

FORM 2B
LISTING APPLICATION



Application for the listing of the Common Shares in the capital of Aldebaran Resources Inc. ("**Aldebaran**") on the
TSX Venture Exchange

October 30, 2018

*No securities regulatory authority or the TSX Venture Exchange has expressed an opinion about the securities
which are the subject of this application.*

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GLOSSARY

Unless otherwise indicated or the context otherwise indicates, the following definitions are used in this Listing Application. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the policies of the TSX Venture Exchange and applicable securities laws. In the event of a conflict between a term defined in this glossary and a term defined in the policies of the TSX Venture Exchange, the definition of the TSX Venture Exchange will govern.

"**ABCA**" or "**Act**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9 and the regulations made thereunder, as in effect on the date hereof;

"**Aldebaran**" or the "**Company**" means Aldebaran Resources Inc., a company incorporated the ABCA;

"**Aldebaran Options**" means the options to be granted pursuant to the Aldebaran Stock Option Plan;

"**Aldebaran Shares**" means the common shares in the capital of Aldebaran;

"**Aldebaran Stock Option Plan**" means the option plan to authorize the Aldebaran Board to issue stock options to directors, officers, employees or other service providers of Aldebaran and its subsidiaries;

"**Altar Project**" means Sibanye-Stillwater's 100% owned Altar copper-gold project located in Argentina and Chile;

"**Altar Project Technical Report**" means the technical report entitled "Estimated Mineral Resources Altar & Quebrada de la Mina Deposits, San Juan Province Argentina" prepared for Aldebaran by IMC and dated August 16, 2018, as amended September 28, 2018;

"**Argentina Projects**" means the Rio Grande Project owned by Regulus Argentina and certain other early-stage mineral exploration properties located in Argentina and owned by El Toro;

"**Argentina Subsidiaries**" means collectively, Regulus Argentina and El Toro;

"**Arrangement**" means the arrangement under Section 193 of the Act on the terms and conditions set out in the Plan of Arrangement, pursuant to which Regulus will spin-out its Argentina Projects to Aldebaran, complete the Financing and enter the JV Agreement;

"**Arrangement Resolution**" means the special resolution of the Regulus Shareholders to approve the Arrangement, substantially in the form attached as Appendix A to the Proxy Circular;

"**associates**" shall have the meaning ascribed thereto under the *Securities Act* (Alberta);

"**C\$**" means Canadian Dollars;

"**Board**" means Board of Directors of the Aldebaran;

"**Effective Date**" means the date on which all of the conditions precedent to the completion of the Arrangement have been satisfied or waived (other than conditions precedent that by their terms are to be satisfied at completion of the Arrangement but subject to the satisfaction or waiver of such conditions precedent) and the Final Order has been granted by the Court and the Arrangement has become effective, being October 25, 2018;

"**Effective Time**" has the meaning ascribed thereto in the Plan of Arrangement;

"**El Toro**" means Minera El Toro S.A.;

"**ESOP**" or "**the Option Plan**" means the Company's Employee Option Plan.

"**Exchange**" or "**the TSX-V**" means the TSX Venture Exchange.

"**Final Order**" means the final order of the Court, in a form acceptable to Regulus, Aldebaran and Sibanye-Stillwater, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of Regulus, Aldebaran and Sibanye-Stillwater, each acting reasonably) at any time prior to the Effective

Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to Regulus, Aldebaran and Sibanye-Stillwater, each acting reasonably) on appeal;

"Financing" means the private placement financing of Aldebaran Shares for gross proceeds of US\$30 of which the closing is a condition to the closing of the Arrangement and other transactions contemplated by the Arrangement Agreement, and for which Route One has entered into the Route One Subscription Agreement for a US\$30 million subscription, subject to the terms and conditions set forth therein;

"JV Agreement" means the option and joint venture agreement to be entered into on the Effective Date between Aldebaran and Stillwater Canada granting Aldebaran an option to acquire 60% of the common shares of Peregrine Metals by spending US\$30 million on the Altar Project over up to a five (5) year period, and a further option to earn an additional 20% of the common shares of Peregrine Metals by spending an additional US\$25 million on the Altar Project over up to a further three year period; the JV Agreement also provides for an upfront payment of US\$15 million in cash and the issuance of 19.9% (assuming a US\$30 million Financing) of the Aldebaran Shares to Stillwater Canada, all as more particularly described in the JV Agreement attached to the Arrangement Agreement;

"Listing Application" means this application by the Company to list on the TSX-V;

"Meeting" means the annual and special meeting of Regulus Shareholders to be held at 10:00 am (Calgary time) on September 21, 2018 at the Calgary offices of Dentons Canada LLP, 15th Floor Bankers Court, 850 – 2nd Street S.W., Calgary, Alberta T2P 0R8 including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider, among other things, the Arrangement Resolution;

"Non-Voting Shares" means the non-voting shares in the capital of Aldebaran;

"Peregrine Metals" means Peregrine Metals Ltd., a wholly-owned indirect subsidiary of Sibanye-Stillwater which owns Sibanye-Stillwater's Altar Project;

"Plan of Arrangement" or **"Plan"** means the plan of arrangement substantially in the form and content of Appendix D attached to the Arrangement Agreement and any amendments, supplements or variations thereto made in accordance with the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of Regulus, Aldebaran and Sibanye-Stillwater, each acting reasonably;

"Pledge Agreements" means collectively, (i) the one or more pledge agreements to be entered into on the Effective Date by and among Aldebaran, Stillwater Canada and Peregrine Metals, in form and substance reasonably acceptable to Route One, pursuant to which Stillwater Canada shall (A) pledge 80 percent of the equity interests of Peregrine Metals then outstanding (from time to time) to Aldebaran as security for Stillwater Canada's obligations under the JV Agreement and (B) covenant and agree to deliver the original certificates representing such equity interests (together with undated instruments of transfer duly executed in blank) to Aldebaran (or, at Sibanye-Stillwater's election, the Computershare Trust Company of Canada as escrow agent) no later than two (2) Business Days following the Effective Date, (ii) the pledge agreement to be entered into on the Effective Date by and among Aldebaran, Peregrine Metals and Minera Peregrine Argentina S.A., in form and substance reasonably acceptable to Route One, pursuant to which Peregrine Metals shall (A) pledge all of the equity interests of Minera Peregrine Argentina S.A. to Aldebaran as security for Stillwater Canada's obligations under the JV Agreement, (B) covenant and agree to deliver the original certificates representing such equity interests (together with undated instruments of transfer duly executed in blank) to Aldebaran (or, at Sibanye-Stillwater's election, Computershare Trust Company of Canada as escrow agent) no later than two (2) Business Days following the Effective Date, and (C) covenant and agree not to transfer all or any part of its rights or interest in the JV Agreement, the Joint Venture or the Mining Property (each as defined in the JV Agreement), and (iii) the pledge agreement to be entered into on the Effective Date by and among Aldebaran, Peregrine Metals and Minera Peregrine Chile S.C.M., in form and substance reasonably acceptable to Route One, pursuant to which Peregrine Metals shall (A) pledge all of the equity interests of Minera Peregrine Chile S.C.M. to Aldebaran as security for Stillwater Canada's obligations under the JV Agreement and (B) covenant and agree to deliver the original certificates representing such equity interests (together with undated instruments of transfer duly executed in blank) to Aldebaran (or, at Sibanye-Stillwater's election, Computershare Trust Company of Canada as escrow agent) no later than two (2) Business Days following the Effective Date;

