | <b>2,106,131</b>    |
| <b>Non-current assets</b>  |         |                     |                     |
| Property and equipment   | 6       | 388,372             | 324,741             |
| <b>Total Assets</b>  |         | <b>\$ 3,803,307</b> | <b>\$ 2,430,872</b> |
| <b>LIABILITIES</b>   |         |                     |                     |
| <b>Current</b>   |         |                     |                     |
| Accounts payable and accrued liabilities                               | 8,14,15 | \$ 437,457          | \$ 368,322          |
| Bridge financing   | 9       | -                   | 418,222             |
| Acquisition fees payable   | 14      | 837,776             | -                   |
| <b>Total current liabilities</b>                                       |         | <b>1,275,233</b>    | <b>786,544</b>      |
| <b>Non-current liabilities</b>   |         |                     |                     |
| Acquisition fees payable   | 14      | 1,015,729           | -                   |
| <b>Total Liabilities</b>   |         | <b>2,290,962</b>    | <b>786,544</b>      |
| <b>EQUITY</b>  |         |                     |                     |
| <b>Equity attributable to shareholders of Trigon Metals Inc.:</b>      |         |                     |                     |
| Share capital  | 12      | 45,636,145          | 40,239,927          |
| Warrants   | 13      | 2,490,361           | 1,831,520           |
| Contributed surplus  | 13      | 745,037             | 834,647             |
| Deficit  |         | (46,741,166)        | (40,773,424)        |
| <b>Total equity attributable to shareholders of Trigon Metals Inc.</b> |         | <b>2,130,377</b>    | <b>2,132,670</b>    |
| Non-controlling interest   |         | (618,032)           | (488,342)           |
| <b>Total Equity</b>  |         | <b>1,512,345</b>    | <b>1,644,328</b>    |
| <b>Total Liabilities and Equity</b>                                    |         | <b>\$ 3,803,307</b> | <b>\$ 2,430,872</b> |

**Nature of operation and going concern (note 1)**

**Commitments and contingencies (note 16)**

**Subsequent events (notes 7, 16, 18)**

Approved by the Board of Directors on July 28, 2021.

*"Jed Richardson"*

Jed Richardson  
Director

*"Larisa Sprott"*

Larisa Sprott  
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, |                |
|---|-------|-----------------------|----------------|
|   |       | 2021                  | 2020           |
| <b>Expenses</b>   |       |                       |                |
| Consulting fees   | 15    | \$ 788,877            | \$ 801,630     |
| Professional fees   |       | 117,960               | 84,621         |
| Share-based payments  | 13,15 | -                     | 443,110        |
| Travel and related costs                                    |       | 418                   | 54,986         |
| Investors relations, promotion and filing fees              |       | 193,022               | 287,039        |
| General and administrative costs                            |       | 128,280               | 189,263        |
| Exploration and evaluation expenditures                     | 7,14  | 4,981,660             | 913,159        |
| Depreciation  | 6     | 18,423                | 7,448          |
| Foreign exchange loss                                       |       | 13,929                | 11,946         |
| Total expenses before the undernoted                        |       | \$ 6,242,569          | \$ 2,793,202   |
| <b>Other income (expense)</b>                               |       |                       |                |
| Interest income   |       | 3,962                 | -              |
| Interest expense  | 9     | (16,283)              | (104,114)      |
| Other income  |       | 23,243                | -              |
| Loss on disposal of equipment                               | 6     | (42,348)              | (1,084)        |
| Impairment of receivables                                   |       | (115,621)             | (30,217)       |
| Accretion expenses  | 14    | (114,847)             | -              |
| <b>Net loss and comprehensive loss</b>                      |       | \$ (6,504,463)        | \$ (2,928,617) |
| <b>Net loss and comprehensive loss attributable to:</b>     |       |                       |                |
| Shareholders of Trigon Metals Inc.                          |       | \$ (6,374,773)        | \$ (2,822,676) |
| Non-controlling interest                                    |       | (129,690)             | (105,941)      |
|   |       | \$ (6,504,463)        | \$ (2,928,617) |
| <b>Loss per share</b>                                       |       |                       |                |
| Basic and diluted   |       | (0.06)                | (0.05)         |
| <b>Weighted average number of common shares outstanding</b> |       |                       |                |
| Basic and diluted   |       | 102,832,589           | 60,324,126     |

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

**Trigon Metals Inc.**  
**Consolidated Statements of Changes in Shareholders' 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' equity | Non-controlling interest | Total equity     |
|---|-------|-------------------------|----------------------|---------------------|---------------------|------------------------|----------------------------|--------------------------|------------------|
| <b>Balance as at March 31, 2019</b>                   |       | <b>45,857,539</b>       | <b>\$ 36,627,071</b> | <b>\$ 720,042</b>   | <b>\$ 1,073,898</b> | <b>\$ (38,842,961)</b> | <b>\$ (421,950)</b>        | <b>(382,401)</b>         | <b>(804,351)</b> |
| Net loss for the year                                 |       | -                       | -                    | -                   | -                   | (2,822,676)            | (2,822,676)                | (105,941)                | (2,928,617)      |
| Private placements                                    | 12    | 44,609,320              | 5,029,432            | -                   | -                   | -                      | 5,029,432                  | -                        | 5,029,432        |
| Warrants issued                                       | 12,13 | -                       | (1,321,275)          | -                   | 1,321,275           | -                      | -                          | -                        | -                |
| Share and warrant issue costs                         | 12,13 | -                       | (69,781)             | -                   | (25,465)            | -                      | (95,246)                   | -                        | (95,246)         |
| Broker warrants issued                                | 12,13 | -                       | (25,520)             | -                   | 25,520              | -                      | -                          | -                        | -                |
| Options expired unexercised                           | 13    | -                       | -                    | (328,505)           | -                   | 328,505                | -                          | -                        | -                |
| Warrants expired unexercised                          | 13    | -                       | -                    | -                   | (563,708)           | 563,708                | -                          | -                        | -                |
| Share-based payments                                  | 13    | -                       | -                    | 443,110             | -                   | -                      | 443,110                    | -                        | 443,110          |
| <b>Balance as at March 31, 2020</b>                   |       | <b>90,466,859</b>       | <b>40,239,927</b>    | <b>834,647</b>      | <b>1,831,520</b>    | <b>(40,773,424)</b>    | <b>2,132,670</b>           | <b>(488,342)</b>         | <b>1,644,328</b> |
| Net loss for the year                                 |       | -                       | -                    | -                   | -                   | (6,374,773)            | (6,374,773)                | (129,690)                | (6,504,463)      |
| Shares issued for exploration and evaluation property | 12,14 | 6,300,000               | 787,500              | -                   | -                   | -                      | 787,500                    | -                        | 787,500          |
| Private placements                                    | 12    | 15,310,998              | 5,356,849            | -                   | -                   | -                      | 5,356,849                  | -                        | 5,356,849        |
| Warrants issued                                       | 12,13 | -                       | (1,206,955)          | -                   | 1,206,955           | -                      | -                          | -                        | -                |
| Share and warrant issue costs                         | 12,13 | -                       | (378,453)            | -                   | (127,083)           | -                      | (505,536)                  | -                        | (505,536)        |
| Broker warrants issued                                | 12,13 | -                       | (64,584)             | -                   | 64,584              | -                      | -                          | -                        | -                |
| Warrants exercised                                    | 12,13 | 3,914,166               | 720,167              | -                   | -                   | -                      | 720,167                    | -                        | 720,167          |
| Value of warrants exercised                           | 12,13 | -                       | 157,244              | -                   | (157,244)           | -                      | -                          | -                        | -                |
| Warrants expired unexercised                          | 13    | -                       | -                    | -                   | (333,582)           | 333,582                | -                          | -                        | -                |
| Reversal of issue costs on expired warrants           | 13    | -                       | -                    | -                   | 5,211               | (5,211)                | -                          | -                        | -                |
| Options exercised                                     | 13    | 75,000                  | 13,500               | -                   | -                   | -                      | 13,500                     | -                        | 13,500           |
| Value of options exercised                            | 13    | -                       | 10,950               | (10,950)            | -                   | -                      | -                          | -                        | -                |
| Options expired unexercised                           | 13    | -                       | -                    | (78,660)            | -                   | 78,660                 | -                          | -                        | -                |
| <b>Balance as at March 31, 2021</b>                   |       | <b>116,067,023</b>      | <b>45,636,145</b>    | <b>745,037</b>      | <b>2,490,361</b>    | <b>(46,741,166)</b>    | <b>2,130,377</b>           | <b>(618,032)</b>         | <b>1,512,345</b> |

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, |                     |
|--|-------|-----------------------|---------------------|
|  |       | 2021                  | 2020                |
| <b>Cash provided by (used in):</b>   |       |                       |                     |
| <b>Operating activities</b>  |       |                       |                     |
| Net loss for the year  |       | \$ (6,504,463)        | \$ (2,928,617)      |
| Adjustments for items not affecting cash:                                    |       |                       |                     |
| Acquisition of exploration and evaluation property                           | 14    | 3,362,351             | -                   |
| Share-based payments   | 13    | -                     | 443,110             |
| Depreciation   | 6     | 18,423                | 7,448               |
| Interest expense   | 9     | 16,283                | 104,114             |
| Accretion expense  | 14    | 114,847               | -                   |
| Loss on disposal of property and equipment                                   | 6     | 42,442                | 1,084               |
| Write off of receivables   |       | 115,621               | 30,217              |
| Unrealized foreign exchange gain   |       | (21,491)              | 7,033               |
| Net cash from operating activities before changes in working capital         |       | (2,855,987)           | (2,335,611)         |
| Net changes in non-cash working capital                                      |       |                       |                     |
| Change in amounts receivable   |       | (93,852)              | 30,838              |
| Change in prepaid expenses   |       | (5,434)               | (14,024)            |
| Change in accounts payable and accrued liabilities                           |       | 75,248                | (102,891)           |
| <b>Net cash flows used in operating activities</b>                           |       | <b>(2,880,025)</b>    | <b>(2,421,688)</b>  |
| <b>Investing activities</b>  |       |                       |                     |
| Purchase of property and equipment   | 6,14  | (162,810)             | -                   |
| Proceeds on disposal of property and equipment                               | 6     | 38,314                | 8,865               |
| Acquisition of exploration and evaluation properties                         | 14    | (865,122)             | -                   |
| Equipment received from acquisition of exploration and evaluation properties | 14    | 94                    | -                   |
| Cash indebtedness from acquisition of exploration and evaluation properties  | 14    | (13)                  | -                   |
| <b>Net cash flows (used in) provided by investing activities</b>             |       | <b>(989,537)</b>      | <b>8,865</b>        |
| <b>Financing activities</b>  |       |                       |                     |
| Proceeds from private placements   | 12    | 5,356,849             | 5,029,432           |
| Shares issued from warrants exercised  | 12,13 | 720,167               | -                   |
| Shares issued from options exercised   | 12,13 | 13,500                | -                   |
| Share and warrant issuance costs   | 12,13 | (505,536)             | (95,246)            |
| Bridge financing   | 9     | (434,505)             | (1,035,632)         |
| <b>Net cash flows provided by financing activities</b>                       |       | <b>5,150,475</b>      | <b>3,898,554</b>    |
| Increase in cash during the year   |       | 1,280,913             | 1,485,731           |
| Cash - Beginning of year   |       | 2,051,421             | 565,690             |
| <b>Cash - End of year</b>  |       | <b>\$ 3,332,334</b>   | <b>\$ 2,051,421</b> |
| <b>Supplemental information</b>  |       |                       |                     |
| Shares and finder shares issued for property acquisition                     | 12,14 | \$ 787,500            | -                   |
| Broker warrants issued   | 12,13 | \$ 64,584             | \$ 25,520           |

*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, 2021 and 2020  
(Expressed in Canadian dollars)

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### 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 130 Queens Quay East, Suite 1224, Toronto, Ontario M5A 0P6.

These consolidated financial statements were reviewed, approved and authorized for issue by the Board of Directors on July 28, 2021.

The principal business activities of Trigon and its subsidiaries (collectively, the “Company”) are the acquisition, maintenance, exploration and development of mines and mineral properties on the African continent. 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 property interests 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, 2021, the Company had working capital of \$2,139,702 compared with \$1,319,587 as at March 31, 2020. During the year ended March 31, 2021, the Company incurred a net loss of \$6,504,463 (2020: \$2,928,617). 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 fiscal 2021 and 2020, the Company was able to raise funds through financings. However, there is no assurance that additional financing will be available on terms acceptable to the Company, or at all. These matters represent material uncertainties that cast 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.

#### Novel Coronavirus (“COVID-19”)

The Company’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company’s operations and ability to finance its operations. Despite the severity of COVID-19 pandemic, there were no material impacts on the Company’s operations and finances for the year ended March 31, 2021.

# Trigon Metals Inc.

## Notes to the Consolidated Financial Statements

For the years ended March 31, 2021 and 2020  
(Expressed in Canadian dollars)

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### 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. All amounts have been rounded to the nearest dollars, unless otherwise indicated.

#### 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% (up to the date of its dissolution on July 27, 2020), Trigon Mining (Namibia) (Pty) Ltd. (“TMN”) (Namibia) 80%, Technomine Africa Sarl (Morocco) 100% and Gazania Investments Nine (Pty) Ltd. (Namibia) 100%. 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.

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.

**Trigon Metals Inc.**  
**Notes to the Consolidated Financial Statements**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 land and buildings, are depreciated on a straight-line basis over three to five years. Land is not depreciated and 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.

**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***

***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 fair value through profit or loss ("FVPL") or fair value through other comprehensive income ("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.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Financial instruments (continued)**

***Financial assets (continued)***

***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 is not reclassified to profit or loss.

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, acquisition fees payable and bridge financing, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value.

***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.

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**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 as at March 31, 2021 and 2020.

**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, 2021 and 2020.

**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.

**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.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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, 2021 and 2020.

**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 accumulated 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 accumulated 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.

**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.

**New accounting changes**

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

**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, 2021 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Future accounting changes (continued)**

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IFRS 3 – Business Combinations (“IFRS 3”) was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

**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.

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**3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS (Continued)**

*Critical judgment in applying accounting policies: (continued)*

- Commercial production

The determination of when the mine is in a condition necessary for it to be capable of operating in the manner intended by management (referred to as “commercial production”) is a matter of judgment that will impact when the Company recognizes revenue and operating costs in the consolidated statement of loss and depreciation and depletion commence. In making this determination, management considered whether (a) the major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management had been completed; (b) a reasonable period of commissioning had been completed; (c) consistent operating results have been achieved at the previously budgeted level of design capacity; and (d) the transfer of operations from the construction personnel to operations personnel had been completed. As at March 31, 2021, management and the Board has not declared for commercial production.

- 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.

- Determination of discount rates

Determination of the discount rate for acquisition fees payable is based on comparison to similar interest bearing debt instruments of a group of comparative companies.

- Acquisitions

For acquisitions, the Company must make assumptions and estimates to determine the purchase price accounting of the assets and liabilities being acquired, as well as the expected outcomes of contingent items. To do so, the Company must determine the acquisition date fair value of the identifiable assets acquired and liabilities assumed. The determination of these fair market values are inherently subjective and require judgement. In addition the Company must consider whether the acquisition of a subsidiary or group of assets constitutes a business combination or an asset acquisition. This is done by considering whether the acquired group includes inputs and process or whether there is a concentration of assets being acquired. These assumptions and estimates have an impact on the asset and liability amounts recorded in 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.

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**3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS (Continued)**

*Key sources of estimation uncertainty (Continued):*

- 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.

- 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 16.

**4. AMOUNTS RECEIVABLE**

|                            | March 31, 2021 |        | March 31, 2020 |        |
|----------------------------|----------------|--------|----------------|--------|
| Sales taxes receivable     | \$             | 56,143 | \$             | 29,374 |
| Trade and other receivable |                | 414    |                | 4,579  |
|                            | \$             | 56,557 | \$             | 33,953 |

**5. PREPAID EXPENSES**

|           | March 31, 2021 |        | March 31, 2020 |        |
|-----------|----------------|--------|----------------|--------|
| Insurance | \$             | 9,066  | \$             | 14,824 |
| Deposit   |                | 850    |                | 793    |
| Other     |                | 16,128 |                | 5,140  |
|           | \$             | 26,044 | \$             | 20,757 |

**6. PROPERTY AND EQUIPMENT**

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

|           | March 31, 2021    |                          |                   | March 31, 2020    |                          |                   |
|-----------|-------------------|--------------------------|-------------------|-------------------|--------------------------|-------------------|
|           | Cost              | Accumulated Depreciation | Net book value    | Cost              | Accumulated Depreciation | Net book value    |
| Furniture | \$ 11,958         | \$ 7,438                 | 4,520             | \$ 6,300          | \$ 6,300                 | \$ -              |
| Vehicles  | 126,764           | 24,348                   | 102,416           | 22,903            | 13,537                   | 9,366             |
| Buildings | 60,920            | 10,659                   | 50,261            | 60,920            | 9,136                    | 51,784            |
| Land      | 182,508           | -                        | 182,508           | 182,508           | -                        | 182,508           |
| Equipment | 127,571           | 78,904                   | 48,667            | 155,036           | 73,953                   | 81,083            |
|           | <b>\$ 509,721</b> | <b>\$ 121,349</b>        | <b>\$ 388,372</b> | <b>\$ 427,667</b> | <b>\$ 102,926</b>        | <b>\$ 324,741</b> |

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**6. PROPERTY AND EQUIPMENT (Continued)**

Reconciliation of the carrying amounts for the years ended March 31, 2021 and 2020 are as follows:

|   | Furniture       | Vehicles          | Buildings        | Land              | Equipment        | Total             |
|---|-----------------|-------------------|------------------|-------------------|------------------|-------------------|
| <b>Costs</b>  |                 |                   |                  |                   |                  |                   |
| Balance as at March 31, 2019                              | \$ 6,300        | \$ 22,903         | \$ 60,920        | \$ 182,508        | \$ 164,985       | \$ 437,616        |
| Disposals   | -               | -                 | -                | -                 | (9,949)          | (9,949)           |
| Balance as at March 31, 2020                              | \$ 6,300        | \$ 22,903         | \$ 60,920        | \$ 182,508        | \$ 155,036       | \$ 427,667        |
| Additions (Disposals)                                     | 5,658           | 103,861           | -                | -                 | (27,465)         | 82,054            |
| Balance as at March 31, 2021                              | \$ 11,958       | \$ 126,764        | \$ 60,920        | \$ 182,508        | \$ 127,571       | \$ 509,721        |
| <b>Accumulated depreciation, depletion and impairment</b> |                 |                   |                  |                   |                  |                   |
| Balance as at March 31, 2019                              | \$ (6,300)      | \$ (8,624)        | \$ (7,614)       | \$ -              | \$ (72,940)      | \$ (95,478)       |
| Changes for the year                                      | -               | (4,913)           | (1,522)          | -                 | (1,013)          | (7,448)           |
| Balance as at March 31, 2020                              | \$ (6,300)      | \$ (13,537)       | \$ (9,136)       | \$ -              | \$ (73,953)      | \$ (102,926)      |
| Changes for the year                                      | (1,138)         | (10,811)          | (1,523)          | -                 | (4,951)          | (18,423)          |
| Balance as at March 31, 2021                              | \$ (7,438)      | \$ (24,348)       | \$ (10,659)      | \$ -              | \$ (78,904)      | \$ (121,349)      |
| <b>Net book value as at March 31, 2020</b>                | <b>\$ -</b>     | <b>\$ 9,366</b>   | <b>\$ 51,784</b> | <b>\$ 182,508</b> | <b>\$ 81,083</b> | <b>\$ 324,741</b> |
| <b>Net book value as at March 31, 2021</b>                | <b>\$ 4,520</b> | <b>\$ 102,416</b> | <b>\$ 50,261</b> | <b>\$ 182,508</b> | <b>\$ 48,667</b> | <b>\$ 388,372</b> |

**7. EXPLORATION AND EVALUATION EXPENDITURES**

|  | For the years ended March 31, |                   |
|--|-------------------------------|-------------------|
|  | 2021                          | 2020              |
| <b><u>Trigon Namibia</u></b>                       |                               |                   |
| Feasibility studies                                | \$ -                          | \$ 172,140        |
| Technical report                                   | 30,533                        | -                 |
| Environmental assessment                           | 14,901                        | -                 |
| Assay and survey                                   | 30,510                        | 3,557             |
| Licence and permit                                 | 1,404                         | -                 |
| Field office and support                           | 178,541                       | 151,276           |
| Consulting and labour                              | 682,778                       | 540,007           |
| Travel   | 71,579                        | 46,179            |
| Preproduction costs                                | 10,936                        | -                 |
|  | <b>\$ 1,021,182</b>           | <b>\$ 913,159</b> |
| <b><u>Technomine, Morocco</u></b>                  |                               |                   |
| Acquisition of exploration and evaluation property | \$ 2,862,351                  | \$ -              |
| Drilling   | 258,257                       | -                 |
| Assay and survey                                   | 60,030                        | -                 |
| Field office and support                           | 48,611                        | -                 |
| Consulting and labour                              | 228,173                       | -                 |
| Travel   | 2,513                         | -                 |
|  | <b>\$ 3,459,935</b>           | <b>\$ -</b>       |

**Trigon Metals Inc.**  
**Notes to the Consolidated Financial Statements**  
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**7. EXPLORATION AND EVALUATION EXPENDITURES (Continued)**

|  | For the years ended March 31, |                   |
|--|-------------------------------|-------------------|
|  | 2021                          | 2020              |
| <b><u>Gazania Namibia</u></b>                        |                               |                   |
| Acquisition of exploration and evaluation property   | \$ 500,000                    | \$ -              |
| Licence and permit                                   | 487                           | -                 |
| Field office and support                             | 56                            | -                 |
|  | \$ 500,543                    | \$ -              |
| <b>Total exploration and evaluation expenditures</b> | <b>\$ 4,981,660</b>           | <b>\$ 913,159</b> |

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. Subsequent to March 31, 2021, the Company was notified by the Namibian Ministry of Mines and Energy that they will be granted a renewal of licenses for its five land holdings for a 10 year period from June 2, 2021, subject to the completion of certain conditions.

On February 20, 2020, Trigon Mining (Namibia) (Pty) Ltd (“Trigon Namibia”), Trigon’s 80% owned subsidiary, was awarded a new Exclusive Prospecting Licence No. 7525 (“EPL 7525”) by the Ministry of Mines and Energy in Namibia for a three-year period, commencing on January 17, 2020, in respect of base and rare metals, industrial minerals and precious metals, subject to the terms and conditions of the Minerals (Mining and Prospecting) Act No. 33 of 1992 relating to exclusive prospecting licenses. EPL 7525 is situated to the west of the Kombat project and south of certain of the Company’s licenses related to the Kombat Mine.

On September 24, 2020, the Company acquired a 100% equity interest in Technomine Africa S.A.R.L. (“Technomine”), a Moroccan company from Technomine’s previous shareholders. Technomine owns a 100% interest in the Silver Hill Project in Morocco. See note 14 for details.

On February 25, 2021, the Company acquired a 100% equity interest in Gazania Investments Nine (Pty) Ltd, (Namibia) (“Gazania”), of which 80% from Sabre Resources Ltd., Australia and 20% from Coniston Pty Ltd., Australia. Gazania is the 100% owner of License EPL3540. See note 14 for details.

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|                                    | March 31, 2021 | March 31, 2020 |
|------------------------------------|----------------|----------------|
| <b><u>Current</u></b>              |                |                |
| Trade payables                     | \$ 221,467     | \$ 131,784     |
| Accruals                           | 215,990        | 236,538        |
| Acquisition fees payable (Note 14) | 837,776        | -              |
|                                    | \$ 1,275,233   | \$ 368,322     |
| <b><u>Long term</u></b>            |                |                |
| Acquisition fees payable (Note 14) | 1,015,729      | -              |
|                                    | \$ 2,290,962   | \$ 368,322     |

**9. BRIDGE FINANCING**

|   | March 31, 2021 | March 31, 2020 |
|---|----------------|----------------|
| Aberdeen International Inc.      Unsecured loan | -              | 418,222        |
|   | \$ -           | \$ 418,222     |

# Trigon Metals Inc.

## Notes to the Consolidated Financial Statements

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### 9. BRIDGE FINANCING (Continued)

- (i) During fiscal 2019, the Company entered into loan agreements for bridge financing of \$200,000 ("First loan") and a further \$250,000 ("Second loan"). Loan principal, together with accrued interest at 12% per annum, was due and payable on or before December 31, 2019. In September 2019, the Company repaid the principal and accrued interest of \$526,701 in full.
- (ii) During fiscal 2019, the Company entered into loan agreements with Aberdeen International Inc. ("Aberdeen") as follows:

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

Loan principal and accrued interest is due and payable in cash on or before the repayment date. The Company could 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 remained subject to a subsequent written agreement. Aberdeen extended the repayment date to January 31, 2020. In January 2020, the Company repaid loan principal of \$285,000 and \$120,000.

During the year ended March 31, 2021, the Company repaid the outstanding loan principals plus accrued interest of \$434,505 in full.

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

- (iii) During fiscal 2019, the Company entered into a loan agreement with Sulliden Mining Capital Inc. ("Sulliden") for \$96,000. The amount owed was subject to 12% interest per annum. In September 2019, the Company repaid the loan principal plus accrued interest of \$103,931 in full. Sulliden and the Company shared a common officer during the year ended March 31, 2020.

### 10. 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, accounts payable and accrued liabilities and acquisition fees payable. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. The non-current portion of the acquisition fees payable are recorded at a 15% discount rate. The Company has no financial instruments recorded at fair value.

**Trigon Metals Inc.**  
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**10. FINANCIAL INSTRUMENTS (Continued)**

Financial assets and financial liabilities as at March 31, 2021 and 2020 were as follows:

|  | Assets & liabilities<br>at<br>amortized cost | Assets & liabilities<br>at fair value<br>through profit & loss | TOTAL        |
|--|--|--|--------------|
| <u>At March 31, 2021</u>                 |  |  |              |
| Financial assets:                        |  |  |              |
| Cash                                     | \$ 3,332,334                                 | \$ -   | \$ 3,332,334 |
| Amounts receivable (Note 4)              | 414  | -  | 414          |
| Financial liabilities:                   |  |  |              |
| Accounts payable and accrued liabilities | (437,457)                                    | -  | (437,457)    |
| Acquisition fees payable                 | (1,853,505)                                  | -  | (1,853,505)  |
| <u>At March 31, 2020</u>                 |  |  |              |
| Financial assets:                        |  |  |              |
| Cash                                     | \$ 2,051,421                                 | \$ -   | \$ 2,051,421 |
| Amounts receivable                       | 4,579  | -  | 4,579        |
| Financial liabilities:                   |  |  |              |
| Accounts payable and accrued liabilities | (368,322)                                    | -  | (368,322)    |
| Bridge financing                         | (418,222)                                    | -  | (418,222)    |

**11. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS**

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

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, 2021. 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, 2021, the Company believes it is compliant with the policies of the TSXV.

**Financial risks**

The Company's financial instruments comprise cash, amounts receivable, accounts payable and accrued liabilities, acquisition fees payable 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.

**Trigon Metals Inc.**  
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**11. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS (Continued)**

**Financial risks (continued)**

The following discussion also includes a sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and show the impact on income or loss and shareholders' equity, where applicable. The sensitivity analysis has been prepared for the year ended March 31, 2021, 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. As cash balances are held with high credit quality financial institutions, the credit risk to the Company is considered minimal. The Company monitors and is subject to normal industry credit risks.

**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 endeavour to have sufficient liquidity to meet liabilities when due. As at March 31, 2021, the Company had a cash balance of \$3,332,334 (March 31, 2020: \$2,051,421) and amounts receivable other than sales taxes receivable of \$414 (March 31, 2020: \$4,579). As at March 31, 2021, the Company's financial liabilities consisted of accounts payable and accrued liabilities of \$435,573 (March 31, 2020: \$368,322) based on contractual undiscounted payments, acquisition payable of \$837,776 (March 31, 2020: \$nil) and short-term borrowings of \$Nil (March 31, 2020: \$418,222), all due in less than one year plus long term liabilities of \$1,015,729 (March 31, 2020: \$Nil) due in two years.

During the year ended March 31, 2021, Trigon raised \$5,358,849 through private placement financing, received \$792,129 through warrants exercised, \$13,500 through options exercised, repaid \$290,000 of its short-term loan and made \$144,505 in interest payments.

During fiscal 2020, Trigon raised \$5,029,432 through private placement financings, repaid \$951,000 of its debt and made \$84,632 in interest payments.

**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 his time.

**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.

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**11. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS (Continued)**

**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 Australian dollars for its operations in Namibia and Moroccan Dirham and US dollars in Morocco. 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.

**Sensitivity analysis**

The carrying amount of cash, accounts receivable, accounts payable and accruals 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 \$(1,809) (year ended March 31, 2020: \$(13,200)).

**12. SHARE CAPITAL**

(a) Authorized:

Unlimited number of voting common shares

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

(b) Issued:

Reconciliation of the number and value of common shares for the years ended March 31, 2021 and 2020 were as follows. All issued shares are fully paid.

|   | Number of shares   | Issued<br>Capital |
|---|--------------------|-------------------|
| <b>Balance, March 31, 2019</b>  | <b>45,857,539</b>  | <b>36,627,071</b> |
| Shares issued pursuant to private placements  | 44,609,320         | 5,029,432         |
| Warrants issued   | -                  | (1,321,275)       |
| Broker warrants issued  | -                  | (25,520)          |
| Cost of issue   | -                  | (69,781)          |
| <b>Balance, March 31, 2020</b>  | <b>90,466,859</b>  | <b>40,239,927</b> |
| Shares issued pursuant to acquisition of exploration and evaluation properties (Note 14)          | 6,000,000          | 750,000           |
| Finder's shares issued pursuant to acquisition of exploration and evaluation properties (Note 14) | 300,000            | 37,500            |
| Shares issued pursuant to private placements  | 15,310,998         | 5,356,849         |
| Warrants issued   | -                  | (1,206,955)       |
| Broker warrants issued  | -                  | (64,584)          |
| Cost of issue   | -                  | (378,453)         |
| Warrants exercised  | 3,914,166          | 720,167           |
| Value of warrants exercised   | -                  | 157,244           |
| Options exercised   | 75,000             | 13,500            |
| Value of options exercised  | -                  | 10,950            |
| <b>Balance, March 31, 2021</b>  | <b>116,067,023</b> | <b>45,636,145</b> |

**Trigon Metals Inc.**  
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**12. SHARE CAPITAL (Continued)**

On September 24 and 25, 2019, the Company closed the first and second tranches of a non-brokered private placement financing. The Company issued 14,609,320 units at a price of \$0.10 per unit for gross proceeds of \$1,460,932. Each unit is comprised of one common share of Trigon and one half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.15 for a period of 24 months following the closing date of the offering. The Company also issued 98,210 broker warrants. Each broker warrant entitles the holder to acquire one common share at a price of \$0.15 for a period of 24 months following the closing date of the offering. The issue date fair value of the warrants and broker warrants was estimated at \$238,938 and \$8,581 using the Black Scholes option pricing model with the following assumptions: expected share price of \$0.08, expected dividend yield of 0%; expected volatility of 100.6% (based on the Company's historical volatility); risk-free interest rate of 1.52% and an expected life of 2 years. The Company also paid share and warrant issue costs of \$23,126. Sulliden subscribed a total of 2,039,310 units for gross proceeds of 203,931. Sulliden and the Company shared a common officer during the year ended March 31, 2020.

On January 8, 2020, the Company closed a non-brokered private placement financing. The Company issued 30,000,000 units at a price of \$0.12 per unit for gross proceeds of \$3,600,000. Each unit is comprised of one common share of Trigon and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of Trigon at a price of \$0.20 for a period of 36 months following the closing date of the financing. The Company also issued 187,450 broker warrants. Each broker warrant entitles the holder to acquire one common share at a price of \$0.20 for a period of 36 months following the closing date of the financing. The issue date fair value of the warrants and broker warrants was estimated at \$1,082,337 and \$16,939 using the Black Scholes option pricing model with the following assumptions: expected share price of \$0.08, expected dividend yield of 0%; expected volatility of 97.1% (based on the Company's historical volatility); risk-free interest rate of 1.65% and an expected life of 3 years. The Company also paid share and warrant issue costs of \$72,120 and wrote-off uncollectible subscription of \$31,500.

Of the total subscription, Eric Sprott, a beneficial owner of 2176423 Ontario Ltd., acquired through his company 16,666,666 units or 19.99% of Trigon on a non-diluted basis and 32.36% on a partially diluted basis. In addition, Aberdeen, a 10% security holder on a partially diluted basis, acquired 2,375,000 units. A former officer also acquired 250,000 units. 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 September 24, 2020, the Company closed its previously announced brokered private placement financing comprised of 13,721,042 units at a purchase price of \$0.35 per unit for gross proceeds of \$4,802,365. Concurrently with the offering, the Company completed a non-brokered private placement of 117,957 units for gross proceeds of \$41,285. Each Unit is comprised of one common share of Trigon and one-half of one Common Share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of \$0.45 for a period of 36 months following the date of closing. The Offering was led by Cormark Securities Inc. on behalf of a syndicate of agents that included M Partners Inc. (collectively, the "Agents"). As consideration for their services provided in connection with the offering, the Company has (i) paid the Agents a cash commission equal to 6% of the gross proceeds of the offering, other than in respect of certain purchases by persons on the President's List, on which the cash commission was equal to 1.5%, and (ii) issued to the Agents and the selling group that number of broker warrants as is equal to 3% of the aggregate number of units sold pursuant to the Offering (other than the portion thereof attributable to the President's List, in respect of which no broker warrants were issued). Each broker warrant is exercisable to acquire one common share at a price of \$0.45 per share for a period of 36 months following the date hereof. All of the securities issued by the Company pursuant to the Offering will be subject to a four month statutory hold period which expires on January 25, 2021. The Company paid a total of \$354,842 in share issue costs and issued 6,919,499 warrants and 289,116 broker warrants. The issue date fair value of the warrants and broker warrants was estimated at \$1,090,972 and \$64,584 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 112.1% (based on the Company's historical volatility); risk-free interest rate of 0.26% and an expected life of 3 years.

A 10% security holder of the Company, 2176423 Ontario Ltd., subscribed for 1,715,000 units under the offering. Each transaction with an insider of the Company constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on exemptions from the formal valuation requirements of MI 61-101 pursuant to section 5.5(a) and the minority shareholder approval requirements of MI 61-101 pursuant to section 5.7(1)(a) in respect of such insider participation as the fair market value of the transaction, insofar as it involves interested parties, does not exceed 25% of the Company's market capitalization.

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**12. SHARE CAPITAL (Continued)**

On October 13, 2020, the Company closed the second and final tranche (the “Second Tranche”) of its previously announced brokered private placement financing on October 13, 2020. In this Second Tranche, the Company issued 1,471,999 units at a price of \$0.35 per Unit for aggregate gross proceeds of \$513,200. Each unit is comprised of one common share of Trigon and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of \$0.45 for a period of 36 months following the closing date of the offering. The offering was led by Cormark Securities Inc. on behalf of a syndicate of agents that included M Partners Inc. (collectively, the “Agents”). As consideration for their services provided in connection with the Second Tranche, the Company has paid the Agents a cash commission equal to \$7,728 and incurred additional share issue costs of \$21,031. The Company also paid an aggregate amount of \$57,548 to other arm’s length finders as part of the First and Second Tranche of the Offering. All of the subscribers in the Second Tranche were on the Company’s President’s List. The issue date fair value of the warrants and was estimated at \$115,983 using the Black Scholes option pricing model with the following assumptions: expected share price of \$0.27, expected dividend yield of 0%; expected volatility of 112.0% (based on the Company’s historical volatility); risk-free interest rate of 0.23% and an expected life of 3 years.

**13. EQUITY RESERVES**

|                           | No. of Options   | Weighted<br>Average<br>Exercise<br>Price | Grant Date<br>Fair Value of<br>Options | No. of<br>Warrants,<br>Broker<br>Warrants | Weighted<br>Average<br>Exercise<br>Price | Grant Date<br>Fair Value of<br>Warrants,<br>Broker<br>Warrants | TOTAL               |
|---------------------------|------------------|--|--|---|--|--|---------------------|
| <b>March 31, 2019</b>     | <b>2,024,000</b> | <b>\$0.48</b>                            | <b>\$ 720,042</b>                      | <b>9,059,245</b>                          | <b>\$0.50</b>                            | <b>\$ 1,073,898</b>  | <b>\$ 1,793,940</b> |
| Granted                   | 3,035,000        | \$0.18                                   | 443,110                                | 37,590,320                                | \$0.19                                   | 1,346,795  | 1,789,905           |
| Expired                   | (785,000)        | \$0.61                                   | (328,505)                              | (3,131,749)                               | \$0.87                                   | (571,291)  | (899,796)           |
| Warrant issue costs       | -                | -  | -                                      | -   | -  | (17,882)   | (17,882)            |
| <b>March 31, 2020</b>     | <b>4,274,000</b> | <b>\$0.24</b>                            | <b>\$ 834,647</b>                      | <b>43,517,816</b>                         | <b>\$0.21</b>                            | <b>\$ 1,831,520</b>  | <b>\$ 2,666,167</b> |
| Granted                   | -                | -  | -                                      | 7,944,614                                 | \$0.45                                   | 1,271,539  | 1,271,539           |
| Exercised                 | (75,000)         | \$0.18                                   | (10,950)                               | (3,914,166)                               | \$0.18                                   | (157,244)  | (168,194)           |
| Expired                   | (114,000)        | \$0.85                                   | (78,660)                               | (2,321,666)                               | \$0.40                                   | (333,582)  | (412,242)           |
| Warrant issue costs (net) | -                | -  | -                                      | -   | -  | (121,872)  | (121,872)           |
| <b>March 31, 2021</b>     | <b>4,085,000</b> | <b>\$0.22</b>                            | <b>\$ 745,037</b>                      | <b>45,226,598</b>                         | <b>\$0.24</b>                            | <b>\$ 2,490,361</b>  | <b>\$ 3,235,398</b> |

**Options**

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 October 21, 2019, the Company granted 3,035,000 stock options to certain directors, officers, consultants and employees to acquire shares of the Company at \$0.18 until October 21, 2024. The options vested immediately on the date of the grant and will expire five years from the date of grant. The fair value of the options was estimated using the Black Scholes option pricing model with assumptions based on expected share price of \$0.18, dividend yield of 0%, expected volatility based on the Company’s historical volatility of 115%, risk free interest rate of 1.57% and expected life of 5 years. Of the total options granted, 1,950,000 options were granted to officers and directors of the Company.

There were no options granted during the year-ended March 31, 2021. The weighted average life of total outstanding options is 2.98 years as at March 31, 2021 (2020 – 3.91 years).

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**13. EQUITY RESERVES (Continued)**

**Options (continued)**

As at March 31, 2021, the Company had stock options outstanding and exercisable as follows:

| Grant date | Expiry date | Number outstanding | Number exercisable | Exercise price | Grant date fair value | Dividend yield (%) | Expected volatility (%) | Expected life (years) | Risk free rate (%) |
|------------|-------------|--------------------|--------------------|----------------|-----------------------|--------------------|-------------------------|-----------------------|--------------------|
| 22-Jun-16  | 22-Jun-21   | 150,000            | 150,000            | \$0.50         | \$ 61,500             | 0                  | 120                     | 5                     | 0.70               |
| 19-Jul-17  | 19-Jul-22   | 550,000            | 550,000            | \$0.385        | 173,086               | 0                  | 117                     | 5                     | 1.52               |
| 11-Aug-17  | 11-Aug-22   | 25,000             | 25,000             | \$0.24         | 4,743                 | 0                  | 110                     | 5                     | 1.46               |
| 11-Oct-17  | 11-Oct-22   | 25,000             | 25,000             | \$0.415        | 8,540                 | 0                  | 119                     | 5                     | 1.77               |
| 16-Oct-17  | 16-Oct-22   | 25,000             | 25,000             | \$0.45         | 9,008                 | 0                  | 113                     | 5                     | 1.71               |
| 06-Jun-18  | 06-Jun-23   | 350,000            | 350,000            | \$0.20         | 56,000                | 0                  | 112                     | 5                     | 2.16               |
| 21-Oct-19  | 21-Oct-24   | 2,960,000          | 2,960,000          | \$0.18         | 432,160               | 0                  | 115                     | 5                     | 1.57               |
|            |             | <b>4,085,000</b>   | <b>4,085,000</b>   |                | <b>\$ 745,037</b>     |                    |                         |                       |                    |

**Warrants**

As at March 31, 2021, the Company had share purchase warrants outstanding as follows:

|                     | Grant date | Expiry date | Number outstanding | Exercise price | Grant date fair value | Dividend yield (%) | Expected volatility (%) | Expected life (years) | Risk free rate (%) |
|---------------------|------------|-------------|--------------------|----------------|-----------------------|--------------------|-------------------------|-----------------------|--------------------|
| Warrants on units   | 01-Oct-18  | 01-Oct-21   | 3,166,664          | \$0.25         | \$ 143,347            | 0                  | 97                      | 3                     | 2.31               |
| Warrants on units   | 24-Sep-19  | 24-Sep-21   | 4,504,660          | \$0.15         | 147,349               | 0                  | 101                     | 2                     | 1.52               |
| Broker warrants     | 24-Sep-19  | 24-Sep-21   | 98,210             | \$0.15         | 8,581                 | 0                  | 101                     | 2                     | 1.52               |
| Warrants on units   | 25-Sep-19  | 25-Sep-21   | 500,000            | \$0.15         | 16,355                | 0                  | 101                     | 2                     | 1.52               |
| Warrants on units   | 08-Jan-20  | 08-Jan-23   | 28,825,000         | \$0.20         | 1,039,946             | 0                  | 97                      | 3                     | 1.65               |
| Broker warrants     | 08-Jan-20  | 08-Jan-23   | 187,450            | \$0.20         | 16,939                | 0                  | 97                      | 3                     | 1.65               |
| Warrants on units   | 24-Sep-20  | 24-Sep-23   | 6,919,499          | \$0.45         | 1,090,972             | 0                  | 112                     | 3                     | 0.26               |
| Warrants on units   | 13-Oct-20  | 23-Oct-23   | 735,999            | \$0.45         | 115,983               | 0                  | 112                     | 3                     | 0.23               |
| Broker warrants     | 24-Sep-20  | 24-Sep-23   | 289,116            | \$0.45         | 64,584                | 0                  | 112                     | 3                     | 0.26               |
| Warrant issue costs |            |             |                    |                | (153,695)             |                    |                         |                       |                    |
|                     |            |             | <b>45,226,598</b>  |                | <b>\$ 2,490,361</b>   |                    |                         |                       |                    |

The weighted average life of total outstanding warrants is 1.67 years as at March 31, 2021 (2020 – 2.32 years).

**14. ACQUISITION OF EXPLORATION AND EVALUATION PROPERTIES**

***Technomine Africa S.A.R.L. (“Technomine”)***

On September 24, 2020, the Company completed the acquisition of a 100% equity interest in Technomine, which owns a 100% interest in the Silver Hill Project (“Silver Hill”) in Morocco.

# Trigon Metals Inc.

## Notes to the Consolidated Financial Statements

For the years ended March 31, 2021 and 2020  
(Expressed in Canadian dollars)

### 14. ACQUISITION OF EXPLORATION AND EVALUATION PROPERTIES (Continued)

#### *Technomine Africa S.A.R.L. ("Technomine") (continued)*

##### Terms of the Transaction

Under the terms of the Definitive Agreement, the Company acquired a 100% equity interest in Technomine for consideration detailed below:

1. Pay to the Vendors \$500,000 in cash (paid) and issue 6,000,000 common shares (issued) on closing of the Transaction (the "First Payment"). The common shares were value at \$750,000 based on their trading price subsequent to the signing of the share purchased agreement.
2. On the one-year anniversary of the closing of the Transaction, Trigon must pay to the Vendors \$400,000, and issue such number of Trigon common shares equal to \$250,000 (based on their trading price at the time) (the "Second Payment").
3. Upon the completion of an independent National Instrument 43-101 compliant mineral resource estimate at the Project showing at least 100,000 tonnes of contained copper and/or equivalent, Trigon shall issue such number of shares equal to \$1,250,000 (based on their trading price at the time) to the Vendors.

In addition, the Company paid \$25,000 cash and issued 300,000 common shares to Majilias Inc. for its role as an arm's length finder. The common shares were value at \$37,500 based their trading price subsequent to the signing of the share purchased agreement. The finder shall also be entitled to a finder's fee of 5% in cash and share consideration comprising the Second Payment, when paid by Trigon.

##### Purchase price consideration

The acquisition is being treated as an asset acquisition for accounting purposes as Silver Hill does not meet the definition of a business, as defined in IFRS 3, Business Combinations. The assets acquired and liabilities assumed were recorded at their estimated fair market values, which are based on management estimates.

|  |                     |
|--|---------------------|
| <b><u>Purchase price:</u></b>  |                     |
| Cash consideration   | \$ 500,000          |
| Share consideration  | 750,000             |
| Finders fees and shares  | 62,500              |
| Future Obligations   | 1,538,658           |
| Legal / Due diligent costs   |                     |
| Asafo & Co.  | 40,122              |
| <b>Total Purchase price</b>  | <b>\$ 2,891,280</b> |
| <b><u>Fair value of assets acquired and liabilities assumed:</u></b> |                     |
| Amount receivable and prepaid  | \$ 44,750           |
| Fixed assets   | 94                  |
| Accounts payable and accrued liabilities                             | (15,902)            |
| Cash   | (13)                |
| <b>Total net asset acquired</b>                                      | <b>\$ 28,929</b>    |
| <b>Excess of purchase price over fair value of assets acquired</b>   | <b>\$ 2,862,351</b> |

The future obligations are the net present value of future payments discounted at 15%. As of March 31, 2021, the future obligations are adjusted to \$1,653,505 (September 24, 2020 - \$1,538,658) and \$114,847 of accretion expenses was charged to the Company's statement of loss and comprehensive loss. The current portion of the future obligations of \$837,776 is due within a year and are included in the current accounts payable and accrued liabilities. The long term portion of the future obligation of \$1,015,729 is due within two years and included in the non-current accounts payable and accrued liabilities.

**Trigon Metals Inc.**  
**Notes to the Consolidated Financial Statements**

For the years ended March 31, 2021 and 2020  
(Expressed in Canadian dollars)

**14. ACQUISITION OF EXPLORATION AND EVALUATION PROPERTIES (Continued)**

***Gazania Investmtnets Nine (Pty) Ltd. (“Gazania”)***

On February 25, 2021, the Company completed the transaction to expand its land holding in Namibia, through the acquisition (the “Acquisition”) of exclusive prospecting licence 3540 (“EPL 3540”, or the “Licence”) held by Gazania which was 80% owned by Sabre Resources Limited (“Sabre”), through Sabre’s wholly owned subsidiary, Starloop Holdings Pty Ltd. (“Stalooop”), and 20% owned by Coniston Pty Ltd. (“Coniston”). The Licence was first granted on October 30, 2006 and has been renewed several times, with a current expiry date of May 7, 2021. Gazania has submitted a renewal application for the Licence.

**Terms of the Acquisition**

The acquisition was implemented by way of the acquisition by Trigon, through its wholly owned subsidiary, PNT Financeco Corp., of 80% of the shares in Starloop from Sabre (the “Starloop Shares”) and 20% of the shares in Gazania from Coniston (the “Gazania Shares”).

As consideration for the Starloop Shares, Trigon paid \$200,000 on fulfilment of the conditions precedent to the sale and purchase agreement signed with Sabre (“Sabre Agreement”). A second tranche cash payment of \$100,000 is payable to Sabre on the renewal of the Licence by the Namibian Ministry of Mines and Energy, subject to such renewal being granted within three years of signature of the Sabre Agreement.

As consideration for the Gazania Shares, Trigon paid \$1,000 on fulfilment of the conditions precedent to the sale and purchase agreement signed with Coniston (“Coniston Agreement”). A second tranche cash payment of \$100,000 is payable to Coniston on the renewal of the Licence by the Namibian Ministry of Mines and Energy, subject to such renewal being granted within three years of signature of the Coniston Agreement. Trigon has also paid a facilitation fee of \$99,000 to Kalgoorlie Mine Management Pty Ltd for its assistance in facilitating and documenting the acquisition. The acquisition is an arm’s length transaction.

**Purchase price consideration**

The acquisition is being treated as an asset acquisition for accounting purposes as Gazania does not meet the definition of a business, as defined in IFRS 3, Business Combinations. The assets acquired and liabilities assumed were recorded at their estimated fair market values, which are based on management estimates.

|   |                   |
|---|-------------------|
| <b><u>Purchase price:</u></b>   |                   |
| Sabre on signing  | \$ 200,000        |
| Coniston on signing   | 1,000             |
| Kalgoorlie Mine Management - faciliation fees                             | 99,000            |
| Milestone payment - Sabre   | 100,000           |
| Milestone payment - Coniston  | 100,000           |
|   | \$ 500,000        |
| <br>  |                   |
| <b><u>Fair value of assets acquired and liabilities assumed:</u></b>      |                   |
| VAT   | 1,907,964         |
| VAT impairment  | (1,907,964)       |
|   | \$ -              |
| <br>  |                   |
| <b><u>Excess of purchase price over fair value of assets acquired</u></b> | <b>\$ 500,000</b> |

The Company has estimated that the Licence renewal will be granted within a year. As such, the future obligations of \$200,000 are included in current accounts payable and accrued liabilities as of March 31, 2021.

**Trigon Metals Inc.**  
**Notes to the Consolidated Financial Statements**  
For the years ended March 31, 2021 and 2020  
(Expressed in Canadian dollars)

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**15. 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, |            |
|----------------------|-----------------------|------------|
|                      | 2021                  | 2020       |
| Consulting fees      | \$ 467,500            | \$ 455,000 |
| Share-based payments | -                     | 284,700    |
|                      | \$ 467,500            | \$ 739,700 |

See also Notes 12, 13 and 16.

Included in accounts payable and accrued liabilities as at March 31, 2021 was approximately \$30,234 for consulting fees and expenses (March 31, 2020: \$31,871) charged by current and former officer and director of the Company. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

**16. COMMITMENTS AND CONTINGENCIES**

**Management contracts**

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of up to \$873,000 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 \$25,000 for bonus payments for which the triggering event has not occurred as at March 31, 2021. Upon the occurrence of the triggering event, the Company will also have an increase in commitments relating to the subsequent occurrence of certain events such as a change of control or termination of the management contracts.

**Legal claims**

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

**Environmental**

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

**Kombat Project**

On April 23, 2012, the Company purchased, through the acquisition of Trigan Namibia, an effective 80% interest in the mining assets commonly known as the Kombat mine, whose assets include a 100% interest in five mining licenses and one exclusive prospecting license in northern Namibia. As at March 31, 2021, the Company has expended sufficient capital to ensure the licenses remain in good standing. The mining licenses expired in March 2019. Subsequent to March 31, 2021, the Company was notified by the Namibian Ministry of Mines and Energy that they will be granted a renewal of licenses for its five land holdings for a 10 year period from June 2, 2021, subject to the completion of certain conditions.

**Trigon Metals Inc.**  
**Notes to the Consolidated Financial Statements**  
For the years ended March 31, 2021 and 2020  
(Expressed in Canadian dollars)

**16. COMMITMENTS AND CONTINGENCIES**

**Silver Hill Project**

The Company completed its acquisition of 100% equity interest in Technomine, a Moroccan company from Technomine's shareholders on September 24, 2020. The Company is required to meet the terms of transaction outlined in the definitive agreement as consideration of the acquisition. See note 14 for details.

**Gazania EPL 3540**

The Company completed its acquisition of 100% equity interest in Gazania, holder of EPL 3540 mining licence on February 25, 2021. The Company is required to make milestone payments if renewal of the Licence is granted by the Ministry of Mines and Energy in Namibia within three years. See note 14 for details.

**17. 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% (2020 - 26.5%) were as follows:

|  | <b>2021</b> | <b>2020</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| Combined Canadian statutory income tax rate          | 26.50%      | 26.50%      |
| (Loss) before income taxes                           | (6,504,463) | (2,928,617) |
| Expected income tax recovery based on statutory rate | (1,724,000) | (776,000)   |
| Adjustment to expected income tax benefit:           |             |             |
| Stock based compensation                             | -           | 117,000     |
| Non-deductible expenses and other                    | 1,099,000   | 256,000     |
| Changes and differences in tax rates                 | 150,000     | 40,000      |
| Change in benefit of tax assets recognized           | 475,000     | 363,000     |
| Deferred income tax provision (recovery)             | -           | -           |

**b) Deferred income tax**

|  | <b>2021</b> | <b>2020</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| Deferred tax assets (liabilities) have been recognized as follows: |             |             |
| Property and equipment - Namibia                                   | (56,000)    | (39,000)    |
| Non-capital loss carry-forward - Namibia                           | 56,000      | 39,000      |
| Total  | -           | -           |

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

**Trigon Metals Inc.**  
**Notes to the Consolidated Financial Statements**  
For the years ended March 31, 2021 and 2020  
(Expressed in Canadian dollars)

**17. INCOME TAXES (Continued)**

**b) Deferred income tax (continued)**

|  | 2021       | 2020       |
|--|------------|------------|
|  | \$         | \$         |
| Share issuance costs - Canada                    | 539,000    | 120,000    |
| Exploration and evaluation expenditures - Canada | 295,000    | 295,000    |
| Non-capital loss carry-forwards - Canada         | 14,406,000 | 13,100,000 |
| Non-capital loss carry-forwards - Barbados       | 265,000    | 235,000    |
| Non-capital loss carry-forwards - Namibia        | 3,172,000  | 3,247,000  |
| Non-capital loss carry-forwards - Morocco        | 455,000    | -          |

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

**c) Losses carried forward**

As at March 31, 2021, the Company had estimated non-capital losses for Canadian income tax purposes of approximately \$14,406,000 (2020 - \$13,100,000) available to use against future taxable income. The non-capital losses expire between 2032 and 2041.