"Proxy Circular" means the Notice of Meeting and management information circular of Regulus, together with all appendices thereto to be mailed or otherwise distributed by Regulus to the Regulus Shareholders or such other securityholders of Regulus as may be required pursuant to the Interim Order in connection with the Meeting and available on the Regulus SEDAR profile at www.sedar.com;

"**Regulus**" means Regulus Resources Inc.;

"**Regulus Argentina**" means Regulus Argentina S.A.;

"**Regulus Financing**" means the brokered private placement by Regulus of up to 10,600,000 Regulus Shares at a price of \$1.90 per share and in which Route One has committed to subscribe for 7,000,000 Regulus Shares provided Regulus has raised total proceeds of at least \$20,140,000 in the Regulus Financing;

"**Regulus Shareholders**" means the holders of the Regulus Shares;

"**Regulus Shares**" means the common shares in the capital of Regulus;

"**Rio Grande Project**" means Regulus' Rio Grande copper-gold project located in Salta, Argentina;

"**Rio Grande Technical Report**" means the technical report entitled "Rio Grande Project, Salta State, Argentina" prepared for Aldebaran by RPA with an effective date of August 17, 2018;

"**Route One**" means certain investment funds managed by Route One Investment Company L.P., a privately owned investment manager based in San Francisco, California;

"**Route One Subscription Agreement**" means the subscription and shareholders agreement dated June 28, 2018 among Route One, Regulus and Aldebaran evidencing Route One's commitment to purchase Aldebaran Shares for gross proceeds of not less than US\$30 million in cash, subject to the terms and conditions thereof, and pursuant to which Route One agreed, among other things, to vote the Regulus Shares beneficially owned or controlled or subsequently acquired by it in favour of the Arrangement Resolution and to otherwise support the Arrangement;

"**RPA**" means Roscoe Postle Associates Inc., independent geologists of Toronto, Ontario;

"**Securities**" means a Share and/or an Option;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval, a filing system developed by the Canadian Securities Administrators;

"**Shareholder**" means a registered holder of an Aldebaran Share or Non-Voting Share, as applicable;

"**Sibanye-Stillwater**" means Sibanye Gold Limited;

"**Sibanye-Stillwater Transaction**" means Aldebaran's acquisition of a right to acquire a majority interest in Sibanye-Stillwater's rights, title and interests in and to the Altar Project through an option to acquire 60%, and an option to acquire an additional 20%, of the common shares of Peregrine Metals pursuant to the JV Agreement;

"**Spin-off Property**" means all rights, title and interest of Regulus in the shares of the Argentina Subsidiaries holding the Argentina Projects, including all concessions, lands or other assets pertaining to the Argentina Subsidiaries and the Argentina Projects;

"**Spin-off Transaction**" means the transfer to Aldebaran of the Spin-off Property, and the assumption by Aldebaran of the Spin-off Liabilities, pursuant to terms and conditions set forth in the Arrangement Agreement and the Plan of Arrangement;

"**Stillwater Canada**" means Stillwater Canada LLC, an indirect wholly-owned subsidiary of Sibanye-Stillwater;

"**TSX-V**" or "**the Exchange**" means the TSX Venture Exchange; and

"**US\$**" means U.S. Dollars.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This Listing Application contains forward-looking statements. All statements other than statements of historical fact contained in this Listing Application are forward-looking statements, including but not limited to operational information, future exploration and development plans and anticipated future production and resources. Forward-looking statements in this Listing Application include, but are not limited to, those relating to the proposed Arrangement, the timing of the closing of the proposed Arrangement, the listing of the Aldebaran Shares on the TSX-V, the economics and feasibility of the Rio Grande and Altar Projects, exploration and development plans, the closing of the Financing and the Regulus Financing and the size thereof, the value of the Argentina Subsidiaries in and outside of Aldebaran, information concerning the parties to the Arrangement and their financial capacity and availability of capital and other statements that are not historical facts. These statements are based upon certain material factors, assumptions and analyses that were applied in drawing a conclusion or making a forecast or projection, including Aldebaran's management's experience and perceptions of historical trends, current conditions and expected future developments, as well as other factors that are believed to be reasonable in the circumstances. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Parties. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "pro forma", "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts", "seeks", "likely" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of material factors, many of which are beyond the Parties' control, could affect operations, business, financial condition, performance and results of the Parties that may be expressed or implied by such forward-looking statements and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to the following: (i) general economic, industry and market segment conditions; (ii) changes in applicable environmental, taxation and other laws and regulations, as well as how such laws and regulations are interpreted and enforced; (iii) changes in operating risks, including fluctuations in commodity prices, and pricing environments; (iv) increased competition; (v) stock market volatility; (vi) ability to maintain current and obtain additional financing; (vii) industry consolidation; (viii) the execution of strategic growth plans; (ix) the outcome of legal proceedings; (x) the ability of the Parties to continue to develop and grow; (xi) geopolitical risks; and (xii) management's success in anticipating and managing the foregoing factors, as well as the risks described under the heading "*Risk Factors*" in this Listing Application, the Appendices and in the documents incorporated by reference. In making these statements, Aldebaran has made assumptions with respect to expected cash provided by continuing operations, future capital expenditures, including the amount and nature thereof, trends and developments in the mining industry, business strategy and outlook, expansion and growth of business and operations, accounting policies, credit risks, anticipated acquisitions, opportunities available to or pursued by the Parties, and other matters.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Although the forward-looking statements contained in this Listing Application are based upon what management of Aldebaran currently believes to be reasonable assumptions, actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These forward-looking statements are made as of the date of this Listing Application and, other than as specifically required by law, neither Aldebaran nor Regulus assumes any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

NOTICE TO READER

General

The following describes the proposed business of Aldebaran. As at the date hereof, Aldebaran has not carried on any active business. The Arrangement provides Regulus Shareholders with the opportunity to participate in Aldebaran. Assuming the Arrangement Resolution is approved, immediately following the Effective Time, among other things, a Regulus Shareholder will effectively receive, one Aldebaran Share for each three Regulus Shares held by such Regulus Shareholder at the Effective Time of the Arrangement (rounded up or down, if necessary, to the nearest whole Aldebaran Share). Unless otherwise noted, the disclosure in this Listing Application has been prepared assuming that the Arrangement has been completed.

No securities regulatory authority has expressed an opinion about the Arrangement or the Aldebaran Shares to be issued pursuant to the Arrangement and it is an offense to claim otherwise.

An investment in Aldebaran should be considered highly speculative due to the nature of its activities and the present stage of its development. Aldebaran was incorporated for the sole purpose of participating in the Arrangement and has not carried on any material business other than in connection with the Arrangement and related matters. See "*Risk Factors*".

The following information is a summary of the business and affairs of Aldebaran and should be read together with the more detailed information including audited and unaudited financial data and statements regarding Aldebaran, Regulus Argentina, El Toro and the Arrangement contained elsewhere in this Listing Application.

In this Listing Application, dollar amounts are expressed in Canadian dollars unless otherwise stated.

Currency Presentation

References to "C\$" are to Canadian dollars. References to "US\$" are to United States dollars. The following table sets forth: (i) the rates of exchange for United States dollars, expressed in Canadian dollars, in effect at the end of each of the periods indicated; (ii) the average of exchange rates in effect during such periods; and (iii) the high and low exchange rates during each such periods, in each case based on the rate of exchange in effect during each such periods, in each case based on the rate of exchange in effect on each trading day as reported by the Bank of Canada on its website (the "**Bank of Canada daily exchange rate**").

	Three Months Ended June 30	Year Ended December 31		
	2018	2017	2016	2015
Rate at end of Period	1.3168	1.2545	1.3425	1.3840
Average rate during Period	1.2911	1.2968	1.3253	1.2785
High	1.3310	1.3743	1.4559	1.3965
Low	1.2552	1.2128	1.2536	1.1749

On October 30, 2018, the exchange rate for one U.S. dollar expressed in Canadian dollars was \$1.3133, based on the Bank of Canada daily exchange rate.

Financial Information

Unless otherwise indicated, all financial information referred to in this Listing Application was prepared in accordance with IFRS.

Conversions

The following table sets forth certain standard conversions from Standard Imperial units to the International System of Units (or metric units).

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares ("ha")	0.405
Hectares	Acres	2.471
Grams	Ounces (troy)	0.032
Ounces (troy)	Grams	31.103
Tonnes	Short tons	1.102
Short tons	Tonnes	0.907
Grams per tonne	Ounces (troy) per ton	0.029
Ounces (troy) per ton	Grams per tonne	34.438

ITEM 3: SUMMARY

The following is a summary of information relating to Aldebaran and should be read together with the more detailed information and financial data and statements contained elsewhere in this Listing Application.

BUSINESS

Aldebaran was incorporated to participate in the Arrangement and has not carried on any active business other than in connection with the Arrangement and related matters. Following completion of the Arrangement, Aldebaran will carry on the business currently carried on by Regulus in Argentina and will also earn in on the Altar Project pursuant to the JV Agreement. See "*Corporate Structure*".

As part of the Arrangement, Regulus has transferred its Rio Grande copper-gold project located in Salta, Argentina, together with certain other early-stage mineral exploration properties located in Argentina to Aldebaran.

Also in connection with the closing of the Arrangement, Aldebaran has entered into the JV Agreement with Stillwater Canada LLC, granting Aldebaran an option to acquire 60% of the common shares of Peregrine Metals Ltd., which owns Sibanye-Stillwater's interest in the Altar Project. The JV Agreement provides for an upfront payment of US\$15 million in cash, the issuance of 19.9% of the Aldebaran Shares to Stillwater Canada and a US\$30 million work commitment over five (5) years. Aldebaran also has an option to earn an additional 20% of the common shares of Peregrine Metals Ltd. by spending an additional US\$25 million on the Altar Project over up to a further three year period.

Aldebaran has closed a US\$30 million Financing with certain investment funds managed by Route One at an effective price of US\$0.96 per share to fund its initial obligations under the JV Agreement. The Financing closed at the same time as the Arrangement, subject to satisfaction of certain conditions. After completion of the Arrangement and the Financing, Stillwater Canada will hold 19.9%, existing Regulus Shareholders (other than Route One) 29.6%, Route One 49.5% and other Aldebaran shareholders 0.8% of the issued and outstanding Aldebaran Shares.

SECURITIES

The Aldebaran Shares are not currently listed on any stock exchange. The Company has received conditional approval for listing of the Aldebaran Shares on the TSX-V.

The Company's authorized share capital consists of an unlimited number of Aldebaran Shares and an unlimited number of Non-Voting Shares. See "*Description of Securities to be Listed*".

AVAILABLE FUNDS

Upon completion of the Arrangement, Aldebaran will have approximately US\$30 of working capital (before giving effect to the payment of its initial cash consideration of US\$15 million under the JV Agreement and payment of its expenses in connection with the Arrangement).

After giving effect to the Arrangement, assuming a US\$30 million Financing, Aldebaran is anticipated to have CAD \$15.8 million in working capital available to it. Aldebaran intends to use its available funds primarily to fulfil its commitments in the JV Agreement on the Altar Project, to maintain the Rio Grande Project and for general expenses and working capital purposes. See "*Financings*".

Funds Available and Principal Purposes

The following indicates the funds available and principal uses for which Aldebaran expects to use such funds over the eighteen months following the completion of the Arrangement:

Item	\$
Gross cash proceeds raised under the Financing ⁽¹⁾	\$39,048,000 ⁽²⁾
Less: expenses and costs relating to the Financing and Arrangement	(\$1,805,000) ⁽³⁾
Less: cash payment to Sibanye-Stillwater on completion of the Arrangement	(\$19,524,000) ⁽⁴⁾
Less: expenditure on the Altar Project for the 2017/2018 drilling season ⁽⁵⁾	(\$6,770,000)
Less: expenditures on the Altar Project for the 2018/2019 drilling season ⁽⁶⁾	(\$7,500,000)

Less: expenditures on the Rio Grande Project for the 2018/2019 drilling season	(\$250,000)
Less: estimated 18 month general and administrative expenses	(\$2,000,000)
Estimated available Funds after 18 months	\$1,199,000

Notes:

- (1) It is a condition to closing of the Arrangement that US\$30,000,000 be raised in the Financing and Route One has committed to subscribing for such minimum amount.
- (2) US dollar equivalent to \$1.3061 Canadian as of August 22, 2018.
- (3) See Note E to the Pro Forma Financial statements in Appendix C.
- (4) US\$15,000,000 is payable to Sibanye Stillwater in connection with the acquisition of the Altar Project.
- (5) Pursuant to a cost sharing agreement between Sibanye Stillwater and Aldebaran, Aldebaran has agreed to reimburse Sibanye Stillwater for exploration costs incurred during the 2017-2018 drilling season.
- (6) Pursuant to the JV Agreement, Aldebaran has committed to spending a minimum of US\$3,000,000 on the Altar Project per year.

RISK FACTORS

There are risks associated with the business of the Company that should be considered, including the speculative nature of exploration and the states of the Company's properties; the risks of changing political stability and government regulation in countries in which it operates; the effect of changes in commodity prices; reliance on management of the Company, regulatory risks that development of the properties will not be acceptable for social, environmental or other reasons; the need for additional capital by the Company through financings, and the risk that such funds may not be raised; and other risks associated with the Company as described in greater detail elsewhere in this Listing Application and in Item 21. See "Risk Factors".

Summary Financial Information

The following is a summary of selected consolidated financial information for the Argentina Subsidiaries for the periods indicated. The following information should be read in conjunction with the historical consolidated financial statements of the Argentina Subsidiaries attached as Appendices "E" and "F" to this Listing Application.

Regulus Argentina Subsidiaries

	Nine Months Ended June 30 <u>2018</u>	Year Ended September 30 <u>2017</u>	Year Ended September 30 <u>2016</u>
Net loss	\$422,268	\$112,169	\$429,578
Total assets	\$887,304	\$1,191,421	\$640,401
Total liabilities	\$9,074,225	\$12,912,406	\$14,426,314

The following is a summary of selected pro forma unaudited consolidated financial information for Aldebaran for the period indicated. See "Financial Statement Disclosure for Issuers".