The Company's Barbados subsidiaries have non-capital losses of approximately \$265,000 (2020 - \$235,000) available to use against future taxable income, expiring between 2021 and 2028.

The Company's Moroccan subsidiaries have non-capital losses of approximately \$455,000 (2020 - \$nil) available to use against future taxable income, expiring in 2025.

In addition, the Company's Namibian subsidiaries have non-capital losses of approximately N\$39,085,000 (2020 - N\$37,851,000) available to use against future taxable income. These non-capital loss may be carried forward indefinitely:

| Expiry       | Canada        | Barbados   | Namibia      | Morocco    | Total         |
|--------------|---------------|------------|--------------|------------|---------------|
| 2021         | -             | 19,000     | -            | -          | 19,000        |
| 2022         | -             | 155,000    | -            | -          | 155,000       |
| 2023         | -             | 27,000     | -            | -          | 27,000        |
| 2024         | -             | 15,000     | -            | -          | 15,000        |
| 2025         | -             | 2,000      | -            | 455,000    | 457,000       |
| 2026         | -             | 8,000      | -            | -          | 8,000         |
| 2027         | -             | 9,000      | -            | -          | 9,000         |
| 2032         | 1,951,000     | -          | -            | -          | 1,951,000     |
| 2033         | 1,657,000     | -          | -            | -          | 1,657,000     |
| 2034         | 976,000       | -          | -            | -          | 976,000       |
| 2035         | 1,289,000     | -          | -            | -          | 1,289,000     |
| 2036         | 1,089,000     | -          | -            | -          | 1,089,000     |
| 2037         | 1,316,000     | -          | -            | -          | 1,316,000     |
| 2038         | 1,792,000     | -          | -            | -          | 1,792,000     |
| 2039         | 1,519,000     | -          | -            | -          | 1,519,000     |
| 2040         | 1,511,000     | -          | -            | -          | 1,511,000     |
| 2041         | 1,306,000     | -          | -            | -          | 1,306,000     |
| Indefinitely | -             | -          | 3,321,000    | -          | 3,321,000     |
|              | \$ 14,406,000 | \$ 265,000 | \$ 3,321,000 | \$ 455,000 | \$ 18,447,000 |

**Trigon Metals Inc.**  
**Notes to the Consolidated Financial Statements**  
For the years ended March 31, 2021 and 2020  
(Expressed in Canadian dollars)

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**18. SUBSEQUENT EVENT**

Subsequent to March 31, 2021, 12,465,664 warrants were exercised for gross proceeds of \$2,310,475.





# **Trigon Metals Inc.**

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

*For the year ended March 31, 2021*

TSX-V: TM

**Trigon Metals Inc.**  
**Management's Discussion and Analysis**  
**For the year ended March 31, 2021**

**Date: July 28, 2021**

This Management's Discussion and Analysis ("MD&A") provides a review of the financial position and results of operations of Trigon Metals Inc. and its subsidiaries (the "Company" or "Trigon Metals" or "Trigon") and should be read in conjunction with the audited consolidated financial statements and notes thereto for the years ended March 31, 2021 and 2020. This MD&A covers the most recently completed financial period and the subsequent period up to the date of this MD&A. All amounts are expressed in Canadian dollars, except share amounts, unless otherwise stated.

The accompanying audited consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations.

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

The audit committee of the Company has reviewed this MD&A and the audited consolidated financial statements for the years ended March 31, 2021 and 2020 and the Company's board of directors approved these documents prior to their release.

**Qualified Persons**

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

**Overview**

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

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

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

Trigon Namibia is currently busy with the restart of the Kombat open pit mine and plant refurbishment and is working towards first concentrate production by the end of 2021.

In February 2021, the Company completed the acquisition of exclusive prospecting licence 3540 ("EPL 3540",

the “Copper King Extension” or the “Licence”), which surrounds Trigon’s Kombat and Gross Otavi projects in the Otavi Mountainland, a region associated with high grade copper mineralization in addition to a substantial lead and silver content. The acquisition substantially increases the exploration potential surrounding the Company’s flagship Kombat copper mine and is part of the Company’s continued strategy to acquire and develop copper and silver properties in favourable African mining jurisdictions.

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

### **Highlights**

- On June 16, 2021, the Company announced the renewal of its mining licences for the five land holdings in the Otavi Mountainlands which comprise the Kombat, Gross Otavi and Harasib Projects in Namibia. The renewal of the licences is for a 10 year period from June 2, 2021.
- On June 14, 2021, the Company announced copper silver mineralization in the fourth fence drilled at Silver Hill (holes S22 to S25).
- On May 20, 2021, the Company announced further high grade copper results from drilling at Silver Hill (holes S16 to S21).
- On May 6, 2021, the Company announced the copper production planned for 2021 year-end at the Kombat mine and the procurement of long lead items for the restart of the mine, including the procurement of equipment from Xinhai (Yantai) Mining Engineering Co., Ltd (“Xinhai Engineering”).
- On April 5, 2021, the Company reported high copper and silver grades in a four-hole fence showing the continuity of Silver Hill mineralization (holes S13 to S15 and S27).
- On March 1, 2021, the Company announced that it had completed the transaction to expand its land holding in Namibia through the acquisition of EPL 3540.
- On February 24, 2021, the Company reported a 13 metre trench grading 2.7% copper and 34.5 g/t silver at Silver Hill.
- On February 2, 2021, the Company announced that it had entered into definitive agreements to quadruple its land position in Namibia through the acquisition of EPL 3540, surrounding the Kombat and Gross Otavi projects.
- On January 12, 2021, the Company reported a shallow 8m mineralization intersection, yielding 1.8% copper and 121 g/t silver at Silver Hill (hole S13).
- On November 26, 2020, the Company confirmed the renewal of environmental clearances for exploration activities in Namibia, which was a pre-requisite for the upcoming exploration program.
- On November 12, 2020, the Company reported large mineralized intersections along an extended strike length at Silver Hill (holes S8 to S12).
- On October 29, 2020, the Company filed an updated NI 43-101 technical report in respect of the increased Mineral Resources reported at the Kombat project.
- On October 13, 2020, the Company closed the second tranche of its brokered and non-broker private placement financing (Tranche II) for gross proceeds of \$513,200.
- On October 5, 2020, the Company reported results of grab samples assayed at the Silver Hill project,

extending the potential strike length to 2.0 km of high-grade mineralization.

- On September 28, 2020, the Company announced a significant increase in the total Mineral Resources reported at the Kombat project from 7.0 million tonnes (as at February 28, 2018) to 39.1 million tonnes (including inferred resources).
- On September 24, 2020, the Company closed a brokered and non-broker private placement financing (Tranche I) for gross proceeds of \$4,843,650.
- On September 24, 2020, the Company completed the acquisition of Technomine and filed an NI 43-101 Technical Report for the Silver Hill project.
- On September 8, 2020, the Company announced the potential for a significant increase in the Mineral Resources reported at the Kombat project and provided an update on the funding process with Shandong Xinhai Mining Technology & Equipment Inc. (“Xinhai”).
- On August 10, 2020, the Company announced that the results of an exploratory drilling program at the Silver Hill project show a well mineralized halo around high-grade core in Morocco.
- On August 4, 2020, the Company announced the signing of an amendment to extend the agreement for the acquisition of the Silver Hill project.
- On August 4, 2020, the Company announced that Technomine was granted a five-year environmental permit.
- On May 25, 2020, the Company signed a definitive agreement to acquire the high potential Silver Hill project in Morocco.

## **Company Outlook and Recent Developments**

### ***Restart of the Kombat Mine***

During the year under review, Trigon commenced with preliminary activities in respect of the restart of the Kombat mine, which is targeted for the end of the 2021 calendar year. The Company is targeting initial production of 6,000t of copper in concentrate for calendar year 2022, accessing ore from open pit sources. Planned production will increase to 16,500t of copper in concentrate in 2024, when higher grade underground ore begins to be recovered and as planned upgrades to crushing and milling are incorporated.

Key milestones achieved to date include the ordering of long lead items for the refurbishment of the plant and the renewal of the Company’s mining licences in Namibia.

On May 6, 2021, the Company announced that it had commenced with the procurement of long lead items including an order to Xinhai Engineering, for the procurement of new flotation cells to replace those in the original mill.

On June 2, 2021, the Company was granted the renewal of its five mining licences in Namibia, comprising the Kombat, Gross Otavi and Harasib projects. The Company holds an 80% interest in these licences, through Trigon Namibia. The renewed licences are valid for 10 years and are a key milestone for the mine restart.

### ***Acquisition of Copper King Extension, surrounding its Kombat Copper-Silver-Lead Mine in Namibia***

On February 25, 2021, the Company completed the acquisition of EPL 3540 held by Namibian company, Gazania Investments Nine (Pty) Ltd (“Gazania”), which was previously 80% owned by Sabre Resources Limited (“Sabre”), through Sabre’s wholly owned subsidiary, Starloop Holdings Pty Ltd (“Starloop”), and 20% owned by Coniston Pty Ltd (“Coniston”). EPL 3540 was first granted on October 30, 2006 and has been renewed several times, with the last expiry date being May 7, 2021. Gazania has submitted a renewal application for the Licence.

## **Terms of the Acquisition**

The acquisition of EPL 3540 (the "Acquisition") was implemented by way of the acquisition by Trigon, through its wholly owned subsidiary, PNT Financeco Corp., of 100% of the shares in Starloop from Sabre (the "Starloop Shares") and 20% of the shares in Gazania from Coniston (the "Gazania Shares").

As consideration for the Starloop Shares, Trigon paid \$200,000 on fulfilment of the conditions precedent to the sale and purchase agreement signed with Sabre ("Sabre Agreement"). A second tranche cash payment of \$100,000 is payable to Sabre on the renewal of the Licence by the Namibian Ministry of Mines and Energy, subject to such renewal being granted within three years of signature of the Sabre Agreement.

As consideration for the Gazania Shares, Trigon paid \$1,000 on fulfilment of the conditions precedent to the sale and purchase agreement signed with Coniston ("Coniston Agreement"). A second tranche cash payment of C\$100,000 is payable to Coniston on the renewal of the Licence by the Namibian Ministry of Mines and Energy, subject to such renewal being granted within three years of signature of the Coniston Agreement.

Trigon has also paid a facilitation fee of \$99,000 to Kalgoorlie Mine Management Pty Ltd for its assistance in facilitating and documenting the Acquisition. The Acquisition is an arm's length transaction.

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

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

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

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

Highlights of the Silver Hill project include:

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

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

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

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

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

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

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

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

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

- S1 - Silver Hill Hole 1: intercepted 13.5 metres grading 71.5 g/t silver and 1.08% at 26.5 to 40 metres down the hole, drill core ended in mineralization. Within the drill intercept was **2.5 metres grading 266.6 g/t silver and 3.87 % copper**.
- S3 – Silver Hill Hole 3: intercepted 7.0 metres grading 48.6 g/t silver and 0.75% copper at 25 to 32 metres down the hole, the hole ended at 35.5 metres. Within the drill intercept was **1.5 metres grading 122 g/t silver and 1.59% copper**.
- S5 – Silver Hill Hole 5: intercepted **5.0 metres grading 18.9 g/t silver and 1.49 % copper** at 29 to 34 metres down the hole, drill core ended in mineralization.

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

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

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

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

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

- S8 – 3 metre intersection with an average grade of 0.5% and a maximum sample grade of 2.3%. Copper occurrences from a depth of 4 metres, but main mineralized zone intersected at a depth of 83 metres.

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

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

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

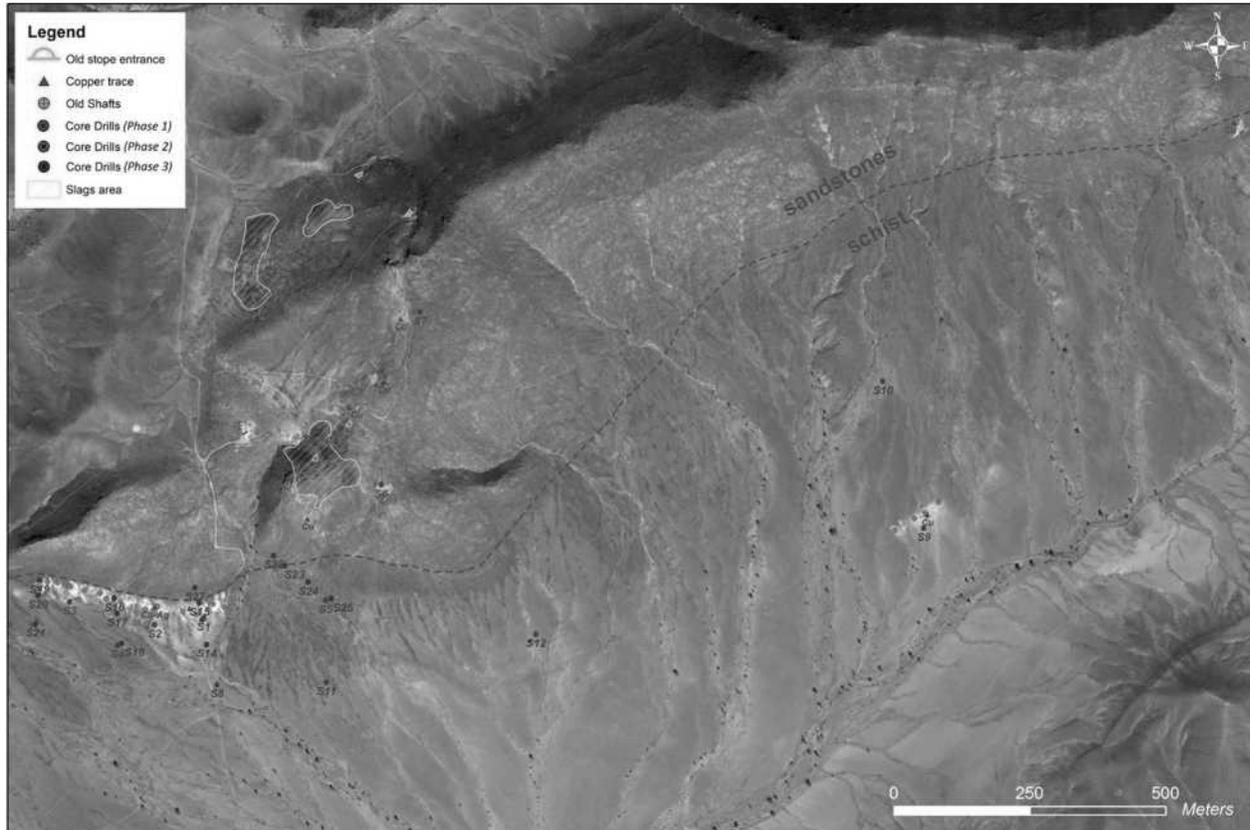
From December 2020 to February 2021, Trigon undertook a second phase 3,000 m drilling program at Silver Hill, over 13 holes (S13 to S25), with the aim being to get a better understanding of the structural and local geology, to test mineralization and potential sulphides below the high-grade oxide zone as well as to investigate a potential second structure with strike extension to the north. The drilling was structured as four fences as set out in the figure below.

Between April and June 2021, Trigon announced the assay results from holes S13 to S25, the key highlights of which are set out as follows:

- S13 - 8 metre @ 1.8% copper and 121 g/t silver from 32.5 metre depth. Assay results included a 0.5 m interval of 14.87% copper, 1000 g/t silver and 173 ppm cobalt.
- S14: 2 metres @ 1.27% copper and 5 g/t silver, from 63 metre depth.
- S16: 10 metres @ 0.98% copper and 20 g/t silver.
- S17: 3 metre @ 1.41% copper.
- S20: 31 metre @ 0.74% copper and 23 g/t silver including:
  - 8 metre @ 1.35% copper and;
  - 6 metre @ 1.23% copper and 75 g/t silver.
- S23: 32 metres of 0.77% copper and 28.5 g/t silver including;
  - 11 metres @ 1.01% copper and 37 g/t silver; and
  - 12 metres @ 0.96% copper and 41 g/t silver.
- S24: 30 metres of 0.73% copper and 21 g/t silver, including;
  - 13 metres @ 0.91% copper and 39 g/t silver; and
  - 5 metres @ 0.98% copper and 20 g/t silver.
- S27: 5 metres @ 1.4% copper and 33.6 g/t silver, from 21 metres depth, plus 3 metres @ 0.61% copper and 40 g/t silver.

In February 2021, Trigon also completed a trench on fresh rock below the saprolite, 1.5km away from the S1 discovery hole. Continuous samples were collected horizontally along the wall of the trench returning 13 metres of 2.7% copper, 34.5 g/t silver and 82 ppm cobalt. The trench exposed an area of intense sub-vertical hydrothermal alteration, giving geologists a unique look at the nature of the mineralization.

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



The work done at Silver Hill to date confirms the presence of strong copper and silver mineralization with the four fences of drilling covering a relatively shallow well-mineralized area of about 750 metres in length and 200 metres wide that appears to open to the east, west and north, as well as the high grade trench area lying almost 2 km east of the last fence. The next stage of work will focus on determining if the two zones form one continuous zone on mineralization, parallel structures or separate but related bodies.

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

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

The previous Mineral Resource reported for Kombat as at February 28, 2018 (the “2018 Mineral Resource”), was a combined open pit and underground compliant Mineral Resource of 1.529 million tonnes of Indicated Mineral Resources at a grade of 1.14% copper, 0.72% lead and 2.88 g/t silver (all in the Kombat East and Kombat Central open pit areas), and 5.511 million tonnes of Inferred Mineral Resources at a grade of 3.05% copper, 1.25% lead and 22.93 g/t silver (in the open pit and underground areas). The Company also had a probable Mineral Reserve estimate for the Kombat East and Kombat Central open pit areas of 0.77 million tonnes at a grade of 1.30% copper, 0.47% lead and 4.33 g/t silver.

The 2018 Mineral Resource was based on historic drilling results, including the surface drill program undertaken in 2017, all of which drilling was undertaken with defined quality assurance and quality control (“QA/QC”) protocols to ensure compliance with NI 43-101 requirements for resource modelling and classification. Minxcon

undertook a further detailed analysis of Trigon’s extensive database of historical information, including historic underground drilling information which had not previously been considered in the determination of Mineral Resource estimations due to inadequate QA/QC information being available at that time.

On September 28, 2020, the Company announced an updated Mineral Resource estimate for Kombat as set out below, prepared and classified by Minxcon in accordance with the reporting guidelines as set out in NI 43-101 (the “2020 Mineral Resource”). The update represented a 456% increase in the total Mineral Resources reported at Kombat, from 7.0 million tonnes, as at February 28, 2018 to 39.1 million tonnes as at September 1, 2020, with the Indicated and Inferred Mineral Resources (by copper metal content) increasing by 283% and 317% respectively.

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

### Open Pit

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

**Table 1 – Updated Mineral Resource Estimate as at September 1, 2020**

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

### Notes

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

### Underground

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

**Table 2 – Updated Mineral Resource Estimate as at September 1, 2020**

| Area | Resource Classification | Tonnes (incl Geo Loss) | Density | Cu | Pb | Ag | Cu | Pb | Ag (kg) |
|------|-------------------------|------------------------|---------|----|----|----|----|----|---------|
|------|-------------------------|------------------------|---------|----|----|----|----|----|---------|

|                       |          | Mt    |              | %           | %           | g/t         | Tonnes      | Tonnes         | Kg             |
|-----------------------|----------|-------|--------------|-------------|-------------|-------------|-------------|----------------|----------------|
| Kombat East           | Inferred | 0.01  | 2.86         | 1.68        | 2.77        | 0.88        | 130         | 215            | 7              |
| Kombat Central        |          | 0.48  | 2.86         | 2.20        | 2.02        | 2.53        | 10 614      | 9 725          | 1 221          |
| Kombat West           |          | 0.22  | 2.87         | 2.13        | 2.48        | 3.17        | 4 785       | 5 589          | 713            |
| Asis West             |          | 18.13 | 2.86         | 2.85        | 1.29        | 6.02        | 517 666     | 234 597        | 109 111        |
| Asis Gap              |          | 1.04  | 2.84         | 2.75        | 0.44        | 3.53        | 28 649      | 4 549          | 3 680          |
| Asis Far West         |          | 0.47  | 2.85         | 3.64        | 0.20        | 44.10       | 16 921      | 942            | 20 522         |
| <b>Total Inferred</b> |          |       | <b>20.36</b> | <b>2.86</b> | <b>2.84</b> | <b>1.26</b> | <b>6.64</b> | <b>578 765</b> | <b>255 617</b> |

#### Notes

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

#### Combined Open Pit and Underground

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

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

| Area                         | Resource Classification | Tonnes (incl Geo Loss) | Density     | Cu          | Pb          | Ag          | Cu             | Pb             | Ag (kg)        |
|------------------------------|-------------------------|------------------------|-------------|-------------|-------------|-------------|----------------|----------------|----------------|
|                              |                         | Mt                     |             | %           | %           | g/t         | Tonnes         | Tonnes         | Kg             |
| Kombat East                  | Indicated               | 5.27                   | 2.81        | 0.86        | 0.98        | 0.49        | 45 065         | 51 849         | 2 595          |
| Kombat Central               |                         | 2.08                   | 2.81        | 1.04        | 0.63        | 0.80        | 21 728         | 13 177         | 1 660          |
| <b>Total Indicated</b>       |                         | <b>7.35</b>            | <b>2.81</b> | <b>0.91</b> | <b>0.88</b> | <b>0.58</b> | <b>66 793</b>  | <b>65 026</b>  | <b>4 255</b>   |
| Kombat East                  | Inferred                | 4.27                   | 2.82        | 0.85        | 1.33        | 0.55        | 36 325         | 56 797         | 2 347          |
| Kombat Central               |                         | 3.57                   | 2.83        | 1.36        | 1.49        | 0.55        | 48 636         | 53 060         | 1 979          |
| Kombat West                  |                         | 3.64                   | 2.83        | 1.27        | 1.53        | 0.64        | 46 405         | 55 797         | 2 338          |
| Asis West                    |                         | 18.13                  | 2.86        | 2.85        | 1.29        | 6.02        | 517 666        | 234 597        | 109 111        |
| Asis Gap                     |                         | 1.04                   | 2.84        | 2.75        | 0.44        | 3.53        | 28 649         | 4 549          | 3 680          |
| Asis Far West                |                         | 0.47                   | 2.85        | 3.64        | 0.20        | 44.10       | 16 921         | 942            | 20 522         |
| <b>Total Inferred Kombat</b> |                         | <b>31.12</b>           | <b>2.85</b> | <b>2.23</b> | <b>1.30</b> | <b>4.50</b> | <b>694 603</b> | <b>405 742</b> | <b>139 978</b> |
| Otavi                        | Inferred                | 0.64                   | 2.84        | 0.93        | 2.50        | 0.85        | 6 006          | 16 053         | 546            |
| <b>Total Inferred</b>        |                         | <b>31.76</b>           | <b>2.85</b> | <b>2.21</b> | <b>1.33</b> | <b>4.42</b> | <b>700 609</b> | <b>421 795</b> | <b>140 524</b> |

#### Notes

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

Between January and May 2021, the Company undertook a resampling program at the Kombat site, based on specific historic drill holes identified by Minxcon. The results of this program are currently being modelled by Minxcon and results will be published once available.

In addition, Minxcon has designed a confirmatory drilling program, focusing on the additional drill holes included in the 2020 Mineral Resource database to enable the Company to use the information for further upgrading of Inferred Resources to the Indicated Resource category. This will potentially have an effect on the mine plan as more Indicated Resources could potentially be considered for reserve conversion.

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

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

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

As set out above, Trigon has subsequently procured long lead items, including new flotation cells, from Xinhai Engineering for the Kombat mine restart.

### **Summary of Properties**

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

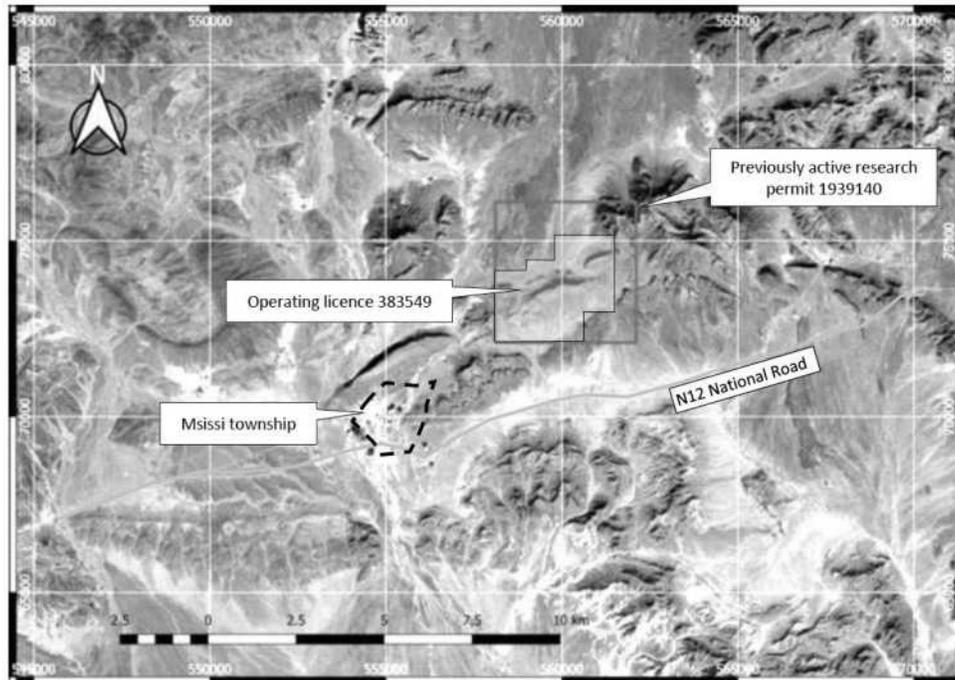
#### **History**

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

#### **Overview**

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

Technomine is the holder of one operating licence, No. 383548 (Silver Hill project) and five research permits, No’s 2941611, 3941612, 3941613, 3941614 and 3941615 (Tamdoult project). The operating licence covers an area of 789 ha and is valid until December 2028. The research permits are all valid until November 2022.