	<u>Nine Months Ended June 30, 2018</u>
Net loss	\$1,237,268
Total assets	\$54,374,240
Total liabilities	\$414,969

ITEM 4: CORPORATE STRUCTURE

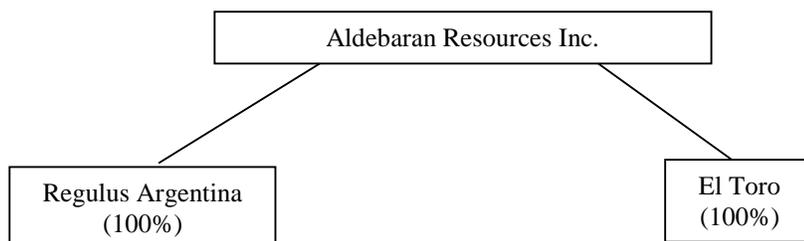
Name, Address and Incorporation

Aldebaran Resources Inc. was incorporated under the ABCA on June 7, 2018. On July 4, 2018, Aldebaran filed articles of amendment to create the Non-Voting Shares and to add a conversion feature between the Non-Voting Shares and the Aldebaran Shares to its articles. Its registered office is located at 1500, 850-2nd Street S.W., Calgary, Alberta T2P 0R8 and its principal business office is located at Suite 2300, 1177 West Hastings Street Vancouver, BC, Canada, V6E 2K3.

Intercorporate Relationships

As of the date hereof, Aldebaran is a wholly owned subsidiary of Regulus. On completion of the Arrangement, Regulus Shareholders, Stillwater Canada, participants in the Financing and certain other shareholders of Aldebaran will hold all of the issued and outstanding Aldebaran Shares.

On completion of the Arrangement, Aldebaran will beneficially own all of the issued and outstanding shares of Regulus Argentina and El Toro, which holds Regulus' 100% interest in the Rio Grande Project and certain other early state mineral properties in Argentina.



El Toro holds 0.01% of the shares of Regulus Argentina and Regulus Argentina holds 0.01% of the shares of El Toro in trust for Aldebaran in accordance with a requirement under Argentine laws for companies to have more than one shareholder.

The Directors of each of Regulus Argentina and El Toro are: John Black, Santiago Saravia Frias and Javier Robeto.

John Black is the Chief Executive Officer of Aldebaran, Mark Wayne is the Chief Financial Officer, Kevin Heather is the Chief Geological Officer and Megan Cameron-Jones is the Corporate Secretary.

ITEM 5: DESCRIPTION OF THE BUSINESS

General

Aldebaran was incorporated to participate in the Arrangement and has not carried on any active business other than in connection with the Arrangement and related matters. Following completion of the Arrangement, Aldebaran will carry on the business currently carried on by Regulus in Argentina and will also have an option to earn in on the Altar Project pursuant to the JV Agreement. Aldebaran will have approximately US\$30 million of working capital after closing of the Arrangement (before giving effect to the payment of its initial cash consideration of US\$15 million under the JV Agreement and payment of its expenses in connection with the Arrangement).

Regulus Argentina S.A. and Minera El Toro S.A.

Regulus Argentina was originally incorporated on November 5, 2004 under laws of Argentina to hold Regulus' then 50% interest in and to the Rio Grande Project. In 2012, Regulus merged with Pachamama Resources Ltd. to consolidate a 100% interest in the Rio Grande Project and to acquire El Toro, which held certain other early stage mineral properties in Argentina. Regulus Argentina and El Toro hold all of Regulus' (and will hold all of Aldebaran's) right, title and interests in the Argentina Projects.

PRINCIPAL PROPERTIES

Following completion of the Arrangement, Aldebaran will have entered into the JV Agreement to earn in on the Altar Project which will constitute the company's qualifying property and will beneficially own all of Regulus' interests in and to Regulus Argentina, which owns the Argentina Projects.

Altar Project

On completion of the Arrangement, Aldebaran will have entered into the JV Agreement, which provides Aldebaran the right to earn-in on the Altar Project over 5 years. The Altar Project is expected to be the principal focus of Aldebaran over that time period.

Incorporation of Information by Reference

The following summary of the Altar Project is extracted from the technical report dated effective August 16, 2018 titled "Mineral Resources, Altar Project, San Juan Province, Argentina" (the "**Altar Project Technical Report**") prepared by John M. Marek of Independent Mining Consultants, Inc. of Tuscon, AZ and Stanford T. Foy, CPG and Qualified Person for Sibanye-Stillwater. The Altar Project Technical Report, which contains detailed disclosure on the Altar Project, has been filed on SEDAR under the Regulus SEDAR profile at www.sedar.com. We have reproduced the summary information required by section 19.2 of form 3D in Appendix "H" hereto, and will post the full report to the Aldebaran SEDAR profile as well.

Each of John M. Marek and Stanford T. Foy are a qualified person as defined under NI 43-101 and John. M. Marek is independent of Peregrine Metals, Regulus and Aldebaran within the meaning of section 1.4 of NI 43-101.

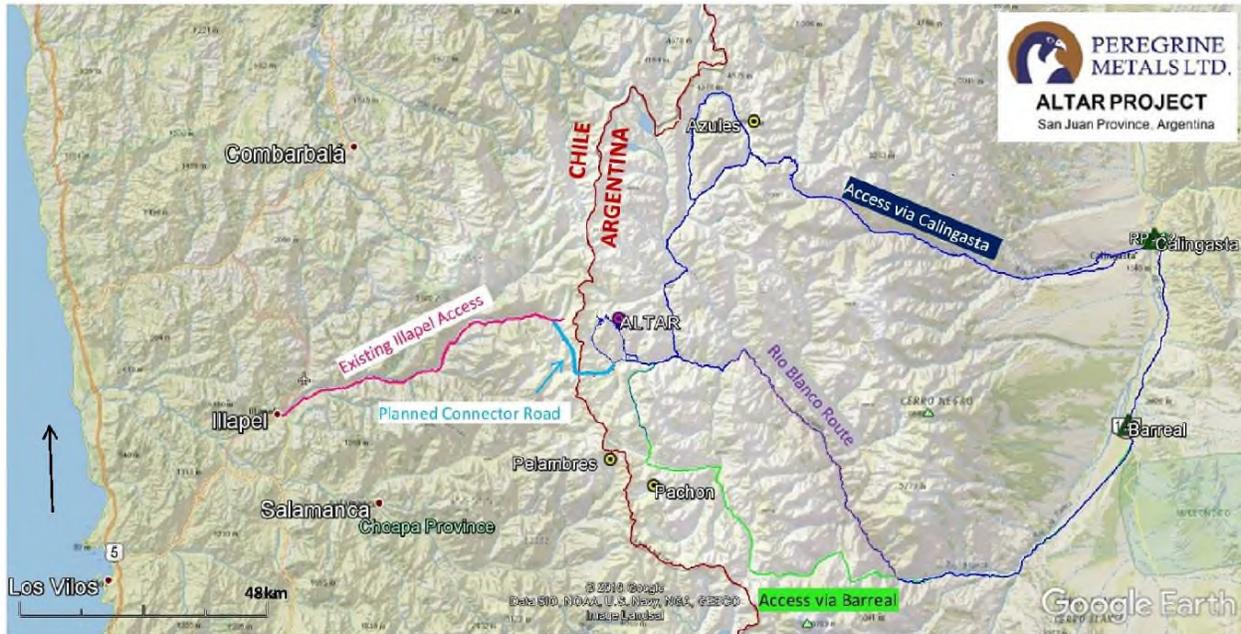
Summary Extracted from Altar Project Technical Report

The Altar Project Technical Report is written in compliance with disclosure and reporting requirements set forth in the Canadian Securities Administrators' National Instrument 43-101, Companion Policy 43-101Cp, and Form 43-101F1. In addition, the Standards and Guidelines of the Canadian Institute of Mines and Metallurgy (CIMM) have been followed in the development of this estimate of Mineral Resources.

The Altar Project is a copper-gold porphyry deposit located in San Juan Province, Argentina, approximately 10km from the Argentine-Chile border and 180km west of the city of San Juan. In addition to copper and gold, the deposit contains silver and molybdenum. The Quebrada de la Mina ("**QDM**") gold and silver deposit is located roughly 3 km west of the Altar porphyry in the same mineral district. Both are supported by a common exploration camp.

The Altar Project is currently accessed via two routes in Argentina. The primary access route is shared with the El Pachon project (owned by Glencore) and leads southwestward from the town of Barreal before swinging northwards toward El Pachon, then continuing an additional 25 km to the Altar Camp. In total there is approximately 170 km of gravel road from Barreal to Altar that is suitable for exploration support. There is no rail or air access to the Project. The closest airports are in the cities of San Juan and Mendoza. The site is remote and has no local infrastructure apart from the gravel road to the property.

In the future, there is an opportunity to develop alternative property access from Illapel, Chile. This route would require the upgrading of 64km of existing unpaved public road and the construction of 23.5km of new roads.



The Altar Project consists of eight mining concessions, two exploration permits and nine mining rights of way (servidumbres). It also includes an option on the five adjacent Rio Cenicero concessions. The Altar concessions collectively cover an area of about 8,443.7 hectares and the Rio Cenicero concessions cover an additional 3,716.6 hectares.

The table below sets out the Altar tenure details:

Concession Number	Concession Name	Concession Type	Area (ha)
Mining Tenure			
Altar			
1597-C-95	Leona	Mine	200.0
1598-C-95	Loba	Mine	300.0
1042-F28-C-96	Santa Rita	Mine	3.9
1118-F28-R-96	Pampa	Mine	2,740.0
338.641-I-92	RCA II	Mine	549.0
338.646-I-92	RCA VII	Mine	809.3
1124-168-M-13	Romina I	Mine	1,373.3
1124-169-M-13	Romina II	Mine	1,475.9
1124-444-M-08	Leon Norte	Exploration	900.0
1124-548-M-08	No name	Exploration	92.3
Subtotal Area Altar			8,443.7
Rio Cenicero Concession			
338.644-I-92	RCA V	Mine	965.7
338-649-I-92	RCA X	Mine	709.1
338-651-I92	RCA XII	Mine	942.1
338-654-I-92	RCA XV	Mine	464.6
338-637-I-92	RCB I	Mine	635.1
Sub-total Area Rio Cenicero			3,716.6
Rights of Way			
0116-F-28-C-96	Rio Tinto	Occupancy Easement	30Ha
98-B-96	No name	Access Road Easement	22.6 km
1124-75-M-2010	No name	Access Road Easement	13.6 km
1124-76-M-2010	No name	Access Road Easement	6.1 km
124-77-M-2010	No name	Access Road Easement	4.0. km
124-78-M-2010	No name	Access Road Easement	9.2. km
1124.106-M-2010	La Pampa	Occupancy Easement	1,990 Ha
1124.107-M-2010	Ore Body	Occupancy Easement	2,740 Ha
1124-161-M-2010 ¹	No name	Access Road Easement	6.8.km

The Altar porphyry was deposited in an environment that transitions from the basal roots of a high sulfidation epithermal lithocap to a sub-volcanic porphyry copper environment at depth. The deposit is described as telescoped because of the close spatial distance between the porphyry and the high sulfidation alteration systems. The age of the porphyry copper mineralization is estimated to be Miocene, approximately 10 to 12 million years old.

There are adjacent properties under exploration or development in the district surrounding Altar. Los Pelambres (Chile), El Pachon, and Los Azules (Argentina) are within 60 km or less of Altar.

There are two main ore zones within the Altar Main area of the deposit that are called the Altar Central and the Altar East zones. Three kilometers west of the Altar Central zone is a gold deposit called the Quebrada de la Mina (QDM) that is included in this statement of mineral resources. There were 28 drill holes completed at QDM during 2012.

Within the Altar Central and East area there are 221 diamond drill holes of which 219 that were completed prior to 2014 and used in the estimation of mineral resources containing 42,770 assay values for copper, gold, and silver as well as other metals.

QDM contains 28 drill holes and 3,432 assay intervals for gold and silver and other metals.

There has been additional external exploration drilling within the Altar district that has discovered another deposit called the Radio Porphyry that is just east of and substantially deeper than the QDM deposit. The Radio Porphyry and its intercepting drill holes have not been included in this statement of resources.

The mineral resource estimate for the Altar and QDM deposits have been developed from computer based block models using the drill results available at the end of the 2013 drill season and transferred to IMC in August of 2013. IMC and John Marek (QP) hold the opinion that the drilling since 2013 is not material to the statement of mineral resources.

At Altar, copper, gold, silver, and arsenic values in the block model have been incorporated into the calculation of economic value in order to establish the mineral resource estimate. Molybdenum has been estimated but does not contribute economically to the mineral resource. It is uncertain whether the molybdenum at Altar has the grade to justify the addition of a molybdenum circuit at current prices.

At QDM, gold and silver values in the block model have been incorporated into the calculation of economic value in order to establish the mineral resource estimate.

The Altar Central and East zones have potential to expand with additional drilling. The deposits are not completely closed off by drilling and additional target areas have been identified within the Altar concessions.

The basis for this statement of mineral resources is that Altar will be a high production rate open pit feeding a sulfide flotation plant with a daily ore production rate in the range of 140,000 tpd. The component of the mineralization that meets the mineral resource requirements for "reasonable prospects of economic extraction" was based on the results of the floating cone pit algorithm. The input parameters for the cone and the block grade estimation parameters are reported in Section 14 of the Altar Project Technical Report.

The process plant for the Altar project is currently contemplated as a high production rate flotation mill that will utilize semi-autogenous (SAG) mills. Process testing, as summarized in Section 13, indicates that the arsenic in the deposit will float well and report to concentrate at levels that will likely limit the ability to market the concentrate to smelters.

There are two options currently under consideration for concentrate treatment:

1. Pressure oxidation (POX) plant to treat about 700 to 1,000 tpd of concentrates, followed by solvent extraction and electro-winning (SXEW) of the oxidized concentrate. After extraction of the copper, the concentrate would be neutralized and subjected to Cyanide Vat Leaching (Cn Leach) to remove the gold and silver from the concentrate to produce a precious metal dore by carbon in pulp processing.
2. Copper Concentrate upgrading using regenerated sodium hydroxide to remove the arsenic and antimony. A clean copper concentrate would be transported to a conventional smelter for recovery of copper, gold, and silver.