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

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

**Recent Developments**

From December 2020 to February 2021, Trigon undertook a second phase 3,000 m drilling. Results are set out in the Company Outlook and Recent Developments section above. The intent of this drill program was to confirm the mineralization down-dip of the historic mined-out strike zone, identified by the drill program completed in November 2020, and to provide information as to the structural controls of the mineralization.

In addition, in February 2021, Trigon completed a trench on fresh rock below the saprolite, 1.5km away from the S1 discovery hole. Continuous samples were collected horizontally along the wall of the trench returning 13 metres of 2.7% copper, 34.5 g/t silver and 82 ppm cobalt. The trench exposed an area of intense sub-vertical hydrothermal alteration, giving geologists a unique look at the nature of the mineralization.

**Current strategy**

Trigon is currently designing a subsequent exploration program which will focus on geophysical survey results in order to identify new targets, geochemistry and additional surface work to improve the Company's knowledge of the mineralization and structures.

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

**History**

On April 23, 2012, the Company acquired 80% of the outstanding shares of Namibian company, Manila Investments (Pty) Ltd., which on August 16, 2018 changed its name to Trigon Mining (Namibia) (Pty) Ltd. The primary asset of Trigon Namibia is its 100% interest in the formerly producing Kombat mine, located in northern Namibia, comprising five mining licenses and one exclusive prospecting licence together with the infrastructure



## **Recent Developments**

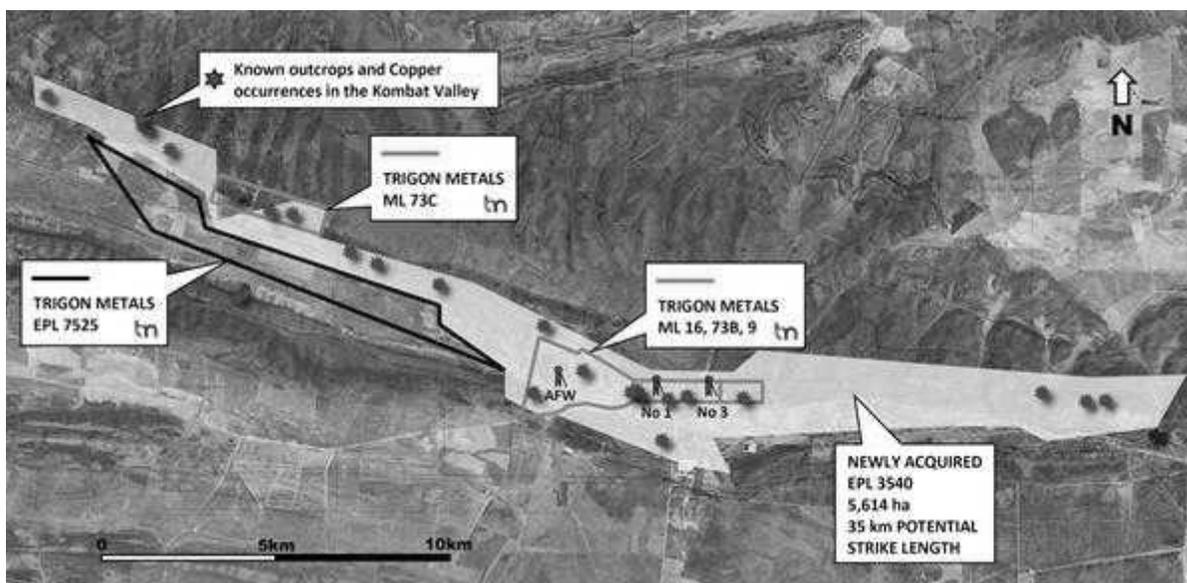
### ***Restart of the Kombat Mine***

During the year under review, Trigon commenced with preliminary activities in respect of the restart of the Kombat Mine, which is targeted for the end of the 2021 calendar year. The Company is targeting initial production of 6,000t of copper in concentrate for calendar year 2022, accessing ore from open pit sources. Planned production will increase to 16,500t of copper in concentrate in 2024, when higher grade underground ore begins to be recovered and as planned upgrades to crushing and milling are incorporated.

Key milestones achieved to date include the ordering of long lead items and the renewal of the Company's mining licences in Namibia.

### ***Trigon Quadruples its Land Position at Kombat Copper-Silver-Lead Mine in Namibia***

On February 2, 2021, Trigon announced that it had entered into definitive agreements to expand its land holding in Namibia, through the acquisition (the "Acquisition") of exclusive prospecting licence, EPL 3540, which surrounds Trigon's Kombat and Gross Otavi projects in the Otavi Mountainland. EPL 3540 covers an area of 5,614 hectares in the Grootfontein District of the Otjozondjupa Region, between the towns of Otavi to the west and Grootfontein to the east. From a geological perspective, it is situated on the Kombat trend, a mineralized structure, which also hosts the Kombat project. The area therefore represents a potential strike extension of the Kombat project, with various known mineral occurrences on the property.



By way of comparison, the three permits comprising the Kombat project, which host a 7 Mt Indicated Resource with an additional 31 Mt in Inferred Resources (refer Table 3 above) and produced 12.5 million tonnes of copper over a 45-year history, encompass only 692.1 hectares or 4.2 kilometres of strike length. Through the Acquisition Trigon has increased its presence in the Otavi Valley by 280%, from 2,011 hectares to 7,625 hectares. Trigon's prospective strike length has also increased to over 30 kilometres. Trigon management has extensive knowledge of the area in which EPL 3540 is situated and plans to implement an exploration program in conjunction with its exploration plans for the Kombat project areas.

EPL 3540 is held by Namibian company, Gazania Investments Nine (Pty) Ltd ("Gazania"). The Licence was first granted on October 30, 2006 and has been renewed several times, with the last expiry date being May 7, 2021. Gazania has timeously submitted a renewal application for the licence following the signature of the Sabre and Coniston Agreements (as defined below).

The Acquisition was implemented by way of the acquisition by Trigon of 100% of the shares in Starloop from Sabre (the "Starloop Shares") and 20% of the shares in Gazania from Coniston (the "Gazania Shares"). Trigon,

through its wholly owned subsidiary, PNT Financeco Corp., entered into sale and purchase agreements with each of Sabre and Coniston dated February 2, 2021 (the “Sabre Agreement” and the “Coniston Agreement” respectively), and acquired the Starloop Shares and the Gazania Shares for the following purchase considerations.

Trigon acquired the Starloop Shares for a cash purchase consideration of \$200,000 paid on fulfilment of the conditions precedent to the Sabre Agreement. A second tranche cash payment of \$100,000 is payable to Sabre on the renewal of EPL 3540 by the Namibian Ministry of Mines and Energy, subject to such renewal being granted within three years of signature of the Sabre Agreement.

Trigon acquired the Gazania Shares for a cash purchase consideration of \$1,000 on fulfilment of the conditions precedent to the Coniston Agreement. A second tranche cash payment of C\$100,000 is payable to Coniston on the renewal of EPL 3540 by the Namibian Ministry of Mines and Energy, subject to such renewal being granted within three years of signature of the Coniston Agreement. The Acquisition was an arm’s length transaction.

The acquisition of EPL 3540 represents an attractive regional consolidation opportunity for Trigon, and holds upside potential for the long term future of the Kombat project.

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

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

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

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

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

### **Current strategy**

Further to the update of the Mineral Resource, Minxcon identified available specific historic drill holes for resampling. Between January and May 2021, the Company undertook a resampling program at the Kombat site, based on these drill holes. The results of this program are currently being modelled by Minxcon and results will be published once available.

In addition, Minxcon has designed a confirmatory drilling program, focusing on the additional drill holes included in the 2020 Mineral Resource database to enable the Company to use the information for further upgrading of Inferred Resources to the Indicated Resource category. This will potentially have an effect on the mine plan as more Indicated Resources could potentially be considered for reserve conversion.

Trigon has also commenced with preliminary activities in respect of the restart of the Kombat Mine, which is targeted for the end of the 2021 calendar year. The Company is targeting initial production of 6,000t of copper in concentrate for calendar year 2022, accessing ore from open pit sources. Planned production will increase

to 16,500t of copper in concentrate in 2024, when higher grade underground ore begins to be recovered and as planned upgrades to crushing and milling are incorporated.

## Financial Review

The Company is a mineral exploration and development company and did not have any revenues or profits from operations during the year ended March 31, 2021, or as of the date of this MD&A. Field exploration, supervisory costs and costs associated with maintaining its mineral properties are expensed and charged against earnings until the Company has a reasonable expectation that the property is capable of commercial production, supported by a positive economic analysis showing a NI 43-101 compliant Mineral Reserve, approved by the Board.

The exchange rates between the Canadian and Namibian dollars for three and twelve months ended March 31, 2021 and 2020 were as follows:

| Foreign currency exchange rates<br>to Canadian dollars | Three months ended |         | Year ended |         |
|--|--------------------|---------|------------|---------|
|  | March 31,          |         | March 31,  |         |
|  | 2021               | 2020    | 2021       | 2020    |
| Namibian dollars - average                             | 11.8061            | 11.4245 | 12.3505    | 11.2191 |
| Namibian dollars - closing                             | 11.7691            | 12.6123 | 11.7691    | 12.6123 |

Copper and silver prices as at March 31, 2021 and 2020 are as follows:

|                             | March 31, 2021 | March 31, 2020 |
|-----------------------------|----------------|----------------|
| Copper prices (US\$ per lb) | 4.00           | 2.24           |
| Silver prices (US\$ per oz) | 24.52          | 14.10          |

## Selected Annual Results

| For the years ended                                  | March 31, 2021   | March 31, 2020 | March 31, 2019 |
|--|------------------|----------------|----------------|
|  | \$               | \$             | \$             |
| Net loss attributable to shareholders of the Company | <b>6,374,773</b> | 2,822,676      | 2,775,175      |
| Basic and diluted loss per share                     | <b>0.06</b>      | 0.05           | 0.01           |
| Total assets   | <b>3,803,307</b> | 2,430,872      | 1,009,569      |
| Total non-current financial liabilities              | -                | -              | -              |

The Company's financial results have been driven primarily by ongoing exploration activities and studies in respect of its Namibian and Moroccan properties. Exploration and evaluation expenditures and overall general and administrative expenses were higher in fiscal 2021 compared to fiscal 2020 primarily due to the acquisition of the Silver Hill property and Gazania which owns the EPL3540 licence, and the exploration activities thereof in Morocco during the current and recent quarters. The exploration and evaluation expenditures in Namibia in fiscal 2021 to date are higher compared to that of fiscal 2020 due to planning and preparation costs relating to the resampling program which commenced in January 2021. The Company also commenced with initial activities relating to the restart of open pit mining and the production of copper concentrate at the Kombat Mine, Namibia. These included environmental set up and monitoring activities as well as preliminary metallurgical testing to optimize future concentrate production.

## Summary of Quarterly Results

|  | March 31,<br>2021 | December 31,<br>2020 | September 30,<br>2020 | June 30,<br>2020 |
|--|-------------------|----------------------|-----------------------|------------------|
| <b><u>Earning and cash flow</u></b>                  | \$                | \$                   | \$                    | \$               |
| Net loss attributable to shareholders of the Company | 1,435,662         | 1,092,425            | 3,424,286             | 422,400          |
| Basic and diluted loss per share                     | 0.01              | 0.01                 | 0.04                  | 0.00             |
| Cash flow used in operating activities               | (886,176)         | (1,203,627)          | (332,364)             | (457,858)        |
| Cash flow (used in) from investing activities        | (397,389)         | (602,860)            | 10,702                | 10               |
| Cash flow from / (used in) financing activities      | 341,499           | 503,107              | 4,305,869             | -                |
| <b><u>Balance sheet</u></b>                          |                   |                      |                       |                  |
| Total assets   | 3,803,307         | 4,783,240            | 5,997,447             | 1,966,180        |

|  | March 31,<br>2020 | December 31,<br>2019 | September 30,<br>2019 | June 30,<br>2019 |
|--|-------------------|----------------------|-----------------------|------------------|
| <b><u>Earning and cash flow</u></b>                  | \$                | \$                   | \$                    | \$               |
| Net loss attributable to shareholders of the Company | 577,135           | 909,526              | 702,209               | 633,806          |
| Basic and diluted loss (income) per share            | 0.01              | 0.02                 | 0.01                  | 0.01             |
| Cash flow used in operating activities               | (1,093,853)       | (294,589)            | (484,507)             | (548,739)        |
| Cash flow from investing activities                  | 8,865             | -                    | -                     | -                |
| Cash flow (used in) from financing activities        | 3,088,880         | (2,100)              | 811,774               | -                |
| <b><u>Balance sheet</u></b>                          |                   |                      |                       |                  |
| Total assets   | 2,430,872         | 453,986              | 756,768               | 462,931          |

## Going Concern

The consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at March 31, 2021, the Company had working capital of \$2,139,702, compared with \$1,319,587 as at March 31, 2020. In the three and twelve months ended March 31, 2021, the Company incurred a net loss of \$1,489,532 and \$6,504,463 respectively (2020: \$621,030 and \$2,928,617). There is no assurance that additional financing will be available on terms acceptable to the Company, or at all. These matters represent material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

## Results of Operations

During the three and twelve months ended March 31, 2021, the Company recorded a net loss of \$1,489,532 (\$0.01 per share) and \$6,504,463 (\$0.06 per share), respectively compared to \$621,030 (\$0.01 per share) and \$2,928,617 (\$0.05 per share) for the same period in the prior year. The higher costs for the three and twelve months ended March 31, 2021, compared to the three and twelve months ended March 31, 2020 are mainly due to the transaction related to the acquisition of the Silver Hill property and Gazania which owns the EPL3540 licence, exploration activities thereof in Morocco and Namibia, impairment on receivables, accretion expenses, loss on disposal of equipment, offset by other income from VAT refunds received in Namibia, no share-based payments in the current year, lower interest expense as the Company paid down the bridge loan and overall lower corporate general and administration expenses. The Company has commenced with initial activities relating to the restart of open pit mining and the production of copper concentrate at the Kombat Mine, Namibia and incurred pre-production costs of \$10,936 during the three and twelve months ended March 31, 2021.

|  | Three months ended |              | Twelve months ended |                |
|--|--------------------|--------------|---------------------|----------------|
|  | March 31,          |              | March 31,           |                |
|  | 2021               | 2020         | 2021                | 2020           |
| <b>Expenses</b>                                      |                    |              |                     |                |
| Consulting fees                                      | \$ 175,617         | \$ 200,908   | \$ 788,877          | \$ 801,630     |
| Professional fees                                    | 61,640             | 28,441       | 117,960             | 84,621         |
| Share-based payments                                 | -                  | -            | -                   | 443,110        |
| Travel and related costs                             | -                  | 16,081       | 418                 | 54,986         |
| Shareholder communications and filing fees           | 26,926             | 90,239       | 193,022             | 287,039        |
| General and administrative costs                     | 14,176             | 39,394       | 128,280             | 189,263        |
| Depreciation   | 10,525             | 1,653        | 18,423              | 7,448          |
| Foreign exchange (gain)                              | 10,351             | 13,010       | 13,929              | 11,946         |
|  | \$ 299,235         | \$ 389,726   | \$ 1,260,909        | \$ 1,880,043   |
| <b>Other items</b>                                   |                    |              |                     |                |
| Interest income                                      | 2,470              | -            | 3,962               | -              |
| Interest expense                                     | -                  | (12,620)     | (16,283)            | (104,114)      |
| Other income   | (4,473)            | -            | 23,243              | -              |
| Loss on disposal of equipment                        | (34,733)           | (1,084)      | (42,348)            | (1,084)        |
| Impairment of receivables                            | (115,621)          | (30,217)     | (115,621)           | (30,217)       |
| Accretion expenses                                   | (56,012)           | -            | (114,847)           | -              |
|  | \$ 507,604         | \$ 433,647   | \$ 1,522,803        | \$ 2,015,458   |
| <b>Exploration and evaluation expenditures</b>       |                    |              |                     |                |
| <b>Trigon Namibia</b>                                |                    |              |                     |                |
| Feasibility studies                                  | \$ -               | \$ -         | \$ -                | \$ 172,140     |
| Technical report                                     | -                  | -            | 30,533              | -              |
| Environmental assessment                             | 7,354              | -            | 14,901              | -              |
| Licence and permit                                   | (4,305)            | -            | 1,404               | -              |
| Assay and survey                                     | 29,336             | 257          | 30,510              | 3,557          |
| Field office support                                 | 60,621             | 41,159       | 178,541             | 151,276        |
| Consulting and labour                                | 190,334            | 124,576      | 682,778             | 540,007        |
| Travel   | 37,296             | 21,391       | 71,579              | 46,179         |
| Pre-production costs                                 | 10,936             | -            | 10,936              | -              |
|  | \$ 331,572         | \$ 187,383   | \$ 1,021,182        | \$ 913,159     |
| <b>Technomine, Morocco</b>                           |                    |              |                     |                |
| Acquisition of exploration and evaluation properties | \$ -               | \$ -         | \$ 2,862,351        | \$ -           |
| Drilling   | 2,457              | -            | 258,257             | -              |
| Assay and survey                                     | 1,260              | -            | 60,030              | -              |
| Field office and support                             | 36,175             | -            | 48,611              | -              |
| Consulting and labour                                | 108,983            | -            | 228,173             | -              |
| Travel   | 938                | -            | 2,513               | -              |
|  | \$ 149,813         | \$ -         | \$ 3,459,935        | \$ -           |
| <b>Gazania Namibia</b>                               |                    |              |                     |                |
| Acquisition of exploration and evaluation properties | \$ 500,000         | -            | \$ 500,000          | -              |
| Licence and permit                                   | 487                | -            | 487                 | -              |
| Field office and support                             | 56                 | -            | 56                  | -              |
|  | \$ 500,543         | \$ -         | \$ 500,543          | \$ -           |
| <b>Total exploration and evaluation expenditures</b> | \$ 981,928         | \$ 187,383   | \$ 4,981,660        | \$ 913,159     |
| <b>Net (loss) and comprehensive (loss)</b>           | \$ (1,489,532)     | \$ (621,030) | \$ (6,504,463)      | \$ (2,928,617) |

Expenses of an administrative nature, including consulting and professional fees, travel, shareholder communications and general and administration costs, were kept as low as possible as the Company endeavours to raise the funding required to proceed with the development of the Kombat and Silver Hill projects.

Included in the Company's exploration and evaluation expenditures are acquisition costs of Technomine during the second quarter and Gazania during the fourth quarter and recognized transaction costs of \$2,862,351 and \$500,000 respectively being the excess of purchase price over the fair value of the Silver Hill property and Gazania acquired.

The Company has commenced with initial activities relating to the restart of open pit mining and the production of copper concentrate at the Kombat Mine, Namibia and incurred pre-production costs of \$10,936 during the three and twelve months ended March 31, 2021 (2020: \$nil and \$nil).

The remainder of exploration and evaluation expenditures in the three and twelve months ended March 31, 2021 of \$470,992 and \$1,608,373 respectively (2020: \$187,383 and \$913,159) are related to the costs of personnel and care and maintenance activities, and included costs associated with updating the mineral resource, drilling design and the technical report incurred in respect of the Kombat project in Namibia and Silver Hill project in Morocco. Expenditure during 2020 included costs of personnel and care and maintenance activities at the Kombat project, and included costs associated with the project evaluation by Xinhai.

## Cash Flows

### *Operating Activities*

Cash used in operating activities before changes in non-cash working capital was \$774,606 and 2,855,987 during the three and twelve months ended March 31, 2021, compared to \$563,301 and \$2,335,611 during the three and twelve months ended March 31, 2020. The increase in cash used in operating activities is due primarily to increased exploration and evaluation expenditures incurred for the Kombat and Silver Hill projects in Namibia and Morocco.

Cash used in working capital decreased during the three and twelve months ended March 31, 2021 to \$111,570 and \$24,038, compared with \$530,552 and \$86,077 in the three and twelve months ended March 31, 2020, attributed primarily to a decrease in amount receivable, accounts payable and accrued liabilities.

### *Investing Activities*

Cash of \$397,389 and \$989,537 was used in investing activities in the three and twelve months ended March 31, 2021 relating to property acquisition payments, purchase of vehicle, furniture and equipment net of proceeds from sale of equipment, compared to \$8,865 and \$8,865 provided in the three and twelve months ended March 31, 2020 from proceeds on sale of equipment.

### *Financing Activities*

Cash of \$341,499 and \$5,150,475 was provided by financing activities during the three and twelve months ended March 31, 2021 and 2020 compared to \$3,088,880 and \$3,898,554 during the three and twelve months ended March 31, 2020. During the three and twelve months ended March 31, 2021, the Company raised \$(2,000) and \$5,356,849 through private placement financings, received \$330,000 and \$720,167 through the exercise of warrants, \$13,500 and \$13,500 through the exercise of options offset by \$nil and \$505,536 used in share and warrant issue costs and \$nil and \$434,505 in repayment of bridge loan and accrued interest.

Subsequent to March 31, 2021, the company raised \$2,310,475 through warrants exercised.

## **Liquidity and Capital Resources**

The Company currently spends its available funds on its corporate, general and administrative obligations and to carry out exploration and development work at its project in Namibia with the ultimate objective of establishing ore of commercial tonnage and grade and bringing the Kombat project back into production, and on exploration work on the early stage Silver Hill project. As the Company is in the development phase and generates no revenues, the necessary funds have to be raised through equity or debt financing, most commonly within the Canadian public markets. Factors such as general market conditions for junior mining companies and the results of exploration activities will affect future capital raising, which may substantially affect future activities. The Company proposes to continue exploration and development activities at its projects and the raising or

generation of additional capital will be required for future acquisitions, operations, and work programs. There are no assurances that the Company will continue to be successful in raising additional funds or that other forms of equity capital or debt financing will be available to the Company in the future or on satisfactory terms. Any additional equity financing may be on terms that are dilutive, or potentially dilutive, to the Company's shareholders and debt financing, if available, may involve restrictive covenants with respect to the Company's ability to pay dividends, raise additional capital or execute various other financial and operational plans.

Notwithstanding the foregoing, if, at any time, the Company's Board of Directors deems continued exploration or development expenditures at Trigon's properties to be unwarranted, based on results up to that time or for any other reason, the Company may suspend or discontinue exploration or development of such properties and apply the funds on hand towards the acquisition, exploration or development of new properties or, if required, the general working capital of the Company. Save as aforesaid, the Company does not have any commitments for material capital expenditures other than the Silver Hill project in Morocco. As at March 31, 2021, the Company had no other long-term debt except for a long term payable with respect to future payments per the definitive agreement entered into by the Company for the acquisition of Technomine.

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

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

The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. The most significant alternatives available for the management of the capital structure include adjusting capital spending or the issue of shares or raising of debt finance when management and the Board of Directors feel the timing is appropriate.

### **Non IFRS Measures**

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

As at March 31, 2021, the Company had working capital of \$2,139,702 compared to \$1,319,587 as at March 31, 2020, including cash of \$3,332,334 (March 31, 2020: \$2,051,421). The Company's primary capital needs are funds for the exploration and development of its mining properties, administrative expenses and working capital. The Company will maintain its excess working capital in Canadian dollars, which are only converted to Namibian dollars or Moroccan dirhams as required. The Company maintains most of its cash reserves at a large reputable Canadian commercial bank in high quality short-term deposits or cash.

| Working Capital                          | March 31,<br>2021 | December 31,<br>2020 | September 30,<br>2020 | June 30,<br>2020 | March 31,<br>2020 | December 31,<br>2019 | December 31,<br>2019 | June 30,<br>2019   |
|--|-------------------|----------------------|-----------------------|------------------|-------------------|----------------------|----------------------|--------------------|
|  | \$                | \$                   | \$                    | \$               | \$                | \$                   | \$                   | \$                 |
| Cash                                     | 3,332,334         | 4,272,400            | 5,577,780             | 1,593,573        | 2,051,421         | 47,529               | 344,218              | 16,951             |
| Receivables                              | 56,557            | 166,409              | 103,359               | 33,500           | 33,953            | 67,007               | 64,944               | 89,091             |
| Prepaid expenses                         | 26,044            | 8,096                | 9,556                 | 16,751           | 20,757            | 3,107                | 9,331                | 16,682             |
| Accounts payable and accrued liabilities | (437,457)         | (525,369)            | (1,183,621)           | (339,431)        | (368,322)         | (872,370)            | (680,809)            | (541,596)          |
| Acquisition fees payable                 | (837,776)         | (616,172)            | (593,478)             | Nil              | Nil               | Nil                  | Nil                  | Nil                |
| Bridge financing                         | Nil               | Nil                  | Nil                   | (426,874)        | (418,222)         | (812,638)            | (791,616)            | (1,386,867)        |
| <b>Working Capital</b>                   | <b>2,139,702</b>  | <b>3,305,364</b>     | <b>3,913,596</b>      | <b>877,519</b>   | <b>1,319,587</b>  | <b>(1,567,365)</b>   | <b>(1,053,932)</b>   | <b>(1,805,739)</b> |

## **Bridge Financing**

|                             |                | <b>March 31, 2021</b> | <b>March 31, 2020</b> |
|-----------------------------|----------------|-----------------------|-----------------------|
| Aberdeen International Inc. | Unsecured loan | -                     | 418,222               |
|                             |                | \$ -                  | \$ 418,222            |

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

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

Loan principal and accrued interest was due and payable in cash on or before the repayment date. Aberdeen extended the repayment date to January 31, 2020. In January 2020, the Company repaid loan principal of \$285,000 and \$120,000.

During the year ended March 31, 2021, the Company repaid the remaining loan principals plus accrued interest of \$434,505 in full.

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

## **Operating Segments**

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

## **Off-Balance Sheet Arrangements**

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

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

### **Management contracts**

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of up to \$873,000 to be made to the officers of the Company upon the occurrence of certain events such as a change of control. As a triggering effect has not taken place, the contingent payments have not been reflected in the consolidated financial statements. Additional minimum management contractual commitments remaining under the agreements are approximately \$472,000, all due within one year. Upon the occurrence of the triggering event, the Company will also have an increase in commitments relating to the subsequent occurrence of certain events such as a change of control or termination of the management contracts.

### **Legal claims**

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

## Environmental

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

## Property obligations

### Kombat Project

On April 23, 2012, the Company purchased, through the acquisition of Trigon Namibia, an effective 80% interest in the mining assets commonly known as the Kombat project, whose assets include a 100% interest in five mining licenses and one exclusive prospecting licence in northern Namibia. As at March 31, 2021, the Company has expended sufficient capital to ensure the licenses remain in good standing. The mining licenses expired in March 2019 and renewal applications were timeously lodged by the Company. On June 2, 2021, the Company was notified by the Namibian Ministry of Mines and Energy that they will be granted a renewal of licenses for its five land holdings for a 10 year period from June 2, 2021, subject to the completion of certain conditions.