The mineral resource is based on the assumption that Altar concentrates will be processed on site using POX+SXEW+Cn Leach. There has been limited testing of the POX+SXEW+Cn Leach. That testing is sufficient to confirm the general functionality of the POX+SXEW+Cn Leach concentrate treatment approach. Additional work will be required to establish the preferred method and the details of costs and recoveries. The outcome of that work could have a material impact on mineral resources.

The mineral resources are developed using the floating cone open pit algorithm to establish the component of mineralization with reasonable prospects of economic extraction.

Table 1-1 summarizes the total mineral resource at the base prices of \$2.75/lb copper, \$1,179/oz gold, and \$22.79/oz silver.

The cutoff grades are presented in terms of Net Smelter Return (NSR) which reflects the combined benefit of producing copper, gold, and silver.

The qualified person for the estimation of the mineral resource was John Marek of Independent Mining Consultants, Inc. Substantial metal price or production cost changes could materially change the estimated mineral resources in either a positive or a negative direction. Detailed testing and design of the process facility and concentrate handling facilities could have a positive or negative material impact on the resources at Altar.

Table 1-1

Altar Mineral Resources¹
31 December 2013, Updated to 1 July 2018

Classification	Cutoff Grade NSR \$/t	Mineral Resources at 4.67 NSR Cutoff							Contained Metal		
		Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	\$4.67	995,001	\$15.90	0.358	0.340	0.083	0.96	0.028	7,458	2,655	30,710
Indicated	\$4.67	<u>1,048,899</u>	<u>\$14.09</u>	<u>0.312</u>	<u>0.305</u>	<u>0.065</u>	<u>0.90</u>	<u>0.023</u>	<u>7,053</u>	<u>2,192</u>	<u>30,351</u>
Measured + Indicated	\$4.67	2,043,900	\$14.97	0.334	0.322	0.074	0.93	0.025	14,511	4,847	61,061
Inferred	\$4.67	555,951	\$12.88	0.283	0.279	0.060	0.87	0.022	3,420	1,072	15,551

Total Material of ore and waste in the Altar Cone: 8,041,551 tonnes

Quebrada de La Mina, Mineral Resources¹

Classification	Cutoff Grade NSR \$/t	Mineral Resources at 13.17 NSR Cutoff							Contained Metal		
		Ore Ktonnes	NSR \$/t			Gold Gm/t	Silver Gm/t		Gold Ozs x 1000	Silver Ozs x 1000	
Measured	\$13.17	10,911	\$27.94			0.930	3.49		326	1,224	
Indicated	\$13.17	<u>2,623</u>	<u>\$21.24</u>			<u>0.720</u>	<u>5.94</u>		<u>61</u>	<u>501</u>	
Measured + Indicated	\$13.17	13,534	\$26.64			0.889	3.96		387	1,725	
Inferred	\$13.17	603	\$23.80			0.730	7.87		14	153	

Total Material of ore and waste in the QDM Cone: 39,776 tonnes

Total Altar and Quebrada de La Mina, Mineral Resources¹

Classification	Cutoff Grade NSR \$/t	Mineral Resources							Contained Metal		
		Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	4.67 at	1,005,912	\$16.03	0.354	0.336	0.092	0.99	0.028	7,458	2,981	31,935
Indicated	Altar	<u>1,051,522</u>	<u>\$14.11</u>	<u>0.311</u>	<u>0.304</u>	<u>0.067</u>	<u>0.91</u>	<u>0.023</u>	<u>7,053</u>	<u>2,253</u>	<u>30,852</u>
Measured + Indicated	13.17 at QDM	2,057,434	\$15.05	0.332	0.320	0.079	0.95	0.025	14,511	5,234	62,786
Inferred		556,554	\$12.89	0.283	0.279	0.061	0.88	0.022	3,420	1,087	15,703

Notes:

1. The resource statement is included within a floating cone defined with the following metal prices: \$2.75/lb Copper, \$1,179/oz Gold, \$22.79/oz Silver
2. Copper and Arsenic grades are in percent of dry weight.
3. Gold and Silver grades are in grams per metric tonne.
4. Sulfide copper reflects the estimated grade of copper that could be processed by sulfide flotation.
5. There are no mineral reserves at Altar or QDM at this time.
6. Gold and Silver contained are in Thousands of Troy Ounces.
7. Weighted average grade calculations may not balance due to rounding.

The Altar Project Technical Report recommends that a measured approach be taken in the evaluation and development of Altar. Drilling and exploration activities at the project have outlined potentially economic mineralization and several exploration targets that require additional work.

IMC recommends a phased budget composed of two parts:

Part 1

- Extensive relogging program to focus on better definition and understanding of high-grade zones.
- Extend geophysical coverage over key alteration zones utilizing a Titan24 type program or equivalent.
- Followed by a 5000m (4 or 5 core-hole) drill program to test targets generated.

Part 2

- Based on results of Part 1, continue with additional core drilling as warranted.

IMC recommends the following next phase of exploration spending, estimated at US\$ 5,200,000 to further progress the Altar Project:

Item	Cost (US\$)
5,000m drill program	3,200,000
Geophysical program	500,000
General Support and Administrative	1,000,000
Contingency (10%)	500,000
Total	5,200,000

Rio Grande Project

Overview

The following description has predominantly been summarized or extracted from the technical report entitled "Technical Report on the Rio Grande Project, Salta State, Argentina" with an effective date of August 17, 2018, prepared by Sean D. Horan, P. Geo of Roscoe Postle Associates Inc. ("**RPA**") of Toronto, Ontario (the "**Rio Grande Technical Report**"). The entire Rio Grande Report may be obtained through the SEDAR website at www.sedar.com on the Regulus SEDAR profile and is hereby specifically incorporated by reference and forms an integral part of this Listing Application. For detailed information on the Rio Grande Property, including maps, please refer to the Rio Grande Report as filed on SEDAR at www.sedar.com on the Regulus SEDAR profile, as well as the Regulus website (www.regulusresources.com). Capitalized terms used in this section and not otherwise defined have the meaning ascribed to them in the Rio Grande Technical Report. This summary is qualified in its entirety by the full Rio Grande Technical Report.

Executive Summary

RPA was retained by Regulus to prepare an independent Technical Report on the Rio Grande Project (the "**Rio Grande Project**"), located in Salta Province, northern Argentina. The purpose of this report is to support the disclosure of the updated Mineral Resource estimate for the Rio Grande Project. This Technical Report conforms to National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). RPA visited the Property from August 8 to 14, 2017.

Regulus is a Vancouver-based company formed in December 2010 and is a reporting issuer. The common shares of Regulus trade on the TSX Venture Exchange and the company is under the jurisdiction of the Alberta Securities Commission.

Regulus' 100% owned Rio Grande copper-gold-silver property is located in the Altiplano of northwest Argentina at elevations between 3,700 m and 4,700 m above sea level. The Property is located approximately 260 km west of the city of Salta and 40 km east of the Chilean border.

In December 2010, a spin-out transaction was completed by means of a Plan of Arrangement, in which Antares Minerals Inc. (Antares) transferred, assigned, and conveyed to Regulus all of Antares' rights of title to and interest in the Rio Grande Project along with \$5,000,000 in cash. Regulus shares were subsequently distributed to Antares' shareholders in accordance with the terms of the Plan of Arrangement. Regulus formed a new Joint Venture with a subsidiary of Pachamama Resources Inc. ("**Pachamama**") for exploration of the Property. In early 2012, Regulus and Pachamama merged and consolidated 100% ownership of the Rio Grande Project into Regulus.

Exploration work has been carried out on the Property since the discovery of the deposit in 1999. Regulus and its predecessor companies have worked on the property since 2004. To date, 129 holes totaling approximately 74,201 m have been drilled on the Property. An initial Mineral Resource estimate was prepared in 2012.

RPA updated the Rio Grande Mineral Resource estimate based on the information available to August 17, 2018. Mineral Resources are based on a potential open pit scenario with a combination heap leaching and flotation envisaged for the processing of oxide, transition, and sulphide material types.

The Mineral Resource estimate prepared by RPA for the Rio Grande Project as of August 17, 2018 is summarized in the table below. Canadian Institute of Mining, Metallurgy and Petroleum for Mineral Resources and Mineral Reserves dated May 10, 2014 (CIM (2104) definitions) were followed for Mineral Resources.

SUMMARY OF MINERAL RESOURCES – AUGUST 17, 2018
Regulus Resources Inc. – Rio Grande Project

Class/Oxidation	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (Mlb)	Au (koz)	Ag (Moz)
Indicated							
Oxide	46.4	0.27	0.33	2.5	274.2	492	3.8
Transition	24.6	0.36	0.41	4.4	194.3	323	3.5
Indicated Total	71.0	0.30	0.36	3.2	468.6	815	7.3
Inferred							
Oxide	32.4	0.21	0.27	2.6	153.3	281	2.7
Transition	8.6	0.29	0.34	3.5	55.1	93	1.0
Inferred Total	41.0	0.23	0.28	2.8	208.4	375	3.6

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at a NSR cut-off grade of US\$8.00/t for Oxide, US\$12.00/t for Transition and US\$7.50/t for Sulphide. No sulphide material was captured in resource shell.
3. Mineral Resources are estimated using a long-term gold price of US\$1,400 per ounce and copper price of US\$3.50 per pound.
4. Bulk density is 2.41 t/m³ oxide, 2.50 t/m³ oxide, and 2.62 t/m³ sulphide.
5. Numbers may not add due to rounding.
6. Mineral Resources are reported within a preliminary open pit resource shell.

RPA is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

Conclusions

Based on the site visit and subsequent review, RPA offers the following conclusions:

- Indicated Mineral Resources, effective as of August 17, 2018, comprise 71 Mt at grades of 0.30% Cu, 0.36 g/t Au, and 3.2 g/t Ag containing 469 Mlb of copper, 815 koz of gold, and 7.3 Moz of silver.
- Inferred Mineral Resources, effective as of August 17, 2018 comprise 41 Mt at grades of 0.23% Cu, 0.28 g/t Au, and 2.8 g/t Ag containing 208 Mlb of copper, 375 koz of gold, and 3.6 Moz of silver.
- Regulus has identified four targets for exploration with the sulphate-rich/sulphide-bearing system (SRSB) target designated the highest priority.
- The sample preparation, analysis, and security procedures at the Property are adequate for use in the estimation of Mineral Resources.
- The quality assurance/quality control (QA/QC) program as designed and implemented by Regulus is adequate and the assay results within the database are suitable for use in a Mineral Resource estimate. Grades of selected certified reference materials (CRM) are appropriate.
- The database verification procedures for the Rio Grande Project generally comply with industry standards and are adequate for the purposes of Mineral Resource estimation.
- Some viable process options were investigated for copper and gold recovery, but a definitive processing route for the Rio Grande mineralization has not been determined yet and additional metallurgical studies are required.

Recommendations

Drilling and exploration activities at the Rio Grande Project have outlined potentially economic mineralization and a number of exploration targets that warrant further work.

RPA recommends a Phase 1 budget composed of two parts:

- A 7,500 m drilling program for the Rio Grande Sofia zone consisting of shallow infill drill holes. The budget also includes metallurgical test work to support the completion of more advanced studies on the Rio Grande Project.
- An 8,000 m drilling program consisting of four 2,000 m drill holes aimed at targeting Cu-Au sulphide mineralization at depth.

RPA recommends a Phase I budget of \$9,100,000 for exploration work to support the completion of a Phase II Preliminary Economic Assessment (PEA) (table below). The recommended Phase II budget would be contingent on the Phase I results.

PROPOSED BUDGET

Regulus Resources Inc. – Rio Grande Project

Item	Cost (US\$)
Infill Drilling	
7,500 m of Drilling	2,300,000
General Support and Administration costs	700,000
Metallurgical testing	200,000
Contingency (10%)	300,000
Sub-Total	3,500,000
Deep Drilling	
8,000 m of Drilling	4,000,000
General Support and Administration costs	1,100,000

Contingency (10%)	500,000
Sub-Total	5,600,000
Grand Total	9,100,000

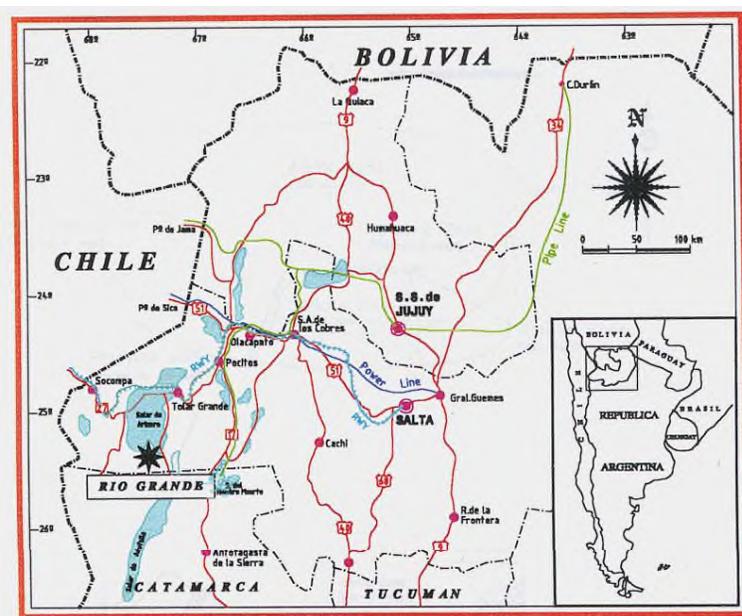
In addition, RPA offers the following recommendations:

- Insert coarse and pulp duplicates into the sample stream.
- Monitor QA/QC results on an on-going basis and send pulp duplicates to a secondary laboratory with blanks and CRMs.
- Increase the QA/QC controls to 10%, and document the QA/QC analysis on an annual basis or by drilling campaign.
- Carry out and document the data verification programs periodically.
- Perform additional metallurgical test work to define a process flowsheet for the Rio Grande Project and to confirm the metallurgical recoveries at each process stage. Mineralogical analysis and characterization of the feed and products from test work should also be considered and samples that are spatially representative of the deposit should be selected and used in test work.

Project Description and Location

The Rio Grande property consists of nine concessions covering an area of 17,552.93 ha. The concessions form one contiguous block that covers all of the exploration targets that have been identified to date. The information contained herein is taken from various Rio Grande reports.