### Silver Hill Project

In September 2020, the Company completed its acquisition of 100% equity interest in Technomine, a Moroccan company from Technomine's shareholders. The Company is required to meet the terms of transaction outlined in the definitive agreement as consideration of the acquisition. See Company Outlook and Recent Developments section for details.

### Gazania EPL 3540

The Company completed its acquisition of 100% equity interest in Gazania, holder of EPL 3540 mining licence on February 25, 2021. The Company is required to make \$200,000 milestone payments if the renewal of Licence is granted by the Ministry of Mines and Energy in Namibia within three years.

## Related Party Transactions

### Compensation of key management

Compensation awarded to key management, including the Company's directors and officers, during the years ended March 31, 2021 and 2020 was as follows:

|                      | Years ended March 31, |            |
|----------------------|-----------------------|------------|
|                      | 2021                  | 2020       |
| Consulting fees      | \$ 467,500            | \$ 455,000 |
| Share-based payments | -                     | 284,700    |
|                      | \$ 467,500            | \$ 739,700 |

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

Included in accounts payable and accrued liabilities as at March 31, 2021 was approximately \$30,234 for consulting fees and expenses (March 31, 2020: \$31,871) charged by current and former officer and director of the Company. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

## Financing

The Company closed a brokered and non-brokered private placement financing on September 24, 2020 and October 13, 2020. A 10% holder of the Company, 2176423 Ontario Ltd., subscribed for 1,715,000 units under the offering. Each transaction with an insider of the Company constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Company is relying on exemptions from the formal valuation requirements of MI 61-101 pursuant to section 5.5(a) and the minority shareholder approval requirements of MI 61-101 pursuant to section 5.7(1)(a) in respect of such insider participation as the fair market value of the transaction, insofar as it involves interested parties, does not exceed 25% of the Company’s market capitalization.

In the Private Placement financing that closed on January 8, 2020, 2176423 Ontario Ltd. together with Eric Sprott acquired 16,666,666 units for gross proceeds of \$1,999,999.92 owning 19.99% of the Company’s shares on a non-diluted basis. In addition, Aberdeen, a 10% security holder on a partially diluted basis, acquired 2,375,000 units for proceeds of \$285,000. A former officer also acquired 250,000 units for gross proceeds of \$30,000.

In the private placement financing that closed on September 24 and 25, 2019, Sulliden subscribed a total of 2,039,310 units for gross proceeds of 203,931. Sulliden and the Company shared a common officer during the year ended March 31, 2020.

## Option grant

Of the total options granted on October 21, 2019, directors and officers of Trigon were granted 1,950,000 options.

## Critical Management Judgments and Accounting Estimates

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

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

### *Critical judgment in applying accounting policies:*

- Carrying values and impairment charges

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

- Control of subsidiaries

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

PNT FinanceCo Corp.  
Kombat Holdings Namibia (Pty) Ltd.

- Determination of functional currency

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

- Determination of discount rates

Determination of the discount rate for acquisition fees payable is based on comparison to similar interest bearing debt instruments of a group of comparative companies.

- Acquisitions

For acquisitions, the Company must make assumptions and estimates to determine the purchase price accounting of the assets and liabilities being acquired, as well as the expected outcomes of contingent items. To do so, the Company must determine the acquisition date fair value of the identifiable assets acquired and liabilities assumed. The determination of these fair market values are inherently subjective and require judgement. These assumptions and estimates have an impact on the asset and liability amounts recorded in 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 to their estimated residual values on a straight-line basis over three to five years, which the Company believes is the best approximation of the asset utility to the Company. If the estimated life had been longer than management's estimate, the carrying amount of the asset would have been higher.

- Carrying values and impairment charges

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

- Mineral Reserve and Mineral Resource estimates

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

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

operation.

- Share-based payment transactions and warrants

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

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

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

- Income, value added, withholding and other taxes

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

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

### Financial Instruments and Financial Risk Management

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

Financial assets and financial liabilities as at March 31, 2021 and 2020 were as follows:

|  | Assets & liabilities<br>at<br>amortized cost | Assets & liabilities<br>at fair value<br>through profit & loss | TOTAL        |
|--|--|--|--------------|
| <u>At March 31, 2021</u>                 |  |  |              |
| Financial assets:                        |  |  |              |
| Cash                                     | \$ 3,332,334                                 | \$ -   | \$ 3,332,334 |
| Amounts receivable (Note 4)              | 414  | -  | 414          |
| Financial liabilities:                   |  |  |              |
| Accounts payable and accrued liabilities | (437,457)                                    | -  | (437,457)    |
| Acquisition fees payable                 | (1,853,505)                                  | -  | (1,853,505)  |
| <u>At March 31, 2020</u>                 |  |  |              |
| Financial assets:                        |  |  |              |
| Cash                                     | \$ 2,051,421                                 | \$ -   | \$ 2,051,421 |
| Amounts receivable                       | 4,579  | -  | 4,579        |
| Financial liabilities:                   |  |  |              |
| Accounts payable and accrued liabilities | (368,322)                                    | -  | (368,322)    |
| Bridge financing                         | (418,222)                                    | -  | (418,222)    |

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

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

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

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

- *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities as they come due. The Company's ability to continue as a going concern is dependent on the Board and management's ability to raise the required capital through future equity or debt issuances.

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

As at March 31, 2021, the Company had a cash balance of \$3,332,334 (March 31, 2020: \$2,054,421) and amounts receivable, other than sales taxes receivable, of \$414 (March 31, 2020: \$4,579). As at March 31, 2021, the Company's financial liabilities consisted of accounts payable, accrued liabilities and acquisition fees payable of \$1,275,253 (March 31, 2020: \$368,322) based on contractual undiscounted payments and short-term borrowings of \$Nil (March 31, 2020: \$418,222), all due in less than one year, and long term liabilities of \$1,015,729 (March 31, 2020 - \$Nil) due in two years.

During the year ended March 31, 2021, Trigon raised \$5,356,849 through private placement financing, received \$720,167 and 13,500 respectively through warrants and options exercised, repaid \$290,000 of its short-term loan and made \$144,505 in interest payments.

- *Credit risk*

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

- *Commodity price risk*

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

- *Currency risk*

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

## **New accounting standards and interpretations**

### **New accounting policies**

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

### **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, 2021 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

## **Future accounting changes (continued)**

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IFRS 3 – Business Combinations (“IFRS 3”) was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

## **Risks and Uncertainties**

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

## **Liquidity Concerns and Financing Risks**

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

While the Company’s consolidated financial statements have been prepared on the basis that it is a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business, failure to secure additional funding may cast doubt about the validity of that assumption. Adjustments

to the consolidated financial statements, should they be required, could be material.

## **Exploration and Mining Risks**

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

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

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

## **Stage of Development**

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

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

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

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

Even if the Company's mineral properties are proven to host economic Mineral Reserves or Mineral Resources,

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

### **Title to Properties**

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

The Company holds its interest in its Namibian properties through mining licences that expired in March 2019. Renewal applications were lodged in a timely manner and the Company was notified by the Namibian Ministry of Mines and Energy that they will be granted a renewal of licenses for its five land holdings for a 10 year period from June 2, 2021, subject to the completion of certain conditions. The Company acquired the licence of EPL 3540 through a Namibian company which expired on May 7, 2021. The Company has lodged a renewal application and is waiting a response from the Ministry of Mines and Energy in Namibia.

### **Environmental Regulations**

The Company's activities are subject to environmental protection and employee health and safety regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations, and there is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

### **Markets for Securities**

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

### **Commodity Prices**

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

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

### **Economic Empowerment**

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

Over the last several years, Namibia has been developing a national policy framework that aims to address the perceived consequences from the previous discriminatory regimes. The framework is built on six pillars, including: Ownership; Management, Control and Employment Equity; Human Resources and Skills Development; Entrepreneurship Development and Marketing; Corporate Social Responsibility and Value Addition; and Technology and Innovation. Although the Namibian national policy framework and draft bill have not been legislated, the Company has made efforts developing empowerment policies and practices that are generally consistent with the themes set out in each of the pillars contained in the framework. There is no assurance, however, that final legislation will not have adverse effects on the Company or increase its cost of doing business in Namibia.

### **Uninsurable Risks**

The Company maintains insurance to cover normal business risks. The Company may, however, become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Company's financial position. In the course of exploration and development of, and production from, mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, land movements, earth work failures, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company has currently decided not to take out insurance against such risks due to high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

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

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

### **Geopolitical Risks**

The Company's operations are currently in Namibia and Morocco, and as a result, the operations of the Company may be exposed to various levels of political, economic and other risks and uncertainties associated with operating in these countries, including approval of acquisitions by local authorities; regulation of the mining industry and licenses of the Company; restrictions on future exploitation and production; restrictions on the Company's ability to finance its operations; price, export and currency controls; currency availability; income taxes; delays in obtaining or the inability to obtain necessary permits and licenses; opposition to mining from environmental and other non-governmental organizations; expropriation of property; nullification of existing or future concessions and contracts; war, terrorism or political boundary disputes; environmental legislation; labour relations; and site safety. In addition, legislative enactments may be delayed or announced without being enacted and future political action that may adversely affect the Company cannot be predicted. Failure to comply strictly

with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations and profitability of the Company.

### **Competition**

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

### **Conflicts of Interest**

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

### **Litigation**

Legal proceedings, with and without merit, may arise from time to time in the course of the Company's business. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The process of defending such claims could take away from management time and effort. Due to the inherent uncertainty of the litigation process, the resolution of any legal proceeding to which the Company or one or more of its subsidiaries may become subject, could have a material effect on the Company's financial position, results of operations, or mining and project development activities.

### **Corruption and Bribery Laws**

The Company's operations are governed by, and involve interactions with, many levels of government in multiple countries. The Company is required to comply with anti-corruption and anti-bribery laws, including the *Criminal Code* (Canada), and the *Canadian Corruption of Foreign Public Officials Act*, as well as similar laws in the countries in which the Company conducts its business.

In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment for companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third party agents. Although the Company has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors or third party agents comply strictly with such laws. If the Company is subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions being imposed, resulting in a material adverse effect on the Company's reputation and results of its operations.

### **Foreign Mining Tax Regimes**

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

## **Limited Property Portfolio**

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

## **Enforcement of Legal Rights**

The Company's material subsidiaries are organized under the laws of foreign jurisdictions and certain individuals of the Company's experts are located in foreign jurisdictions. Given that the Company's material assets are located outside of Canada, investors may have difficulty effecting service of process within Canada and collecting from or enforcing against the Company or its experts any judgments obtained through the Canadian courts or Canadian securities regulatory authorities, predicated on the civil liability provisions of Canadian securities legislation or otherwise. Similarly, in the event a dispute arises in relation to the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada.

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

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

## **Additional Information and Continuous Disclosure**

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

## **Outstanding Share Data**

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

- a) 128,532,687 common shares outstanding.
- b) 32,760,934 warrants outstanding with expiry dates ranging between October 1, 2021 and October 13, 2023. If all the warrants were exercised, 32,760,934 shares would be issued for proceeds of \$8,624,188.
- c) 3,935,000 stock options outstanding with expiry dates ranging between July 19, 2022 and October 21, 2024. If all the options were exercised, 3,935,000 shares would be issued for gross proceeds of \$842,175.

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

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

projections; the timing, success and amount of future exploration and development; projected capital expenditure; mining or processing issues; currency exchange rates; government regulation and permitting of mining operations; reliance on qualified personnel; competition; dependence on outside parties; and environmental risks.

Forward-looking statements are based on the opinions and estimates of management and certain qualified persons as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of future exploration at the Company's projects are based on management expectations considering previous industry experience, exploration done to date and recommended programs, historic expenditures incurred and other factors that are set out in the technical reports referred to. By their nature, forward-looking statements are subject to numerous known and unknown risks and uncertainties that could significantly affect anticipated results or the level of activity, performance or achievement in the future and, accordingly, actual results may differ materially from those expressed or implied by such forward-looking statements. The Company is exposed to numerous operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control, that may significantly affect anticipated future results, including but not limited to, risks related to: uncertainties inherent to economic studies, which rely on various assumptions; unexpected events and delays during construction and start-up; variations in mineral grade and recovery rates; uncertainties inherent in estimating Mineral Resources and Mineral Reserves; lack of revenues; revocation of government approvals; corruption and uncertainty with court systems and the rule of law and other foreign country risks inherent to the jurisdictions where the Company operates; availability of external financing on acceptable terms; exchange rates; ability to finalize required agreements for operations; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future mineral prices; failure of equipment or processes to operate as anticipated; accidents, labour or community disputes; other risk factors, including without limitation the risk factors described herein. Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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



# **Trigon Metals Inc.**

## **Condensed Interim Consolidated Financial Statements**

*For the three months ended June 30, 2021 and 2020*

*(Expressed in Canadian Dollars)*

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada (CPA Canada) for a review of interim financial statements by an entity's auditor.

**Trigon Metals Inc.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Expressed in Canadian dollars)

| As at  | Notes     | June 30, 2021       | March 31, 2021      |
|--|-----------|---------------------|---------------------|
| <b>ASSETS</b>  |           |                     |                     |
| <b>Current assets</b>  |           |                     |                     |
| Cash   |           | \$ 1,819,891        | \$ 3,332,334        |
| Amounts receivable   | 4         | 195,322             | 56,557              |
| Prepaid expenses   | 5         | 31,469              | 26,044              |
| <b>Total current assets</b>  |           | <b>2,046,682</b>    | <b>3,414,935</b>    |
| <b>Non-current assets</b>  |           |                     |                     |
| Deposits on long term assets   | 5         | 1,894,085           | -                   |
| Property and equipment   | 6         | 782,342             | 388,372             |
| <b>Total Assets</b>  |           | <b>\$ 4,723,109</b> | <b>\$ 3,803,307</b> |
| <b>LIABILITIES</b>   |           |                     |                     |
| <b>Current</b>   |           |                     |                     |
| Accounts payable and accrued liabilities                               | 8,9,10,13 | \$ 798,879          | \$ 437,457          |
| Acquisition fees payable   | 8,9,10    | 860,391             | 837,776             |
| <b>Total current liabilities</b>                                       |           | <b>1,659,270</b>    | <b>1,275,233</b>    |
| <b>Non-current liabilities</b>   |           |                     |                     |
|  | 8,9,10    | 1,051,746           | 1,015,729           |
| <b>Total Liabilities</b>   |           | <b>2,711,016</b>    | <b>2,290,962</b>    |
| <b>EQUITY</b>  |           |                     |                     |
| <b>Equity attributable to shareholders of Trigon Metals Inc.:</b>      |           |                     |                     |
| Share capital  | 11        | 47,330,165          | 45,636,145          |
| Warrants   | 12        | 2,218,868           | 2,490,361           |
| Contributed surplus  | 12        | 683,537             | 745,037             |
| Deficit  |           | (47,532,351)        | (46,741,166)        |
| <b>Total equity attributable to shareholders of Trigon Metals Inc.</b> |           | <b>2,700,219</b>    | <b>2,130,377</b>    |
| Non-controlling interest   |           | (688,126)           | (618,032)           |
| <b>Total Equity</b>  |           | <b>2,012,093</b>    | <b>1,512,345</b>    |
| <b>Total Liabilities and Equity</b>                                    |           | <b>\$ 4,723,109</b> | <b>\$ 3,803,307</b> |
| <b>Nature of operation and going concern (note 1)</b>                  |           |                     |                     |
| <b>Commitments and contingencies (note 14)</b>                         |           |                     |                     |
| <b>Subsequent events (notes 15)</b>                                    |           |                     |                     |

Approved by the Board of Directors on August 27, 2021.

*"Jed Richardson"*

Jed Richardson  
Director

*"Larisa Sprott"*

Larisa Sprott  
Director

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

**Trigon Metals Inc.**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian dollars)

|   | Notes | Three months ended June 30, |              |
|---|-------|-----------------------------|--------------|
|   |       | 2021                        | 2020         |
| <b>Expenses</b>   |       |                             |              |
| Consulting fees   | 13    | \$ 381,779                  | \$ 181,706   |
| Professional fees   |       | 32,414                      | 13,626       |
| Travel and related costs                                    |       | 43,186                      | -            |
| Investors relations, promotion and filing fees              |       | 14,754                      | 10,311       |
| General and administrative costs                            |       | 62,371                      | 38,407       |
| Exploration and evaluation expenditures                     | 7,14  | 313,489                     | 194,430      |
| Depreciation  | 6     | 15,578                      | 1,926        |
| Foreign exchange loss (gain)                                |       | 9,920                       | (5,054)      |
| Total expenses before the undernoted                        |       | \$ 873,491                  | \$ 435,352   |
| <b>Other income (expense)</b>                               |       |                             |              |
| Interest income   |       | 1,640                       | -            |
| Interest expense  |       | -                           | (8,652)      |
| Other income  |       | 5,702                       | -            |
| Loss on disposal of equipment                               |       | -                           | (449)        |
| Impairment of receivables                                   |       | 2,002                       | -            |
| Accretion expenses  |       | (58,632)                    | -            |
| <b>Net loss and comprehensive loss</b>                      |       | \$ (922,779)                | \$ (444,453) |
| <b>Net loss and comprehensive loss attributable to:</b>     |       |                             |              |
| Shareholders of Trigon Metals Inc.                          |       | \$ (852,685)                | \$ (422,400) |
| Non-controlling interest                                    |       | (70,094)                    | (22,053)     |
|   |       | \$ (922,779)                | \$ (444,453) |
| <b>Loss per share</b>                                       |       |                             |              |
| Basic and diluted   |       | (0.01)                      | (0.00)       |
| <b>Weighted average number of common shares outstanding</b> |       |                             |              |
| Basic and diluted   |       | 117,655,986                 | 90,466,859   |

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

**Trigon Metals Inc.**  
**Condensed Interim Consolidated Statements of Changes in Shareholders' 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' equity | Non-controlling interest | Total equity     |
| <b>Balance as at March 31, 2021</b> |   | 116,067,023             | \$ 45,636,145     | \$ 745,037          | \$ 2,490,361     | \$ (46,741,166)     | \$ 2,130,377               | (618,032)                | 1,512,345        |
| Net loss for the year               |   | -                       | -                 | -                   | -                | (852,685)           | (852,685)                  | (70,094)                 | (922,779)        |
| Warrants exercised                  | 11,12   | 7,771,009               | 1,422,527         | -                   | -                | -                   | 1,422,527                  | -                        | 1,422,527        |
| Value of warrants exercised         | 11,12   | -                       | 271,493           | -                   | (271,493)        | -                   | -                          | -                        | -                |
| Options expired unexercised         | 12  | -                       | -                 | (61,500)            | -                | 61,500              | -                          | -                        | -                |
| <b>Balance as at June 30, 2021</b>  |   | <b>123,838,032</b>      | <b>47,330,165</b> | <b>683,537</b>      | <b>2,218,868</b> | <b>(47,532,351)</b> | <b>2,700,219</b>           | <b>(688,126)</b>         | <b>2,012,093</b> |
| <b>Balance as at March 31, 2020</b> |   | <b>90,466,859</b>       | <b>40,239,927</b> | <b>834,647</b>      | <b>1,831,520</b> | <b>(40,773,424)</b> | <b>2,132,670</b>           | <b>(488,342)</b>         | <b>1,644,328</b> |
| Net loss for the year               |   | -                       | -                 | -                   | -                | (422,400)           | (422,400)                  | (22,053)                 | (444,453)        |
| Warrants expired unexercised        | 12  | -                       | -                 | -                   | (4,610)          | 4,610               | -                          | -                        | -                |
| <b>Balance as at June 30, 2020</b>  |   | <b>90,466,859</b>       | <b>40,239,927</b> | <b>834,647</b>      | <b>1,826,910</b> | <b>(41,191,214)</b> | <b>1,710,270</b>           | <b>(510,395)</b>         | <b>1,199,875</b> |

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

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

|  | Notes | Three months ended June 30, |                     |
|--|-------|-----------------------------|---------------------|
|  |       | 2021                        | 2020                |
| <b>Cash provided by (used in):</b>                                   |       |                             |                     |
| <b>Operating activities</b>  |       |                             |                     |
| Net loss for the period  |       | \$ (922,779)                | \$ (444,453)        |
| Adjustments for items not affecting cash:                            |       |                             |                     |
| Depreciation   | 6     | 15,578                      | 1,926               |
| Interest expense   |       | -                           | 8,652               |
| Accretion expense  |       | 58,632                      | -                   |
| Loss on disposal of property and equipment                           |       | -                           | 449                 |
| Write off of receivables   |       | (2,002)                     | -                   |
| Unrealized foreign exchange gain                                     |       | -                           | (5,553)             |
| Net cash from operating activities before changes in working capital |       | (850,571)                   | (438,979)           |
| Net changes in non-cash working capital                              |       |                             |                     |
| Change in amounts receivable   |       | (136,763)                   | 418                 |
| Change in prepaid expenses   |       | (5,425)                     | 3,978               |
| Change in accounts payable and accrued liabilities                   |       | 361,422                     | (23,275)            |
| <b>Net cash flows used in operating activities</b>                   |       | <b>(631,337)</b>            | <b>(457,858)</b>    |
| <b>Investing activities</b>  |       |                             |                     |
| Deposits on long term assets   | 5     | (1,894,085)                 | -                   |
| Purchase of property and equipment                                   | 6     | (409,548)                   | (1,554)             |
| Proceeds on disposal of property and equipment                       |       | -                           | 1,564               |
| <b>Net cash flows (used in) provided by investing activities</b>     |       | <b>(2,303,633)</b>          | <b>10</b>           |
| <b>Financing activities</b>  |       |                             |                     |
| Shares issued from warrants exercised                                | 11,12 | 1,422,527                   | -                   |
| <b>Net cash flows provided by financing activities</b>               |       | <b>1,422,527</b>            | <b>-</b>            |
| Increase in cash during the period                                   |       | (1,512,443)                 | (457,848)           |
| Cash - Beginning of period   |       | 3,332,334                   | 2,051,421           |
| <b>Cash - End of period</b>  |       | <b>\$ 1,819,891</b>         | <b>\$ 1,593,573</b> |

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

**Trigon Metals Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
For the three months ended June 30, 2021 and 2020  
(Expressed in Canadian dollars)

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**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 130 Queens Quay East, Suite 1224, Toronto, Ontario M5A 0P6.

These condensed interim consolidated financial statements were reviewed, approved and authorized for issue by the Board of Directors on August 27, 2021.

The principal business activities of Trigon and its subsidiaries (collectively, the “Company”) are the acquisition, maintenance, exploration and development of mines and mineral properties on the African continent. 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 property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

**Going concern**

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. A different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2021, the Company had working capital of \$387,412 compared with \$2,139,702 as at March 31, 2021. During the three months ended June 30, 2021, the Company incurred a net loss of \$922,779 (2020: \$444,453). 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 fiscal 2021 and 2020, the Company was able to raise funds through financings. However, there is no assurance that additional financing will be available on terms acceptable to the Company, or at all. These matters represent material uncertainties that cast significant doubt on the Company’s ability to continue as a going concern.

These condensed interim 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.

Novel Coronavirus (“COVID-19”)

The Company’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company’s operations and ability to finance its operations. Despite the severity of COVID-19 pandemic, there were no material impacts on the Company’s operations and finances for the three months ended June 30, 2021.

## **Trigon Metals Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

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## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **Statement of compliance**

These condensed interim consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and accounting policies based on International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretation Committee (“IFRIC”) interpretations.

The accounting policies as set out in the Company’s audited consolidated financial statements for the year ended March 31, 2021 were consistently applied to all periods presented, unless otherwise noted below.

The preparation of condensed interim financial statements in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies. Certain disclosures included in annual financial statements have been condensed or omitted.

### **Basis of preparation**

These condensed interim 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 condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts have been rounded to the nearest dollars, unless otherwise indicated.

### **Consolidation**

These condensed interim 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%, Trigon Mining (Namibia) (Pty) Ltd. (“TMN”) (Namibia) 80%, Technomine Africa Sarl (Morocco) 100% and Gazania Investments Nine (Pty) Ltd. (Namibia) 100%. 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 condensed interim consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. These condensed interim 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 condensed interim 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 condensed interim 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.

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:

**Trigon Metals Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
For the three months ended June 30, 2021 and 2020  
(Expressed in Canadian dollars)

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Consolidation (continued)**

- 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 condensed interim consolidated statement of loss.

**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, 2021 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IFRS 3 – Business Combinations (“IFRS 3”) was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

## Trigon Metals Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

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#### 3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

The preparation of the condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and 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 condensed interim 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.

- Commercial production

The determination of when the mine is in a condition necessary for it to be capable of operating in the manner intended by management (referred to as "commercial production") is a matter of judgment that will impact when the Company recognizes revenue and operating costs in the condensed interim consolidated statement of loss and depreciation and depletion commence. In making this determination, management considered whether (a) the major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management had been completed; (b) a reasonable period of commissioning had been completed; (c) consistent operating results have been achieved at the previously budgeted level of design capacity; and (d) the transfer of operations from the construction personnel to operations personnel had been completed. As at June 30, 2021, management and the Board has not declared for commercial production.

- Control of subsidiaries

The Company consolidates subsidiaries over which it has control. Management assesses control in accordance with IFRS 10 - Condensed interim 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 condensed interim consolidated statement of financial position.

- Determination of discount rates

Determination of the discount rate for acquisition fees payable is based on comparison to similar interest bearing debt instruments of a group of comparative companies.

## Trigon Metals Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

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#### 3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS (Continued)

*Critical judgment in applying accounting policies: (continued)*

- Acquisitions

For acquisitions, the Company must make assumptions and estimates to determine the purchase price accounting of the assets and liabilities being acquired, as well as the expected outcomes of contingent items. To do so, the Company must determine the acquisition date fair value of the identifiable assets acquired and liabilities assumed. The determination of these fair market values are inherently subjective and require judgement. In addition the Company must consider whether the acquisition of a subsidiary or group of assets constitutes a business combination or an asset acquisition. This is done by considering whether the acquired group includes inputs and process or whether there is a concentration of assets being acquired. These assumptions and estimates have an impact on the asset and liability amounts recorded in the condensed interim consolidated statement of financial position.

*Key sources of estimation uncertainty:*

- Depreciation rates

All property, plant and equipment, with the exception of land and buildings, are depreciated 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.

- 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.

**Trigon Metals Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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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

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.

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**

|                            | <b>June 30, 2021</b> |         | March 31, 2021 |        |
|----------------------------|----------------------|---------|----------------|--------|
| Sales taxes receivable     | \$                   | 194,968 | \$             | 56,143 |
| Trade and other receivable |                      | 354     |                | 414    |
|                            | \$                   | 195,322 | \$             | 56,557 |

**5. PREPAID EXPENSES**

|                              | <b>June 30, 2021</b> |           | March 31, 2021 |        |
|------------------------------|----------------------|-----------|----------------|--------|
| <b><u>Current</u></b>        |                      |           |                |        |
| Insurance                    | \$                   | 20,189    | \$             | 9,066  |
| Deposit                      |                      | -         |                | 850    |
| Other                        |                      | 11,280    |                | 16,128 |
|                              |                      | 31,469    |                | 26,044 |
| <b><u>Long term</u></b>      |                      |           |                |        |
| Deposits on long term assets |                      | 1,894,085 |                | -      |
|                              | \$                   | 1,925,554 | \$             | 26,044 |

**Trigon Metals Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**6. PROPERTY AND EQUIPMENT**

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

|   | Furnitures | Vehicles    | Buildings   | Land       | Machinery and Equipment | Kombat Mine Startup costs | Total        |
|---|------------|-------------|-------------|------------|-------------------------|---------------------------|--------------|
| Balance as at March 31, 2020                              | \$ 6,300   | \$ 22,903   | \$ 60,920   | \$ 182,508 | \$ 155,036              | \$ -                      | \$ 427,667   |
| Additions (Disposals)                                     | 5,658      | 103,861     | -           | -          | (27,465)                | -                         | 82,054       |
| Balance as at March 31, 2021                              | \$ 11,958  | \$ 126,764  | \$ 60,920   | \$ 182,508 | \$ 127,571              | \$ -                      | \$ 509,721   |
| Additions (Disposals)                                     | 855        | -           | -           | -          | 54,832                  | 353,861                   | 409,548      |
| Balance as at June 30, 2021                               | \$ 12,813  | \$ 126,764  | \$ 60,920   | \$ 182,508 | \$ 182,403              | \$ 353,861                | \$ 919,269   |
| <b>Accumulated depreciation, depletion and impairment</b> |            |             |             |            |                         |                           |              |
| Balance as at March 31, 2020                              | \$ (6,300) | \$ (13,537) | \$ (9,136)  | \$ -       | \$ (73,953)             | \$ -                      | \$ (102,926) |
| Changes for the year                                      | (1,138)    | (10,811)    | (1,523)     | -          | (4,951)                 | -                         | (18,423)     |
| Balance as at March 31, 2021                              | \$ (7,438) | \$ (24,348) | \$ (10,659) | \$ -       | \$ (78,904)             | \$ -                      | \$ (121,349) |
| Changes for the period                                    | (379)      | (9,883)     | (381)       | -          | (4,935)                 | -                         | (15,578)     |
| Balance as at June 30, 2021                               | \$ (7,817) | \$ (34,231) | \$ (11,040) | \$ -       | \$ (83,839)             | \$ -                      | \$ (136,927) |
| <b>Net book value</b>                                     |            |             |             |            |                         |                           |              |
| As at March 31, 2021                                      | \$ 4,520   | \$ 102,416  | \$ 50,261   | \$ 182,508 | \$ 48,667               | \$ -                      | \$ 388,372   |
| As at June 30, 2021                                       | \$ 4,996   | \$ 92,533   | \$ 49,880   | \$ 182,508 | \$ 98,564               | \$ 353,861                | \$ 782,342   |

Kombat Mine startup costs capitalized for the three months ended June 30, 2021 on the property consists of the following:

| Additions                         | Three months ended<br>June 30, 2021 | Year ended<br>March 31, 2021 |
|-----------------------------------|-------------------------------------|------------------------------|
| Consulting Fees                   | \$ 17,401                           | \$ -                         |
| Drilling                          | 38,158                              | -                            |
| Environmental                     | 12,343                              | -                            |
| Feasibility Study                 | 60,904                              | -                            |
| Information Technology            | 20,462                              | -                            |
| Office Refurbishment (TSO and HQ) | 105,128                             | -                            |
| Plant Refurbishment               | 70,196                              | -                            |
| Protective Clothing               | 7,517                               | -                            |
| Resource Update                   | 21,752                              | -                            |
|                                   | \$ 353,861                          | \$ -                         |

During the three months ended June 30, 2021, the Company has progressed into the restart of open pit mining and the production of copper concentrate at the Kombat Mine, Namibia. All the costs associated with the startup are capitalized and expected to be amortized over the life of mine during production phase.

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**7. EXPLORATION AND EVALUATION EXPENDITURES**

|  | For the three months ended June 30, |                   |
|--|-------------------------------------|-------------------|
|  | 2021                                | 2020              |
| <b><u>Trigon Namibia</u></b>                         |                                     |                   |
| Environmental assessment                             | \$ 8,701                            | \$ -              |
| Assay and survey                                     | 162,741                             | 623               |
| Field office and support                             | -                                   | 29,159            |
| Consulting and labour                                | 8,701                               | 158,017           |
| Travel   | -                                   | 6,631             |
|  | <b>\$ 180,143</b>                   | <b>\$ 194,430</b> |
| <b><u>Technomine, Morocco</u></b>                    |                                     |                   |
| Drilling   | \$ 10,276                           | \$ -              |
| Field office and support                             | 17,388                              | -                 |
| Consulting and labour                                | 84,910                              | -                 |
| Travel   | 8,241                               | -                 |
|  | <b>\$ 120,815</b>                   | <b>\$ -</b>       |
| <b><u>Gazania Namibia</u></b>                        |                                     |                   |
| Licence and permit                                   | \$ 709                              | \$ -              |
| Field office and support                             | 11,822                              | -                 |
|  | <b>\$ 12,531</b>                    | <b>\$ -</b>       |
| <b>Total exploration and evaluation expenditures</b> | <b>\$ 313,489</b>                   | <b>\$ 194,430</b> |

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. In June 2021, the Company was granted a renewal of licenses for its five land holdings by the Namibian Ministry of Mines and Energy for a 10 year period from June 2, 2021.

On February 20, 2020, Trigon Mining (Namibia) (Pty) Ltd (“Trigon Namibia”), Trigon’s 80% owned subsidiary, was awarded a new Exclusive Prospecting Licence No. 7525 (“EPL 7525”) by the Ministry of Mines and Energy in Namibia for a three-year period, commencing on January 17, 2020, in respect of base and rare metals, industrial minerals and precious metals, subject to the terms and conditions of the Minerals (Mining and Prospecting) Act No. 33 of 1992 relating to exclusive prospecting licenses. EPL 7525 is situated to the west of the Kombat project and south of certain of the Company’s licenses related to the Kombat Mine.

On September 24, 2020, the Company acquired a 100% equity interest in Technomine Africa S.A.R.L. (“Technomine”), a Moroccan company from Technomine’s previous shareholders. Technomine owns a 100% interest in the Silver Hill Project in Morocco. Below are the terms of the transaction:

1. Pay to the Vendors \$500,000 in cash (paid) and issue 6,000,000 common shares (issued) on closing of the Transaction (the “First Payment”). The common shares were value at \$750,000 based on their trading price subsequent to the signing of the share purchased agreement.
2. On the one-year anniversary of the closing of the Transaction, Trigon must pay to the Vendors \$400,000, and issue such number of Trigon common shares equal to \$250,000 (based on their trading price at the time) (the “Second Payment”).
3. Upon the completion of an independent National Instrument 43-101 compliant mineral resource estimate at the Project showing at least 100,000 tonnes of contained copper and/or equivalent, Trigon shall issue such number of shares equal to \$1,250,000 (based on their trading price at the time) to the Vendors.

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**7. EXPLORATION AND EVALUATION EXPENDITURES (continued)**

In addition, the Company paid \$25,000 cash and issued 300,000 common shares to Majilias Inc. for its role as an arm's length finder. The common shares were value at \$37,500 based their trading price subsequent to the signing of the share purchased agreement. The finder shall also be entitled to a finder's fee of 5% in cash and share consideration comprising the Second Payment, when paid by Trigon.

On February 25, 2021, the Company acquired a 100% equity interest in Gazania Investments Nine (Pty) Ltd, (Namibia) ("Gazania"), of which 80% from Sabre Resources Ltd., Australia and 20% from Coniston Pty Ltd., Australia. Gazania is the 100% owner of License EPL3540. Below are the terms of the transaction:

The acquisition was implemented by way of the acquisition by Trigon, through its wholly owned subsidiary, PNT Financeco Corp., of 80% of the shares in Starloop from Sabre (the "Starloop Shares") and 20% of the shares in Gazania from Coniston (the "Gazania Shares").

As consideration for the Starloop Shares, Trigon paid \$200,000 on fulfilment of the conditions precedent to the sale and purchase agreement signed with Sabre ("Sabre Agreement"). A second tranche cash payment of \$100,000 is payable to Sabre on the renewal of the Licence by the Namibian Ministry of Mines and Energy, subject to such renewal being granted within three years of signature of the Sabre Agreement.

As consideration for the Gazania Shares, Trigon paid \$1,000 on fulfilment of the conditions precedent to the sale and purchase agreement signed with Coniston ("Coniston Agreement"). A second tranche cash payment of \$100,000 is payable to Coniston on the renewal of the Licence by the Namibian Ministry of Mines and Energy, subject to such renewal being granted within three years of signature of the Coniston Agreement. Trigon has also paid a facilitation fee of \$99,000 to Kalgoorlie Mine Management Pty Ltd for its assistance in facilitating and documenting the acquisition. The acquisition is an arm's length transaction.

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|                                    | June 30, 2021 | March 31, 2021 |
|------------------------------------|---------------|----------------|
| <b><u>Current</u></b>              |               |                |
| Trade payables                     | \$ 607,115    | \$ 221,467     |
| Accruals                           | 191,764       | 215,990        |
| Acquisition fees payable (Note 14) | 860,391       | 837,776        |
|                                    | \$ 1,659,270  | \$ 1,275,233   |
| <b><u>Long term</u></b>            |               |                |
| Acquisition fees payable (Note 14) | 1,051,746     | 1,015,729      |
|                                    | \$ 2,711,016  | \$ 2,290,962   |

**9. FINANCIAL INSTRUMENTS**

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

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

The Company's financial instruments consist of cash, amounts receivable, bridge financing, accounts payable and accrued liabilities and acquisition fees payable. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments. The non-current portion of the acquisition fees payable are recorded at a 15% discount rate. The Company has no financial instruments recorded at fair value.

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**9. FINANCIAL INSTRUMENTS (CONTINUED)**

Financial assets and financial liabilities as at June 30, 2021 were as follows:

|  | Assets & liabilities<br>at<br>amortized cost | Assets & liabilities<br>at fair value<br>through profit & loss | TOTAL        |
|--|--|--|--------------|
| <u>At June 30, 2021</u>                  |  |  |              |
| Financial assets:                        |  |  |              |
| Cash                                     | \$ 1,819,891                                 | \$ -   | \$ 1,819,891 |
| Amounts receivable (Note 4)              | 354  | -  | 354          |
| Financial liabilities:                   |  |  |              |
| Accounts payable and accrued liabilities | (798,879)                                    | -  | (798,879)    |
| Acquisition fees payable                 | (1,912,137)                                  | -  | (1,912,137)  |

**10. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS**

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

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 three months ended June 30, 2021. 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 June 30, 2021, the Company believes it is compliant with the policies of the TSXV.

**Financial risks**

The Company's financial instruments comprise cash, amounts receivable, accounts payable and accrued liabilities, acquisition fees payable 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 three months ended June 30, 2021, using the amounts of other financial assets and liabilities held as at the condensed interim consolidated statement of financial position date.

## **Trigon Metals Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

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#### **10. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS (Continued)**

##### **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. As cash balances are held with high credit quality financial institutions, the credit risk to the Company is considered minimal. The Company monitors and is subject to normal industry credit risks.

##### **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 endeavour to have sufficient liquidity to meet liabilities when due. As at June 30, 2021, the Company had a cash balance of \$1,819,891 (March 31, 2021: \$3,332,334) and amounts receivable other than sales taxes receivable of \$354 (March 31, 2021: \$414). As at June 30, 2021, the Company's financial liabilities consisted of accounts payable and accrued liabilities of \$798,879 (March 31, 2021: \$435,573) based on contractual undiscounted payments and acquisition payable of \$860,391 (March 31, 2021: \$837,776) all due in less than one year plus long term liabilities of \$1,051,746 (March 31, 2021: \$1,015,729) due in two years.

During the three months ended June 30, 2021, Trigon raised \$1,422,527 through warrants exercised,

##### **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.

##### **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 Australian dollars for its operations in Namibia and Moroccan Dirham and US dollars in Morocco. 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.

## Trigon Metals Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

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#### 10. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS (Continued)

##### Sensitivity analysis

The carrying amount of cash, accounts receivable, accounts payable and accruals 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 condensed interim consolidated statement of loss would have been lower (higher) by approximately \$176,787 (year ended March 31, 2021: \$(1,809)).

#### 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 three months ended June 30, 2021 were as follows. All issued shares are fully paid.

|                                | Number of shares   | Issued<br>Capital |
|--------------------------------|--------------------|-------------------|
| <b>Balance, March 31, 2021</b> | <b>116,067,023</b> | <b>45,636,145</b> |
| Warrants exercised             | 7,771,009          | 1,422,527         |
| Value of warrants exercised    | -                  | 271,493           |
| <b>Balance, June 30, 2021</b>  | <b>123,838,032</b> | <b>47,330,165</b> |

#### 12. EQUITY RESERVES

|                       | No. of Options   | Weighted<br>Average<br>Exercise<br>Price | Grant Date<br>Fair Value of<br>Options | No. of<br>Warrants,<br>Broker<br>Warrants | Weighted<br>Average<br>Exercise<br>Price | Grant Date<br>Fair Value of<br>Warrants,<br>Broker<br>Warrants | TOTAL               |
|-----------------------|------------------|--|--|---|--|--|---------------------|
| <b>March 31, 2021</b> | <b>4,085,000</b> | <b>\$0.22</b>                            | <b>\$ 745,037</b>                      | <b>45,226,598</b>                         | <b>\$0.24</b>                            | <b>\$ 2,490,361</b>  | <b>\$ 3,235,398</b> |
| Exercised             | -                | -  | -                                      | (7,771,009)                               | \$0.18                                   | (271,493)  | (271,493)           |
| Expired               | (150,000)        | \$0.50                                   | (61,500)                               | -   | -  | -  | (61,500)            |
| <b>June 30, 2021</b>  | <b>3,935,000</b> | <b>\$0.21</b>                            | <b>\$ 683,537</b>                      | <b>37,455,589</b>                         | <b>\$0.25</b>                            | <b>\$ 2,218,868</b>  | <b>\$ 2,780,533</b> |

##### Options

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.

There were no options granted during the three months ended June 30, 2021 and 2020. The weighted average life of total outstanding options is 2.83 years as at June 30, 2021 (2020 – 3.66 years).

As at June 30, 2021, the Company had stock options outstanding and exercisable as follows:

**Trigon Metals Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**12. EQUITY RESERVES (CONTINUED)**

| Grant date | Expiry date | Number outstanding | Number exercisable | Exercise price | Grant date fair value | Dividend yield (%) | Expected volatility (%) | Expected life (years) | Risk free rate (%) |
|------------|-------------|--------------------|--------------------|----------------|-----------------------|--------------------|-------------------------|-----------------------|--------------------|
| 19-Jul-17  | 19-Jul-22   | 550,000            | 550,000            | \$0.385        | 173,086               | 0                  | 117                     | 5                     | 1.52               |
| 11-Aug-17  | 11-Aug-22   | 25,000             | 25,000             | \$0.24         | 4,743                 | 0                  | 110                     | 5                     | 1.46               |
| 11-Oct-17  | 11-Oct-22   | 25,000             | 25,000             | \$0.415        | 8,540                 | 0                  | 119                     | 5                     | 1.77               |
| 16-Oct-17  | 16-Oct-22   | 25,000             | 25,000             | \$0.45         | 9,008                 | 0                  | 113                     | 5                     | 1.71               |
| 06-Jun-18  | 06-Jun-23   | 350,000            | 350,000            | \$0.20         | 56,000                | 0                  | 112                     | 5                     | 2.16               |
| 21-Oct-19  | 21-Oct-24   | 2,960,000          | 2,960,000          | \$0.18         | 432,160               | 0                  | 115                     | 5                     | 1.57               |
|            |             | <b>3,935,000</b>   | <b>3,935,000</b>   |                | <b>\$ 683,537</b>     |                    |                         |                       |                    |

**Warrants**

As at June 30, 2021, the Company had share purchase warrants outstanding as follows:

|                     | Grant date | Expiry date | Number outstanding | Exercise price | Grant date fair value | Dividend yield (%) | Expected volatility (%) | Expected life (years) | Risk free rate (%) |
|---------------------|------------|-------------|--------------------|----------------|-----------------------|--------------------|-------------------------|-----------------------|--------------------|
| Warrants on units   | 01-Oct-18  | 01-Oct-21   | 3,166,664          | \$0.25         | \$ 143,347            | 0                  | 97                      | 3                     | 2.31               |
| Warrants on units   | 24-Sep-19  | 24-Sep-21   | 1,871,155          | \$0.15         | 61,206                | 0                  | 101                     | 2                     | 1.52               |
| Broker warrants     | 24-Sep-19  | 24-Sep-21   | 98,210             | \$0.15         | 8,581                 | 0                  | 101                     | 2                     | 1.52               |
| Warrants on units   | 25-Sep-19  | 25-Sep-21   | 500,000            | \$0.15         | 16,355                | 0                  | 101                     | 2                     | 1.52               |
| Warrants on units   | 08-Jan-20  | 08-Jan-23   | 23,687,496         | \$0.20         | 854,596               | 0                  | 97                      | 3                     | 1.65               |
| Broker warrants     | 08-Jan-20  | 08-Jan-23   | 187,450            | \$0.20         | 16,939                | 0                  | 97                      | 3                     | 1.65               |
| Warrants on units   | 24-Sep-20  | 24-Sep-23   | 6,919,499          | \$0.45         | 1,090,972             | 0                  | 112                     | 3                     | 0.26               |
| Warrants on units   | 13-Oct-20  | 23-Oct-23   | 735,999            | \$0.45         | 115,983               | 0                  | 112                     | 3                     | 0.23               |
| Broker warrants     | 24-Sep-20  | 24-Sep-23   | 289,116            | \$0.45         | 64,584                | 0                  | 112                     | 3                     | 0.26               |
| Warrant issue costs |            |             |                    |                | (153,695)             |                    |                         |                       |                    |
|                     |            |             | <b>37,455,589</b>  |                | <b>\$ 2,218,868</b>   |                    |                         |                       |                    |

The weighted average life of total outstanding warrants is 1.49 years as at June 30, 2021 (2021 – 2.07 years).

**13. RELATED PARTY TRANSACTIONS**

**Compensation of key management**

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

|                 | Three months ended June 30, |                  |
|-----------------|-----------------------------|------------------|
|                 | 2021                        | 2020             |
| Consulting fees | \$ 105,000                  | \$ 97,500        |
|                 | <b>\$ 105,000</b>           | <b>\$ 97,500</b> |

See also Note 14.

Included in accounts payable and accrued liabilities as at June 30, 2021 was approximately \$29,955 for consulting fees and expenses (March 31, 2021: \$30,234) charged by current and former officer and director of the Company. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

## **Trigon Metals Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

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#### **14. COMMITMENTS AND CONTINGENCIES**

##### **Management contracts**

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of up to \$873,000 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 condensed interim consolidated financial statements. Additional minimum management contractual commitments remaining under the agreements are approximately \$472,000, all due within one year.

##### **Legal claims**

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

##### **Environmental**

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

##### **Kombat Project**

On April 23, 2012, the Company purchased, through the acquisition of Trigon Namibia, an effective 80% interest in the mining assets commonly known as the Kombat mine, whose assets include a 100% interest in five mining licenses and one exclusive prospecting license in northern Namibia. As at June 30, 2021, the Company has expended sufficient capital to ensure the licenses remain in good standing. The mining licenses expired in March 2019. In June 2021, the Company was granted a renewal of licenses for its five land holdings by the Namibian Ministry of Mines and Energy for a 10 year period from June 2, 2021.

##### **Silver Hill Project**

The Company completed its acquisition of 100% equity interest in Technomine, a Moroccan company from Technomine's shareholders on September 24, 2020. The Company is required to meet the terms of transaction outlined in the definitive agreement as consideration of the acquisition. (See Note 7)

##### **Gazania EPL 3540**

The Company completed its acquisition of 100% equity interest in Gazania, holder of EPL 3540 mining licence on February 25, 2021. The Company is required to make milestone payments if renewal of the Licence is granted by the Ministry of Mines and Energy in Namibia within three years. (See Note 7)

#### **15. SUBSEQUENT EVENTS**

Subsequent to June 30, 2021, 13,004,655 share purchase warrants of the Company were exercised for gross proceeds of \$2,525,573. Of the total warrants exercised, 7.5 million shares were exercised by an insider of the Company.

## **Trigon Metals Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

For the three months ended June 30, 2021 and 2020

(Expressed in Canadian dollars)

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#### **15. SUBSEQUENT EVENTS (CONTINUED)**

Subsequent to June 30, 2021, the Company announced a non-brokered private placement financing for up to 17,110,000 units for gross proceeds of up to 6,844,000 (the "Offering").

Each Unit will be comprised of one common share of Trigon (a "Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to acquire one Share at a price of \$0.50 for a period of 24 months following the closing date of the Offering, subject to an acceleration provision whereby in the event that at any time after the expiry of the statutory hold period, the Shares trade at \$0.75 or higher on the TSX Venture Exchange for a period of 30 consecutive days, the Company shall have the right to accelerate the expiry date of the Warrants to the date that is 30 days after the Company issues a news release announcing that it has elected to exercise the acceleration right.

Closing of the Offering is expected to occur on or about September 10, 2021 and remains subject to a number of conditions, including receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. In connection with the Offering, a finder's fee may be payable in line with the policies of the TSX Venture Exchange. All securities issued in connection with the Offering will be subject to a statutory hold period of four-months and one-day.





# **Trigon Metals Inc.**

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

*For the three months ended June 30, 2021*

TSX-V: TM

**Trigon Metals Inc.**  
**Management's Discussion and Analysis**  
**For the three months ended June 30, 2021**

**Date: August 27, 2021**

This Management's Discussion and Analysis ("MD&A") provides a review of the financial position and results of operations of Trigon Metals Inc. and its subsidiaries (the "Company" or "Trigon Metals" or "Trigon") and should be read in conjunction with the condensed interim consolidated financial statements and notes thereto for the three months ended June 30, 2021 and the audited consolidated financial statements and notes thereto for the years ended March 31, 2021 and 2020. This MD&A covers the most recently completed financial period and the subsequent period up to the date of this MD&A. All amounts are expressed in Canadian dollars, except share amounts, unless otherwise stated.

The unaudited condensed interim consolidated financial statements were prepared by management in accordance with International Accounting Standards ("IAS") 34 – *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). Except as disclosed in the statements, the condensed interim consolidated financial statements follow the same accounting policies and methods of computation as the most recent audited consolidated financial statements for the year ended March 31, 2021, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB and International Financial Reporting Interpretation Committee ("IFRIC") interpretations.

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

The audit committee of the Company has reviewed this MD&A and the unaudited condensed interim consolidated financial statements for the three months ended June 30, 2021 and the Company's board of directors approved these documents prior to their release.

#### **Qualified Persons**

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

#### **Overview**

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

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

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

Trigon Namibia is currently busy with the restart of the Kombat open pit mine and plant refurbishment and is working towards first concentrate production by the end of 2021.

In February 2021, the Company completed the acquisition of exclusive prospecting licence 3540 (“EPL 3540”, the “Copper King Extension” or the “Licence”), which surrounds Trigon’s Kombat and Gross Otavi projects in the Otavi Mountainlands, a region associated with high grade copper mineralization in addition to a substantial lead and silver content. The acquisition substantially increases the exploration potential surrounding the Company’s flagship Kombat copper mine and is part of the Company’s continued strategy to acquire and develop copper and silver properties in favourable African mining jurisdictions.

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

### **Highlights**

- On August 24, 2021, the Company announced a private placement financing and the upsizing thereof.
- On August 23, 2021, the Company completed the long lead orders from Xinhai for the Kombat Mine restart.
- On August 18, 2021, the Company secured power supply for the Kombat mine restart.
- On August 11, 2021, the Company advanced its Kombat open pit restart with the appointment of mining contractors.
- On August 3, 2021, the Company reported a significant increase in Indicated Resources at the Kombat mine. Indicated copper Resources up 113%, Indicated silver Resources up 2253%.
- On July 26, 2021, the Company provided a progress update on the restart of its Kombat mine. \* Plan on schedule and on budget\*
- On July 22, 2021, the Company received environmental clearance certificates required to restart copper mining operations at the Kombat mine.
- On June 16, 2021, the Company announced the renewal of its mining licences for the five land holdings in the Otavi Mountainlands which comprise the Kombat, Gross Otavi and Harasib projects in Namibia. The renewal of the licences is for a 10 year period from June 2, 2021.
- On June 14, 2021, the Company announced copper silver mineralization in the fourth fence drilled at Silver Hill (holes S22 to S25).
- On May 20, 2021, the Company announced further high grade copper results from drilling at Silver Hill (holes S16 to S21).
- On May 6, 2021, the Company announced the copper production planned for its 2021 year-end at the Kombat mine and the procurement of long lead items for the restart of the mine, including the procurement of equipment from Xinhai (Yantai) Mining Engineering Co., Ltd (“Xinhai Engineering”).
- On April 5, 2021, the Company reported high copper and silver grades in a four-hole fence showing the continuity of Silver Hill mineralization (holes S13 to S15 and S27).

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

#### ***Restart of the Kombat Mine***

During the quarter under review, Trigon commenced with preliminary activities in respect of the restart of the Kombat mine, which is targeted for the end of the 2021 calendar year. The Company is targeting initial production of 6,000t of copper in concentrate for calendar year 2022, accessing ore from open pit sources. Planned production is expected increase to 16,500t of copper in concentrate in 2024, when higher grade underground ore begins to be recovered and as planned upgrades to crushing and milling are incorporated.

Key milestones achieved to date include the shipping of long lead items for the refurbishment of the plant, the securing of power supply for the mine, the appointment of an open pit mining contractor and the renewal of the Company's mining licences in Namibia.

On May 6, 2021, the Company announced that it had commenced with the procurement of long lead items including an order to Xinhai Engineering, for the procurement of new flotation cells to replace those in the original mill. The long lead items were shipped from China at the end of August 2021 and are expected to arrive in Namibia by early October 2021.

On June 2, 2021, the Company was granted the renewal of its five mining licences in Namibia, comprising the Kombat, Gross Otavi and Harasib projects. The Company holds an 80% interest in these licences, through Trigon Namibia. The renewed licences are valid for 10 years and are a key milestone for the mine restart.

At the Kombat mine, preparation of the processing plant for the arrival of the new equipment is progressing well, with local contractors having stripped old components from the plant and upgraded existing useable components and structures. The previously operational mine has significant office, workshop and other infrastructure already in place, which has been refurbished by local contractors. The use of this existing infrastructure has resulted material cost savings for the Company in terms of its establishment capital.

Progress is also well underway on the establishment of the new tailings storage facility ("TSF"), with the selected area having been cleared and now ready for next steps in terms of construction.

In addition, the Company has also signed a Power Supply Agreement with local power distributor, CENORED (Pty) Ltd, and has made payment in full for the installation of a 2.5 MVA power supply to the mine. Work on this installation will commence in due course.

In August 2021, Trigon appointed Tulela Mining & Construction CC ("Tulela) as the open pit mining contractor. The Company has also appointed a senior management team at Kombat as well as other key positions, such as health and safety, required at this stage of the restart process. Further appointments will be made by both the Company and Tulela over the next few months as the Company advances towards production.

Approximately 80 contractors are currently on site working on the plant, offices and TSF establishment.

### ***Mineral Resource update at the Kombat Mine, Namibia***

On August 3, 2021, the Company announced an updated Mineral Resource estimate for Kombat as set out below, prepared and classified by Minxcon in accordance with the reporting guidelines as set out in NI 43-101 (the "2021 Mineral Resource"). The update represented a significant increase in the Indicated Mineral Resources reported at Kombat, with Indicated copper Resources up by 113% and Indicated silver Resources up by 2253%.

The Company expects to file an updated NI43-101 technical report on the updated Mineral Resource by September 17, 2021.

### ***Open Pit***

Table 1 below is a summary of the 2021 Mineral Resource estimate for the open pit areas (Kombat and Gross Otavi) as at August 3, 2021.

**Table 1 – Updated Mineral Resource Estimate as at August 3, 2021 (CuEq cut-off 0.65% (Pb not incl.))**

| Area                   | Mineral Resource Estimate Classification | Tonnes      | Cu          | Pb          | Ag          |
|------------------------|--|-------------|-------------|-------------|-------------|
|                        |  | Mt          | %           | %           | g/t         |
| Kombat East            | Indicated                                | 2,93        | 0,96        | 0,54        | 5,93        |
| Kombat Central         |  | 2,38        | 1,05        | 0,21        | 6,57        |
| <b>Total Indicated</b> |  | <b>5,32</b> | <b>1,00</b> | <b>0,39</b> | <b>6,22</b> |
| Kombat West            | Inferred                                 |             |             |             |             |
| Otavi                  |  | 0,64        | 0,93        | 2,50        | 0,85        |
| <b>Total Inferred</b>  |  | <b>0,64</b> | <b>0,93</b> | <b>2,50</b> | <b>0,85</b> |

### Notes

1. The open pit Mineral Resource is based on resource open pit potential (to a depth of 160m around #3 shaft) with a CuEq cut-off of 0.65% for Kombat and 0.77% for Gross Otavi (within a resource pit and includes Pb not Ag).
2. The CuEq (copper equivalent) is based on copper and silver only (excludes lead).
3. Commodity prices used for the cut-off grades: Cu = USD 9,100/t, and Ag = USD 27/oz.
4. Historical mine voids have been depleted from the Mineral Resource.
5. Mineral Resources are reported as total Mineral Resources and are not attributed.

### Underground

Table 2 below is a summary of the 2021 Mineral Resource estimate for the underground areas at Kombat and Asis as at August 3, 2021.

**Table 2 – Updated Mineral Resource Estimate as at August 3, 2021 (CuEq cut-off 1.50% (Pb not incl.))**

| Area                   | Mineral Resource Estimate Classification | Tonnes      | Cu          | Pb          | Ag           |
|------------------------|--|-------------|-------------|-------------|--------------|
|                        |  | Mt          | %           | %           | g/t          |
| Kombat East            | Indicated                                | 0,10        | 1,69        | 1,55        | 11,50        |
| Kombat Central         |  | 0,23        | 1,90        | 1,55        | 19,80        |
| Kombat West            |  | 0,76        | 2,27        | 1,45        | 13,04        |
| Asis West              |  | 5,53        | 2,79        | 0,87        | 20,78        |
| Gap                    |  | 0,32        | 2,25        | 0,18        | 11,58        |
| <b>Total Indicated</b> |  | <b>6,93</b> | <b>2,66</b> | <b>0,94</b> | <b>19,34</b> |
| Kombat Central         | Inferred                                 | 0,01        | 2,02        | 2,74        | 0,01         |
| Kombat West            |  | 0,13        | 5,01        | 10,53       | 0,06         |
| Asis West              |  | 0,09        | 2,90        | 0,84        | 16,12        |
| Gap                    |  | 0,00        | 2,51        | 0,27        | 55,40        |
| Asis Far West          |  | 1,04        | 2,55        | 0,36        | 9,11         |
| <b>Total Inferred</b>  |  | <b>1,27</b> | <b>2,82</b> | <b>1,43</b> | <b>8,80</b>  |

### Notes

1. The underground Mineral Resource is based on a cut-off grade of 1.5 % CuEq.
2. The CuEq (copper equivalent) is based on copper and silver only (excludes lead).
3. Commodity prices used for the cut-off grades: Cu = USD 9,100/t, and Ag = USD 27/oz.
4. Historical mine voids have been depleted from the Mineral Resource.
5. Mineral Resources are reported as total Mineral Resources and are not attributed.

### Combined Open Pit and Underground

**Table 3** below is a summary of the 2021 Mineral Resource estimate for the combined open pit and underground areas at Kombat, Asis and Gross Otavi as at August 3, 2021.

**Table 3 – Updated Mineral Resource Estimate as at August 3, 2021 – Combined Open Pit and Underground**

| Area  | Mineral Resource Estimate Classification | Tonnes | Cu   | Pb   | Ag    |
|-------|--|--------|------|------|-------|
|       |  | Mt     | %    | %    | g/t   |
| Total | Indicated                                | 12,25  | 1,94 | 0,70 | 13,65 |
|       | Inferred                                 | 1,91   | 2,19 | 1,79 | 6,13  |

**Notes**

1. *The open pit Mineral Resource is based on a CuEq cut-off of 0.65% for Kombat and 0.77% for Gross Otavi.*
2. *The underground Mineral Resource is based on a cut-off grade of 1.5 % CuEq.*
3. *The CuEq (copper equivalent) is based on copper and silver only (excludes lead).*
4. *Commodity prices used for the cut-off grades: Cu = USD 9,100/t, and Ag = USD 27/oz.*
5. *Historical mine voids have been depleted from the Mineral Resource.*
6. *Mineral Resources are reported as total Mineral Resources and are not attributed.*

**Copper King Extension, surrounding the Kombat Mine in Namibia**

On February 25, 2021, the Company completed the acquisition of EPL 3540 (“the “Licence”) held by Namibian company, Gazania Investments Nine (Pty) Ltd (“Gazania”), which was previously 80% owned by Sabre Resources Limited (“Sabre”), through Sabre’s wholly owned subsidiary, Starloop Holdings Pty Ltd (“Starloop”), and 20% owned by Coniston Pty Ltd (“Coniston”). EPL 3540 was first granted on October 30, 2006 and has been renewed several times, with the last expiry date being May 7, 2021. Gazania has submitted a renewal application for the Licence.

As consideration for the Starloop Shares, Trigon paid \$200,000 on fulfilment of the conditions precedent to the sale and purchase agreement signed with Sabre (“Sabre Agreement”). A second tranche cash payment of \$100,000 is payable to Sabre on the renewal of the Licence by the Namibian Ministry of Mines and Energy, subject to such renewal being granted within three years of signature of the Sabre Agreement.

As consideration for the Gazania Shares, Trigon paid \$1,000 on fulfilment of the conditions precedent to the sale and purchase agreement signed with Coniston (“Coniston Agreement”). A second tranche cash payment of C\$100,000 is payable to Coniston on the renewal of the Licence by the Namibian Ministry of Mines and Energy, subject to such renewal being granted within three years of signature of the Coniston Agreement.

Trigon has also paid a facilitation fee of \$99,000 to Kalgoorlie Mine Management Pty Ltd for its assistance in facilitating and documenting the acquisition. The acquisition is an arm’s length transaction.

The acquisition of EPL 3540 represents an attractive regional consolidation opportunity for Trigon, and holds upside potential for the long term future of the Kombat mine.

**Silver Hill Copper-Silver Exploration Project, Morocco and exploration results**

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

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

Highlights of the Silver Hill project include:

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

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

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

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

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

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

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

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

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

- S1 - Silver Hill Hole 1: intercepted 13.5 metres grading 71.5 g/t silver and 1.08% at 26.5 to 40 metres down the hole, drill core ended in mineralization. Within the drill intercept was **2.5 metres grading 266.6 g/t silver and 3.87 % copper.**
- S3 – Silver Hill Hole 3: intercepted 7.0 metres grading 48.6 g/t silver and 0.75% copper at 25 to 32 metres down the hole, the hole ended at 35.5 metres. Within the drill intercept was **1.5 metres grading 122 g/t silver and 1.59% copper.**
- S5 – Silver Hill Hole 5: intercepted **5.0 metres grading 18.9 g/t silver and 1.49 % copper** at 29 to 34 metres down the hole, drill core ended in mineralization.

In October 2020, Trigon reported further positive results from grab samples taken at Silver Hill. This surface sampling returned results from a newly identified area of mineralization, containing evidence of historical mining (refer hole J10 below). This area is presumed to be an extension of the uppermost structure, extending the known area of mineralization 1.2 km beyond the previous work, increasing the potential strike length to at least

2 km. The remainder of the work focused on the second structure that to date has reported higher copper grades but lower silver grades than Structure 1.

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

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

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

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

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

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

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

From December 2020 to February 2021, Trigon undertook a second phase 3,000 m drilling program at Silver Hill, over 13 holes (S13 to S25), with the aim being to get a better understanding of the structural and local geology, to test mineralization and potential sulphides below the high-grade oxide zone as well as to investigate a potential second structure with strike extension to the north. The drilling was structured as four fences as set out in the figure below.

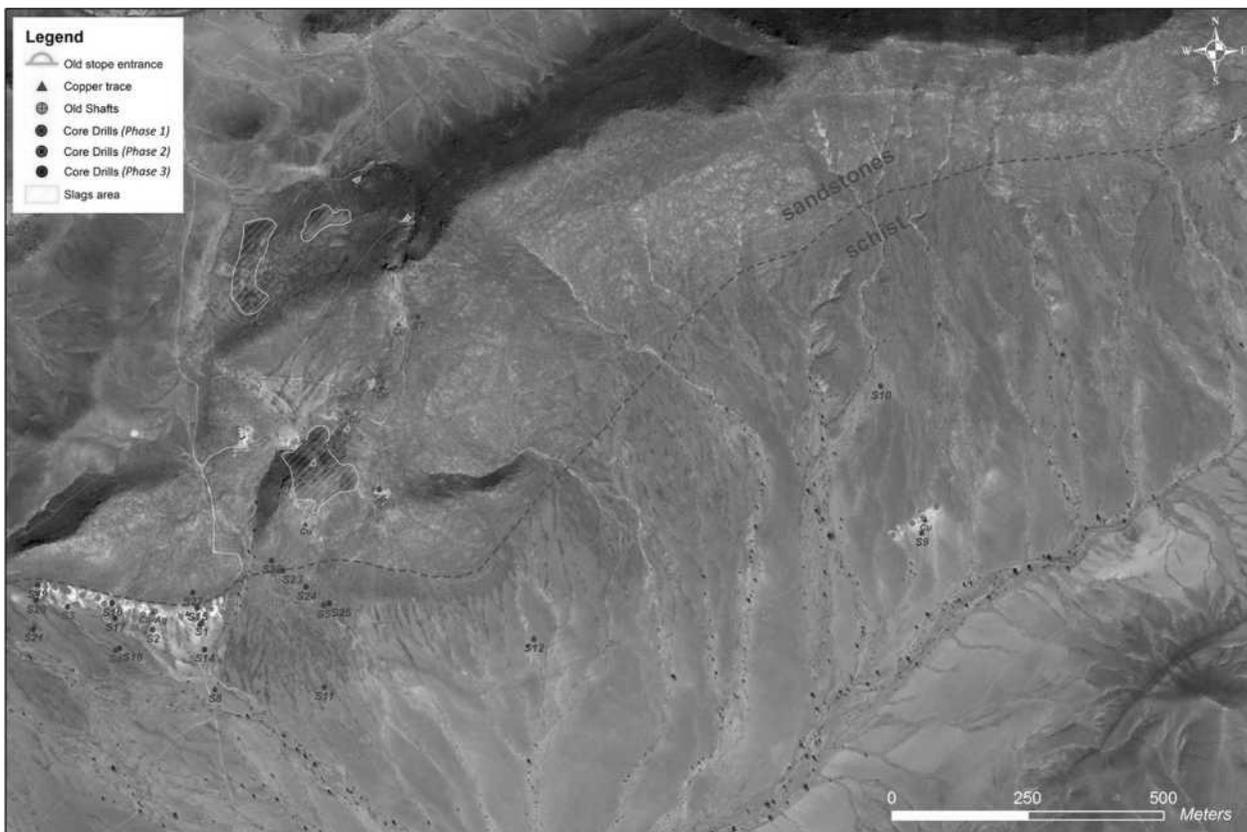
Between April and June 2021, Trigon announced the assay results from holes S13 to S25, the key highlights of which are set out as follows:

- S13 - 8 metre @ 1.8% copper and 121 g/t silver from 32.5 metre depth. Assay results included a 0.5 m interval of 14.87% copper, 1000 g/t silver and 173 ppm cobalt.

- S14: 2 metres @ 1.27% copper and 5 g/t silver, from 63 metre depth.
- S16: 10 metres @ 0.98% copper and 20 g/t silver.
- S17: 3 metre @ 1.41% copper.
- S20: 31 metre @ 0.74% copper and 23 g/t silver including:
  - 8 metre @ 1.35% copper and;
  - 6 metre @ 1.23% copper and 75 g/t silver.
- S23: 32 metres of 0.77% copper and 28.5 g/t silver including;
  - 11 metres @ 1.01% copper and 37 g/t silver; and
  - 12 metres @ 0.96% copper and 41 g/t silver.
- S24: 30 metres of 0.73% copper and 21 g/t silver, including;
  - 13 metres @ 0.91% copper and 39 g/t silver; and
  - 5 metres @ 0.98% copper and 20 g/t silver.
- S27: 5 metres @ 1.4% copper and 33.6 g/t silver, from 21 metres depth, plus 3 metres @ 0.61% copper and 40 g/t silver.

In February 2021, Trigon also completed a trench on fresh rock below the saprolite, 1.5km away from the S1 discovery hole. Continuous samples were collected horizontally along the wall of the trench returning 13 metres of 2.7% copper, 34.5 g/t silver and 82 ppm cobalt. The trench exposed an area of intense sub-vertical hydrothermal alteration, giving geologists a unique look at the nature of the mineralization.

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



The work done at Silver Hill to date confirms the presence of strong copper and silver mineralization with the four fences of drilling covering a relatively shallow well-mineralized area of about 750 metres in length and 200 metres wide that appears to open to the east, west and north, as well as the high grade trench area lying almost 2 km east of the last fence. The next stage of work will focus on determining if the two zones form one continuous zone on mineralization, parallel structures or separate but related bodies.

## **Summary of Properties**

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

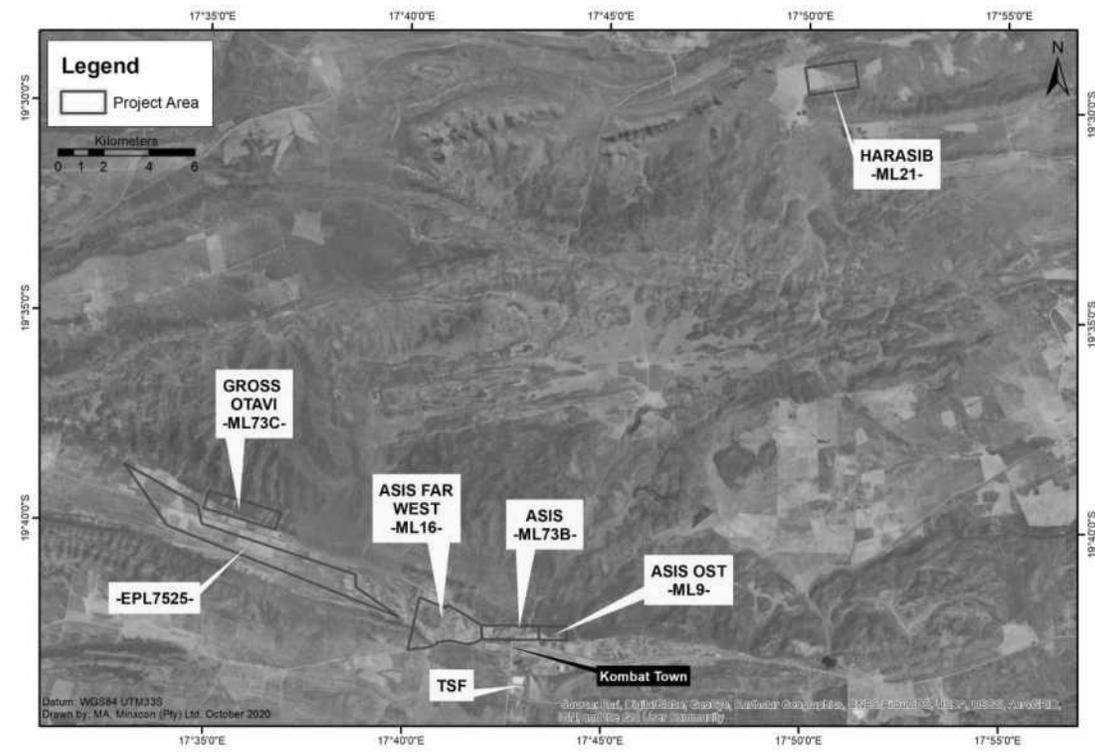
#### **History**

On April 23, 2012, the Company acquired 80% of the outstanding shares of Namibian company, Manila Investments (Pty) Ltd., which on August 16, 2018 changed its name to Trigon Mining (Namibia) (Pty) Ltd. The primary asset of Trigon Namibia is its 100% interest in the formerly producing Kombat mine, located in northern Namibia, comprising five mining licenses and one exclusive prospecting licence together with the infrastructure of the formerly producing mine. The mining licenses were renewed on June 2, 2021 for a period of 10 years. The exclusive prospecting licence was awarded in January 2020 and is valid for a period of three years.

#### **Overview**

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

Trigon Namibia is the holder of five mining licences in this region, namely the contiguous ML9 (Asis Ost), ML16 (Asis Far West) and ML73B (Asis), as well as ML21 (Harasib) and ML73C (Gross Otavi), and one exclusive prospecting licence EPL7525. The total combined area covered by the mining licences is some 1,219 ha, with the EPL covering an area of 1,057 ha.



The Kombat project is classified as an advanced property, which historically has undergone long-lived production and extensive historical exploration from geophysical and geochemical surveys conducted during

the 1960s to 1990s, to surface and underground drilling, where some 6,017 drillholes have been recorded and validated.

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

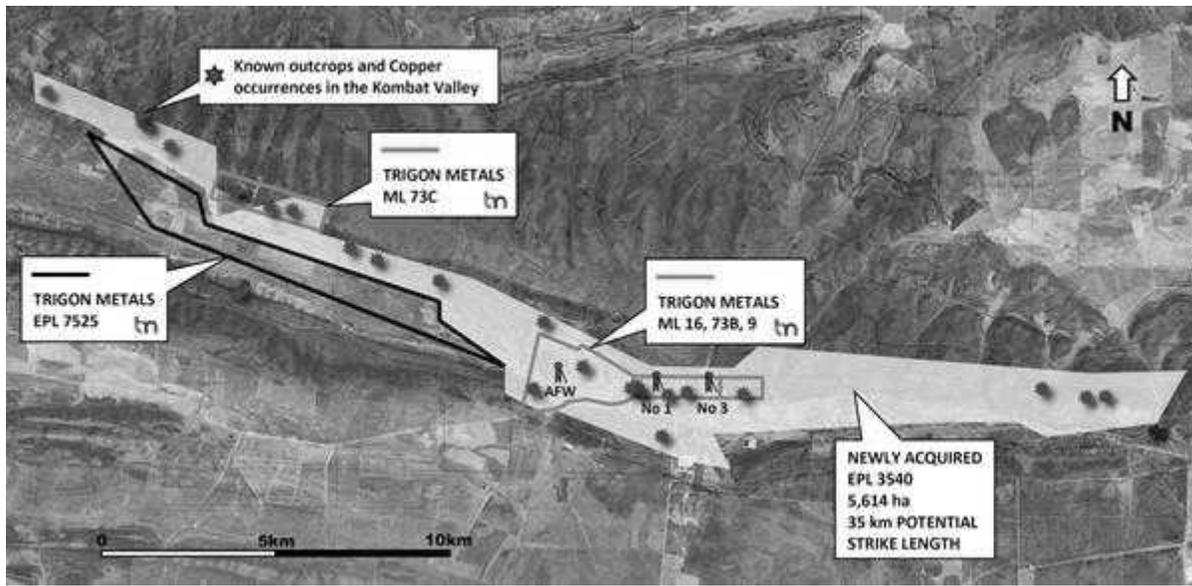
During the quarter under review, the Company reported an updated Mineral Resource in respect of the project as set out in more detail in the Company Outlook and Recent Developments section above and the Recent Developments section below.

In terms of environmental approvals, Trigon Namibia has an Environmental Clearance Certificate (“ECC”) for mining and dewatering of underground exploration activities for all its mining licences, valid until June 7, 2024.. Trigon Namibia also has ECC for exploration activities on all mining licence areas, valid until November 16, 2023 and for exploration activities on EPL7525, valid until June 14, 2024.

### **Gazania (Copper King Extension)**

#### **History and Overview**

On February 25, 2021, the Company completed the acquisition of EPL 3540 (“the “Licence”) held by Namibian company, Gazania Investments Nine (Pty) Ltd (“Gazania”). EPL 3540 was first granted on October 30, 2006 and has been renewed several times, with the last expiry date being May 7, 2021. Gazania has submitted a renewal application for the Licence.



EPL 3540 covers an area of 5,614 hectares in the Grootfontein District of the Otjozondjupa Region, between the towns of Otavi to the west and Grootfontein to the east. From a geological perspective, it is situated on the Kombat trend, a mineralized structure, which also hosts the Kombat project. The area therefore represents a potential strike extension of the Kombat project, with various known mineral occurrences on the property.

Trigon management has extensive knowledge of the area in which EPL 3540 is situated and plans to implement an exploration program in conjunction with its exploration plans for the Kombat project areas.

#### **Recent Developments in Namibia**

##### ***Restart of the Kombat Mine***

During the year under review, Trigon commenced with preliminary activities in respect of the restart of the

Kombat Mine, which is targeted for the end of the 2021 calendar year. The Company is targeting initial production of 6,000t of copper in concentrate for calendar year 2022, accessing ore from open pit sources. Planned production is expected increase to 16,500t of copper in concentrate in 2024, when higher grade underground ore begins to be recovered and as planned upgrades to crushing and milling are incorporated.

Key milestones achieved to date include the shipping of long lead items for the refurbishment of the plant, the securing of power supply for the mine, the appointment of an open pit mining contractor and the renewal of the Company's mining licences in Namibia, as set out in further detail above.

### **Current Strategy in Namibia**

Trigon's focus in Namibia is currently on the restart of the Kombat open pit mine by the end of 2021. The Company also continues to undertake ongoing exploration in the Kombat area, and expects to start work on the feasibility of the underground operations once the open pit is in production.

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

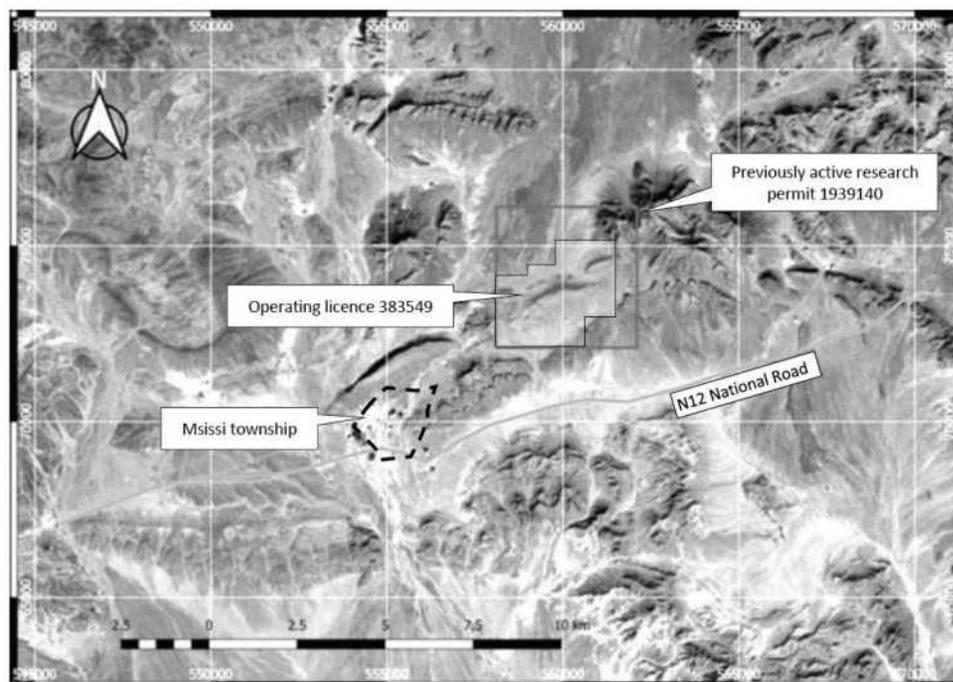
#### **History**

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

#### **Overview**

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

Technomine is the holder of one operating licence, No. 383548 (Silver Hill project) and five research permits, No's 2941611, 3941612, 3941613, 3941614 and 3941615 (Tamdout project). The operating licence covers an area of 789 ha and is valid until December 2028. The research permits are all valid until November 2022.



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

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

### **Recent Developments in Morocco**

From December 2020 to February 2021, Trigon undertook a second phase 3,000 m drilling. Results are set out in the Company Outlook and Recent Developments section above. The intent of this drill program was to confirm the mineralization down-dip of the historic mined-out strike zone, identified by the drill program completed in November 2020, and to provide information as to the structural controls of the mineralization.

In addition, in February 2021, Trigon completed a trench on fresh rock below the saprolite, 1.5km away from the S1 discovery hole. Continuous samples were collected horizontally along the wall of the trench returning 13 metres of 2.7% copper, 34.5 g/t silver and 82 ppm cobalt. The trench exposed an area of intense sub-vertical hydrothermal alteration, giving geologists a unique look at the nature of the mineralization.

### **Current strategy in Morocco**

Trigon is currently designing a subsequent exploration program which will focus on geophysical survey results in order to identify new targets, geochemistry and additional surface work to improve the Company's knowledge of the mineralization and structures.

### **Financial Review**

The Company is a mineral exploration and development company and did not have any revenues or profits from operations during the three months ended June 30, 2021, or as of the date of this MD&A. Field exploration, supervisory costs and costs associated with maintaining its mineral properties are expensed and charged against earnings until the Company has a reasonable expectation that the property is capable of commercial production, supported by a positive economic analysis showing a NI 43-101 compliant Mineral Reserve, approved by the Board.

The exchange rates between the Canadian and Namibian dollars for three months ended June 30, 2021 and 2020 and year ended March 31, 2021 and 2020 were as follows:

| Foreign currency exchange rates<br>to Canadian dollars | Three months ended |         | Year ended |         |
|--|--------------------|---------|------------|---------|
|  | June 30,           |         | March 31,  |         |
|  | 2021               | 2020    | 2021       | 2020    |
| Namibian dollars - average                             | 11.4935            | 12.9393 | 12.3505    | 11.2191 |
| Namibian dollars - closing                             | 11.5314            | 12.6981 | 11.7691    | 12.6123 |

Copper and silver prices as at June 30, 2021 and 2020 and March 31, 2021 are as follows:

|                             | June 30, 2021 | June 30, 2020 | March 31, 2021 |
|-----------------------------|---------------|---------------|----------------|
| Copper prices (US\$ per lb) | 4.28          | 2.71          | 4.00           |
| Silver prices (US\$ per oz) | 25.87         | 18.54         | 24.52          |

## Selected Annual Results

| For the years ended                                  | March 31, 2021   | March 31, 2020 | March 31, 2019 |
|--|------------------|----------------|----------------|
|  | \$               | \$             | \$             |
| Net loss attributable to shareholders of the Company | <b>6,374,773</b> | 2,822,676      | 2,775,175      |
| Basic and diluted loss per share                     | <b>0.06</b>      | 0.05           | 0.01           |
| Total assets   | <b>3,803,307</b> | 2,430,872      | 1,009,569      |
| Total non-current financial liabilities              | <b>1,015,729</b> | -              | -              |

The Company's financial results have been driven primarily by ongoing exploration activities and studies in respect of its Namibian and Moroccan properties. Exploration and evaluation expenditures and overall general and administrative expenses were higher in fiscal 2022 compared to fiscal 2021 primarily due to the newly acquired Silver Hill property and Gazania in Q3 and Q4 of fiscal 2021 and the additional operating and exploration activities thereof during the current year. The exploration and evaluation expenditures in Namibia in fiscal 2022 were lower compared to that of fiscal 2021 since the Company has progressed into the restart of open pit mining and the production of copper concentrate at the Kombat Mine, Namibia. All the development costs associated with the startup are capitalized and expected to be amortized over the life of mine during production phase.

## Summary of Quarterly Results

|  | June 30,<br>2021 | March 31,<br>2021 | December 31,<br>2020 | September 30,<br>2020 |
|--|------------------|-------------------|----------------------|-----------------------|
| <b><u>Earning and cash flow</u></b>                  | \$               | \$                | \$                   | \$                    |
| Net loss attributable to shareholders of the Company | 852,685          | 1,435,662         | 1,092,425            | 3,424,286             |
| Basic and diluted loss per share                     | 0.01             | 0.01              | 0.01                 | 0.04                  |
| Cash flow used in operating activities               | (631,337)        | (886,176)         | (1,203,627)          | (332,364)             |
| Cash flow (used in) from investing activities        | (2,303,633)      | (397,389)         | (602,860)            | 10,702                |
| Cash flow from / (used in) financing activities      | 1,422,527        | 341,499           | 503,107              | 4,305,869             |
| <b><u>Balance sheet</u></b>                          |                  |                   |                      |                       |
| Total assets   | 4,723,109        | 3,803,307         | 4,783,240            | 5,997,447             |
|  | June 30,<br>2020 | March 31,<br>2020 | December 31,<br>2019 | September 30,<br>2019 |
| <b><u>Earning and cash flow</u></b>                  | \$               | \$                | \$                   | \$                    |
| Net loss attributable to shareholders of the Company | 422,400          | 577,135           | 909,526              | 702,209               |
| Basic and diluted loss (income) per share            | 0.00             | 0.01              | 0.02                 | 0.01                  |
| Cash flow used in operating activities               | (457,858)        | (1,093,853)       | (294,589)            | (484,507)             |
| Cash flow from investing activities                  | 10               | 8,865             | -                    | -                     |
| Cash flow (used in) from financing activities        | -                | 3,088,880         | (2,100)              | 811,774               |
| <b><u>Balance sheet</u></b>                          |                  |                   |                      |                       |
| Total assets   | 1,966,180        | 2,430,872         | 453,986              | 756,768               |

## Going Concern

The condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at June 30, 2021, the Company had working capital of \$387,412 compared with \$2,139,702 as at March 31, 2021. In the three months ended June 30, 2021, the Company incurred a net loss of \$922,779 (2020: \$444,453). There is no assurance that additional financing will be available on terms acceptable to the Company, or at all. These

matters represent material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

### **Results of Operations**

During the three months ended June 30, 2021, the Company recorded a net loss of \$922,779 (\$0.01 per share) compared to \$444,453 (\$0.00 per share) for the same period in the prior year. The higher costs for the three months ended June 30, 2021, compared to the three months ended June 30, 2020 are mainly due to the additional operating and exploration costs incurred by the newly acquired Silver Hill property in Morocco and Gazania and Namibia. In the current year, the Company incurred increased travel expenses and depreciation on assets acquired due to the Kombat Mine restart, increased accretion expenses, as a result of the acquisitions and higher corporate general and administration expenses as a result of the increased activity. The foreign exchange loss was offset by interest and other income. The Company has started preparing for the restart of open pit mining and the production of copper concentrate at the Kombat Mine, Namibia. During the quarter the Company incurred \$353,861 of mine restart and development costs. The development costs are capitalized and will be amortized over the life of mine during production phase going forward.

|  | Three months ended |                   |
|--|--------------------|-------------------|
|  | June 30,           |                   |
|  | 2021               | 2020              |
| <b>Expenses</b>                                |                    |                   |
| Consulting fees                                | \$ 381,779         | \$ 181,706        |
| Professional fees                              | 32,414             | 13,626            |
| Travel and related costs                       | 43,186             | -                 |
| Shareholder communications and filing fees     | 14,754             | 10,311            |
| General and administrative costs               | 62,371             | 38,407            |
| Depreciation                                   | 15,578             | 1,926             |
| Foreign exchange loss (gain)                   | 9,920              | (5,054)           |
|  | <b>\$ 560,002</b>  | <b>\$ 240,922</b> |
| <b>Other items</b>                             |                    |                   |
| Interest income                                | 1,640              | -                 |
| Interest expense                               | -                  | (8,652)           |
| Other income                                   | 5,702              | -                 |
| Loss on disposal of equipment                  | -                  | (449)             |
| Impairment of receivables                      | 2,002              | -                 |
| Accretion expenses                             | (58,632)           | -                 |
|  | <b>\$ 609,290</b>  | <b>\$ 250,023</b> |
| <b>Exploration and evaluation expenditures</b> |                    |                   |
| <b><u>Trigon Namibia</u></b>                   |                    |                   |
| Environmental assessment                       | 8,701              | -                 |
| Assay and survey                               | 162,741            | 623               |
| Field office support                           | -                  | 29,159            |
| Consulting and labour                          | 8,701              | 158,017           |
| Travel   | -                  | 6,631             |
|  | <b>\$ 180,143</b>  | <b>\$ 194,430</b> |

|  | Three months ended  |                     |
|--|---------------------|---------------------|
|  | June 30,            |                     |
|  | 2021                | 2020                |
| <b><u>Technomine, Morocco</u></b>                    |                     |                     |
| Drilling   | 10,276              | -                   |
| Field office and support                             | 17,388              | -                   |
| Consulting and labour                                | 84,910              | -                   |
| Travel   | 8,241               | -                   |
|  | \$ 120,815          | \$ -                |
| <b><u>Gazania Namibia</u></b>                        |                     |                     |
| Licence and permit                                   | 709                 | -                   |
| Field office and support                             | 11,822              | -                   |
|  | \$ 12,531           | \$ -                |
| <b>Total exploration and evaluation expenditures</b> | <b>\$ 313,489</b>   | <b>\$ 194,430</b>   |
| <b>Net (loss) and comprehensive (loss)</b>           | <b>\$ (922,779)</b> | <b>\$ (444,453)</b> |

Expenses of an administrative nature, including consulting and professional fees, travel, shareholder communications and general and administration costs, were higher than in fiscal 2021 but notwithstanding kept as low as possible as the Company endeavours to raise the funding required to proceed with the development of the Kombat, Silver Hill and Gazania projects.

The Company has proceeded into the restart process for open pit mining and the production of copper concentrate at the Kombat Mine, Namibia. During the three months ended June 30, 2021, we incurred \$353,861 of mine restart and development costs.

The exploration and evaluation expenditures in the three months ended June 30, 2021, of \$313,489 are related to the costs of personnel and care and maintenance activities, and costs associated with updating the mineral resource, drilling design and the technical report expenses in respect of the Kombat project in Namibia and the Silver Hill and Gazania properties acquired in Morocco and Namibia during Q3 and Q4 in the prior year. Expenditure during 2020 included costs of personnel and care and maintenance activities at the Kombat project, and included costs associated with the project evaluation by Xinhai.

## Cash Flows

### *Operating Activities*

Cash used in operating activities before changes in non-cash working capital was \$850,571 during the three months ended June 30, 2021, compared to \$438,979 during the three months ended June 30, 2020. The increase in cash used in operating activities is due primarily to exploration and evaluation expenditures incurred for the Kombat and Silver Hill projects in Namibia and Morocco and as described above in the Results of Operations section.

Cash provided by working capital increased during the three months ended June 30, 2021. Working capital provided \$219,234 compared with a use of \$18,879 during the three months ended June 30, 2020. This is attributed primarily to an increase in accounts payable and accrued liabilities offset by decreased in amount receivable and prepaid.

### *Investing Activities*

Cash of \$2,303,633 was used in investing activities in the three months ended June 30, 2021, relating to deposits and prepaid amounts for long term assets for the Kombat mine restart and the purchase of assets associated with the Kombat mine restart including furniture, plant and office equipment. In the prior year's first quarter \$10 was provided by investing activities from net proceeds on the purchase and sale of equipment.

## *Financing Activities*

Cash of \$1,422,527 was provided by financing activities during the three months ended June 30, 2021 compared to \$nil during the three months ended June 30, 2020. During the three months ended June 30, 2021, the Company received \$1,422,527 through the exercise of warrants.

Subsequent to June 30, 2021, the company raised an additional \$2,525,573 through warrants exercised, of which, \$1.5 million were from an insider of the Company.

## **Liquidity and Capital Resources**

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

Notwithstanding the foregoing, if, at any time, the Company's Board of Directors deems continued exploration or development expenditures at Trigon's properties to be unwarranted, based on results up to that time or for any other reason, the Company may suspend or discontinue exploration or development of such properties and apply the funds on hand towards the acquisition, exploration or development of new properties or, if required, the general working capital of the Company. Save as aforesaid, the Company does not have any commitments for material capital expenditures other than the Silver Hill project in Morocco. As at June 30, 2021, the Company had no other long-term debt except for a long term payable with respect to future payments per the definitive agreement entered into by the Company for the acquisition of Technomine.

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

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

The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. The most significant alternatives available for the management of the capital structure include adjusting capital spending or the issue of shares or raising of debt finance when management and the Board of Directors feel the timing is appropriate.

Subsequent to June 30, 2021, the Company announced a non-brokered private placement financing for up to 17,110,000 units for gross proceeds of up to 6,844,000 (the "Offering"). Each Unit will be comprised of one common share of Trigon (a "Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to acquire one Share at a price of \$0.50 for a period of 24 months following the closing date of the Offering, subject to an acceleration provision whereby in the event that at any time after the expiry of the statutory hold period, the Shares trade at \$0.75 or higher on the TSX Venture Exchange for a period of 30 consecutive days, the Company shall have the right to accelerate the expiry date of the Warrants to the date that is 30 days after the Company issues a news release announcing that it has elected to exercise the acceleration right.

Closing of the Offering is expected to occur on or about September 10, 2021 and remains subject to a number of conditions, including receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. In connection with the Offering, a finder's fee may be payable in line with the policies of the TSX

Venture Exchange. All securities issued in connection with the Offering will be subject to a statutory hold period of four-months and one-day.

The Company intends to use the net proceeds from the Offering for the recommencement of mining at the Kombat mine and for working capital and general corporate purposes.

### **Non IFRS Measures**

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

As at June 30, 2021, the Company had working capital of \$387,412 compared to \$2,139,702 as at March 31, 2021, including cash of \$1,819,981 (March 31, 2021: \$3,332,334). The Company's primary capital needs are funds for the exploration and development of its mining properties, administrative expenses and working capital. The Company will maintain its excess working capital in Canadian dollars, which are only converted to Namibian dollars or Moroccan dirhams as required. The Company maintains most of its cash reserves at a large reputable Canadian commercial bank in high quality short-term deposits or cash.

| Working Capital                             | June 30,<br>2020 | March 31,<br>2021 | December 31,<br>2020 | September 30,<br>2020 | June 30,<br>2020 | March 31,<br>2020 | December 31,<br>2019 | December 31,<br>2019 |
|---|------------------|-------------------|----------------------|-----------------------|------------------|-------------------|----------------------|----------------------|
|   | \$               | \$                | \$                   | \$                    | \$               | \$                | \$                   | \$                   |
| Cash  | 1,819,891        | 3,332,334         | 4,272,400            | 5,577,780             | 1,593,573        | 2,051,421         | 47,529               | 344,218              |
| Receivables                                 | 195,322          | 56,557            | 166,409              | 103,359               | 33,500           | 33,953            | 67,007               | 64,944               |
| Prepaid expenses                            | 31,469           | 26,044            | 8,096                | 9,556                 | 16,751           | 20,757            | 3,107                | 9,331                |
| Accounts payable and<br>accrued liabilities | (798,879)        | (437,457)         | (525,369)            | (1,183,621)           | (339,431)        | (368,322)         | (872,370)            | (680,809)            |
| Acquisition fees payable                    | (860,391)        | (837,776)         | (616,172)            | (593,478)             | Nil              | Nil               | Nil                  | Nil                  |
| Bridge financing                            | Nil              | Nil               | Nil                  | Nil                   | (426,874)        | (418,222)         | (812,638)            | (791,616)            |
| <b>Working Capital</b>                      | <b>387,412</b>   | <b>2,139,702</b>  | <b>3,305,364</b>     | <b>3,913,596</b>      | <b>877,519</b>   | <b>1,319,587</b>  | <b>(1,567,365)</b>   | <b>(1,053,932)</b>   |

### **Operating Segments**

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

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

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

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

#### **Management contracts**

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of up to \$873,000 to be made to the officers of the Company upon the occurrence of certain events such as a change of control. As a triggering effect has not taken place, the contingent payments have not been reflected in the condensed interim consolidated financial statements. Additional minimum management contractual commitments remaining under the agreements are approximately

\$472,000, all due within one year. Upon the occurrence of the triggering event, the Company will also have an increase in commitments relating to the subsequent occurrence of certain events such as a change of control or termination of the management contracts.

### **Legal claims**

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

### **Environmental**

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

### **Property obligations**

#### **Kombat Project**

On April 23, 2012, the Company purchased, through the acquisition of Trigon Namibia, an effective 80% interest in the mining assets commonly known as the Kombat project, whose assets include a 100% interest in five mining licenses and one exclusive prospecting licence in northern Namibia. As at March 31, 2021, the Company has expended sufficient capital to ensure the licenses remain in good standing. The mining licenses expired in March 2019 and renewal applications were timeously lodged by the Company. On June 2, 2021, the Company was granted a renewal of licenses on its five land holdings by the Namibian Ministry of Mines and Energy for a 10 year period from June 2, 2021.

#### **Silver Hill Project**

In September 2020, the Company completed its acquisition of 100% equity interest in Technomine, a Moroccan company from Technomine's shareholders. The Company is required to meet the terms of transaction outlined in the definitive agreement as consideration of the acquisition. See Company Outlook and Recent Developments section for details.

#### **Gazania EPL 3540**

The Company completed its acquisition of 100% equity interest in Gazania, holder of EPL 3540 mining licence on February 25, 2021. The Company is required to make \$200,000 milestone payments if the renewal of Licence is granted by the Ministry of Mines and Energy in Namibia within three years.

### **Related Party Transactions**

#### **Compensation of key management**

Compensation awarded to key management, including the Company's directors and officers, during the three months ended June 30, 2021 and 2020 was as follows:

|                 | Three months ended June 30, |           |
|-----------------|-----------------------------|-----------|
|                 | 2021                        | 2020      |
| Consulting fees | \$ 105,000                  | \$ 97,500 |
|                 | \$ 105,000                  | \$ 97,500 |

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

Included in accounts payable and accrued liabilities as at June 30, 2021 was approximately \$29,955 for consulting fees and expenses (March 31, 2021: \$30,234) charged by current and former officer and director of the Company. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

### **Critical Management Judgments and Accounting Estimates**

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

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

#### *Critical judgment in applying accounting policies:*

- Carrying values and impairment charges

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

- Control of subsidiaries

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

PNT FinanceCo Corp.  
 Kombat Holdings Namibia (Pty) Ltd.  
 Trigon Mining (Namibia) (Pty) Ltd. (formerly Manila Investments (Pty) Ltd.)  
 Technomine Africa Sarl.  
 Gazania Investments Nine (Pty) Ltd.

- Determination of functional currency

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

dirham respectively, the effect of changes in foreign exchange rates would have been reflected as other comprehensive income (loss) and carried as a cumulative translation adjustment within accumulated other comprehensive income (loss) in the equity section of the unaudited condensed interim consolidated statement of financial position.

- Determination of discount rates

Determination of the discount rate for acquisition fees payable is based on comparison to similar interest bearing debt instruments of a group of comparative companies.

- Acquisitions

For acquisitions, the Company must make assumptions and estimates to determine the purchase price accounting of the assets and liabilities being acquired, as well as the expected outcomes of contingent items. To do so, the Company must determine the acquisition date fair value of the identifiable assets acquired and liabilities assumed. The determination of these fair market values are inherently subjective and require judgement. These assumptions and estimates have an impact on the asset and liability amounts recorded in the condensed interim consolidated statement of financial position.

*Key sources of estimation uncertainty:*

- Depreciation rates

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

- Carrying values and impairment charges

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

- Mineral Reserve and Mineral Resource estimates

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

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

- Share-based payment transactions and warrants

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

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

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

- Income, value added, withholding and other taxes

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

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

#### Financial Instruments and Financial Risk Management

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

Financial assets and financial liabilities as at June 30, 2021 were as follows:

|  | Assets & liabilities<br>at<br>amortized cost | Assets & liabilities<br>at fair value<br>through profit & loss | TOTAL        |
|--|--|--|--------------|
| <u>At June 30, 2021</u>                  |  |  |              |
| Financial assets:                        |  |  |              |
| Cash                                     | \$ 1,819,891                                 | \$ -   | \$ 1,819,891 |
| Amounts receivable (Note 4)              | 354  | -  | 354          |
| Financial liabilities:                   |  |  |              |
| Accounts payable and accrued liabilities | (798,879)                                    | -  | (798,879)    |
| Acquisition fees payable                 | (1,912,137)                                  | -  | (1,912,137)  |

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

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

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

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

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

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

- *Liquidity risk*

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

The Company's approach to managing liquidity risk is to endeavour to have sufficient liquidity to meet liabilities when due. As at June 30, 2021, the Company had a cash balance of \$1,819,891 (March 31, 2021: \$3,332,334) and amounts receivable other than sales taxes receivable of \$354 (March 31, 2021: \$414). As at June 30, 2021, the Company's financial liabilities consisted of accounts payable and accrued liabilities of \$798,879 (March 31, 2021: \$435,573) based on contractual undiscounted payments and acquisition payable of \$860,391 (March 31, 2021: \$837,776) all due in less than one year plus long term liabilities of \$1,051,746

(March 31, 2021: \$1,015,729) due in two years.

During the three months ended June 30, 2021, Trigon raised \$1,422,527 through warrants and options exercised.

- *Credit risk*

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

- *Commodity price risk*

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

- *Currency risk*

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

## **New accounting standards and interpretations**

### **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, 2021 or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate

directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IFRS 3 – Business Combinations (“IFRS 3”) was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

### **Risks and Uncertainties**

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

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

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

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

### **Exploration and Mining Risks**

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

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be

derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

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

### **Stage of Development**

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

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

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

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

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

### **Title to Properties**

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

The Company holds its interest in its Namibian properties through mining licences that expired in March 2019.

Renewal applications were lodged in a timely manner and the Company was granted a renewal of licenses for its five land holdings by the Namibian Ministry of Mines and Energy for a 10 year period from June 2, 2021. The Company acquired the licence of EPL 3540 through a Namibian company which expired on May 7, 2021. The Company has lodged a renewal application and is waiting a response from the Ministry of Mines and Energy in Namibia.

### **Environmental Regulations**

The Company's activities are subject to environmental protection and employee health and safety regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations, and there is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

### **Markets for Securities**

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

### **Commodity Prices**

The ability of the Company to explore and evaluate its mineral properties and the future profitability of the Company are directly related to the price of copper and other metals. Factors beyond the control of the Company may affect the marketability of any substances discovered and there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Copper and other metal prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rates of inflation, the world supply of copper and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of copper has fluctuated widely in recent years and future price declines could cause commercial production to be impracticable, thereby having a materially adverse effect on the Company's business, financial condition and result of operations.

### **Economic Empowerment**

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

Over the last several years, Namibia has been developing a national policy framework that aims to address the perceived consequences from the previous discriminatory regimes. The framework is built on six pillars, including: Ownership; Management, Control and Employment Equity; Human Resources and Skills Development; Entrepreneurship Development and Marketing; Corporate Social Responsibility and Value Addition; and Technology and Innovation. Although the Namibian national policy framework and draft bill have not been legislated, the Company has made efforts developing empowerment policies and practices that are generally consistent with the themes set out in each of the pillars contained in the framework. There is no assurance, however, that final legislation will not have adverse effects on the Company or increase its cost of doing business in Namibia.

## **Uninsurable Risks**

The Company maintains insurance to cover normal business risks. The Company may, however, become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Company's financial position. In the course of exploration and development of, and production from, mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, land movements, earth work failures, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company has currently decided not to take out insurance against such risks due to high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

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

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

## **Geopolitical Risks**

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

## **Competition**

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

## **Conflicts of Interest**

Certain directors and officers of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing or exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of Trigon and to disclose any interest that they may have in any project or opportunity to the Company. If a conflict of interest arises at a meeting of

the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

## **Litigation**

Legal proceedings, with and without merit, may arise from time to time in the course of the Company's business. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The process of defending such claims could take away from management time and effort. Due to the inherent uncertainty of the litigation process, the resolution of any legal proceeding to which the Company or one or more of its subsidiaries may become subject, could have a material effect on the Company's financial position, results of operations, or mining and project development activities.

## **Corruption and Bribery Laws**

The Company's operations are governed by, and involve interactions with, many levels of government in multiple countries. The Company is required to comply with anti-corruption and anti-bribery laws, including the *Criminal Code* (Canada), and the *Canadian Corruption of Foreign Public Officials Act*, as well as similar laws in the countries in which the Company conducts its business.

In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment for companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third party agents. Although the Company has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors or third party agents comply strictly with such laws. If the Company is subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions being imposed, resulting in a material adverse effect on the Company's reputation and results of its operations.

## **Foreign Mining Tax Regimes**

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

## **Limited Property Portfolio**

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

## **Enforcement of Legal Rights**

The Company's material subsidiaries are organized under the laws of foreign jurisdictions and certain individuals of the Company's experts are located in foreign jurisdictions. Given that the Company's material assets are located outside of Canada, investors may have difficulty effecting service of process within Canada and collecting from or enforcing against the Company or its experts any judgments obtained through the Canadian courts or Canadian securities regulatory authorities, predicated on the civil liability provisions of Canadian securities legislation or otherwise. Similarly, in the event a dispute arises in relation to the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada.

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

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

### **Additional Information and Continuous Disclosure**

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

### **Outstanding Share Data**

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

- a) 136,842,687 common shares outstanding.
- b) 24,450,934 warrants outstanding with expiry dates ranging between October 1, 2021 and October 13, 2023. If all the warrants were exercised, 24,450,394 shares would be issued for proceeds of \$6,986,563.
- c) 3,935,000 stock options outstanding with expiry dates ranging between July 19, 2022 and October 21, 2024. If all the options were exercised, 3,935,000 shares would be issued for gross proceeds of \$842,175.

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

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements under Canadian securities legislation. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "budget", "forecast", "schedule", "continue", "estimate", "expect", "project", "predict", "potential", "target", "intend", "believe" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved". Such statements and assumptions include those relating to guidance; proposed acquisitions; strategy; development potential and timetable for the Company's properties; the Company's ability to raise additional financing; results of operations and financial condition; mineralization projections; the timing, success and amount of future exploration and development; projected capital expenditure; mining or processing issues; currency exchange rates; government regulation and permitting of mining operations; reliance on qualified personnel; competition; dependence on outside parties; and environmental risks.

Forward-looking statements are based on the opinions and estimates of management and certain qualified persons as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of future exploration at the Company's projects are based on management expectations considering previous industry experience, exploration done to date and recommended programs, historic expenditures incurred and other factors that are set out in the technical reports referred to. By their nature, forward-looking statements are subject to numerous known and unknown risks and uncertainties that could significantly affect anticipated results or the level of activity, performance or achievement in the future and, accordingly, actual results may differ materially from those expressed or implied by such forward-looking statements. The Company is exposed to numerous operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control, that may significantly affect anticipated future results, including but not limited to, risks related to: uncertainties inherent to economic studies, which rely on various assumptions; unexpected events and delays during construction and start-up; variations in mineral grade and recovery rates; uncertainties inherent in estimating Mineral Resources and Mineral Reserves; lack of revenues; revocation of government approvals; corruption and uncertainty with court systems and the rule of law and other foreign country risks inherent to the jurisdictions where the Company operates; availability of external financing on acceptable terms; exchange rates; ability to finalize required agreements for operations; actual results of current exploration activities;

changes in project parameters as plans continue to be refined; future mineral prices; failure of equipment or processes to operate as anticipated; accidents, labour or community disputes; other risk factors, including without limitation the risk factors described herein. Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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