The Rio Grande property is located on the southern edge of Salar de Arizaro (salt lake), western Salta Province in northwest Argentina, approximately 260 km west of the city of Salta and 40 km east of the Chilean border. The geographic coordinates of the property are approximately Latitude 25° 20' S and Longitude 67° 50' W.



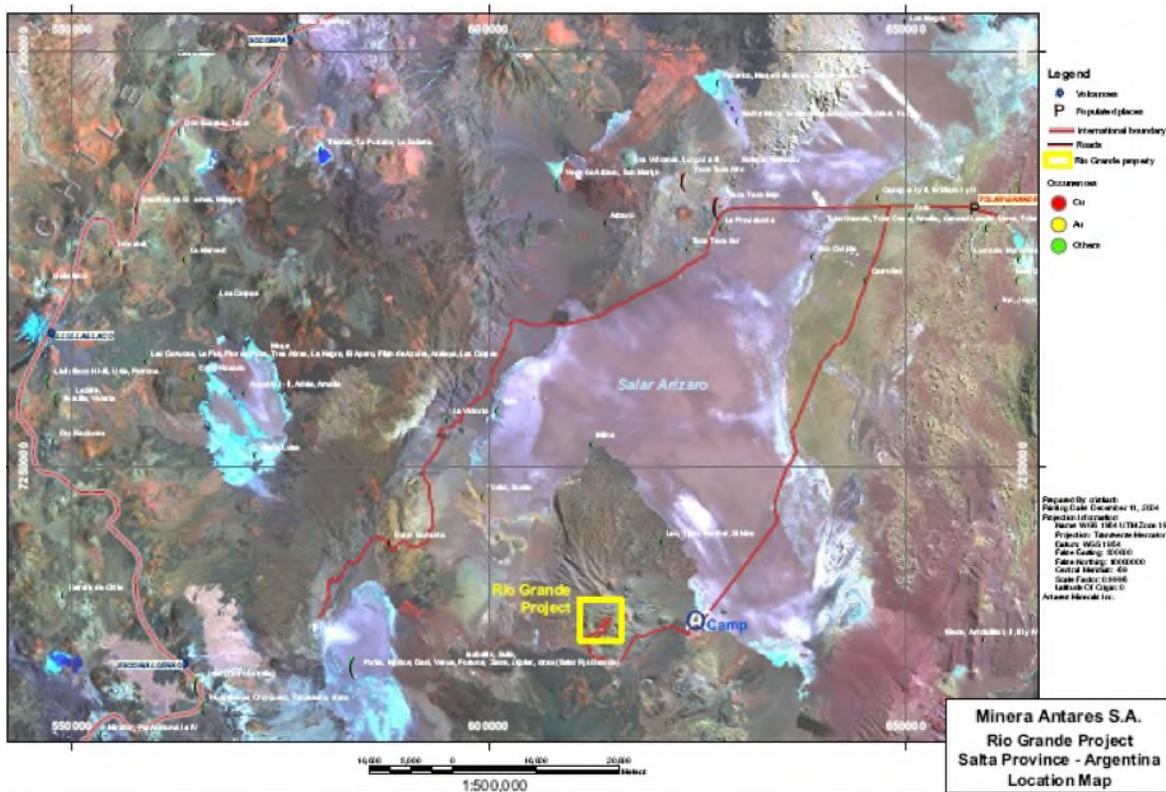
Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to the Rio Grande Project from Salta, which is the principal economic center of the region, is by paved roads for 100 km and by all weather dirt roads for 350 km along National Highway 51 and Provincial Highway 27, which extend from Salta to the Chilean border. Total travel time is approximately 8-9 hours.

The access route is from Salta to San Antonio de Los Cobres on National Highway 51 (140 km, 3 hours), continuing to the small town of Tolar Grande on Provincial Highway 27 (210 km, 4.5 hours) and then traveling along an undesignated route to the Regulus Rio Grande Camp at Mina Arita (80 km, 1.5 hours). Tolar Grande is the only significant town close to the project and provides a source for casual labor and basic supplies. Regulus' Rio Grande camp is located at the site of the abandoned Mina Arita Onyx Mine.

Access to the property from the Regulus camp at Mina Arita is via primitive dirt roads for a distance of approximately 25 km (40 minutes) from the camp to the Rio Grande volcanic centre. Several bulldozer roads were constructed on the property in order to provide access for drilling and trenching. All other areas on the property are accessible by 4-wheel drive truck or ATV.

Access routes to the property are shown on the location map below.



Physiography and Climate

The property lies at high elevation (3,600-4,600 meters) in the high desert of the Andes Mountains, close to the Chilean border. Local relief on the property is generally low hills but some steep areas exist. Vegetation and water are scarce on the property. The climate is generally dry and windy, and cold and snow can occur during storms. The high elevation can cause respiratory problems for those unaccustomed to the altitude. Fresh water springs and wells near the margin of the Salar de Arizaro and Vega de Cori provide water for the drilling programs.

Infrastructure

The nearest town with services is Tolar Grande located on Provincial Highway 27, 1.5 hours by road northeast of the Regulus' Rio Grande camp. All supplies and fuel are trucked to the camp directly from the City of Salta.

History

The following description of the exploration history on the property is summarized from *Rio Grande Project-Exploration Report, Salta Province, Argentina*, a report by Jorge Kesting, dated November 2002.

In June and July 1999, Mansfield prospected the Rio Grande area collecting 210 surface rock samples which defined and delineated a zone of copper-gold mineralization. A simplified sketch alteration map was generated showing the different alteration types and exploration targets in the two by two km area.

In early 2000, Mansfield signed a joint venture agreement with Minera Teck de Argentina ("**Teck**"), a wholly owned subsidiary of Teck Corporation. Teck had the opportunity to earn a 55% interest and was the manager of the exploration project.

During April and May 2000, Teck prepared a geological map at a scale of 1:20,000 covering roughly an area of 80 km². A smaller zone, mainly consisting of the area of potassic and scapolite-diopside-magnetite alteration, was mapped at a scale of 1:5,000. Another 118 surface rock samples were collected, defining new mineralized zones. An orientation soil survey was done to correlate discovered mineralization with surface soil anomalies. Three hand trenches were dug, channel samples were collected along the length of the trenches and assays returned encouraging results.

Follow-up exploration programs restarted in September 2001. The soil survey was completed over an area of 20 km² collecting 1,420 samples; the results showed an extended gold-copper anomaly. Quantec Argentina ("**Quantec**") performed geophysical surveys consisting of a magnetometry survey covering an area of 12 km² and an IP survey covering an area of 3.5 km². A 2.7 km trenching program was undertaken in order to test the Cu-Au anomalies generated by the soil sampling and prospecting program. In all, 22 trenches were dug in the main area, as well as five test pits. Special studies were performed to better understand the alteration and mineralization styles, include petrographic studies, K-Ar geochronology and Pima studies. A diamond drilling program consisting of 11 holes, totalling 3,221m was drilled. The results of Teck's exploration programs are described in a report prepared by Teck geologist, Moira Smith, entitled "*Rio Grande Property-Geological, Geophysical, and Diamond Drilling Investigations, Salta, Argentina*", dated July 2001. Additional work on the property was recommended; however, Teck terminated its exploration efforts in Argentina in early 2002.

In October 2002, Mansfield designed a program to re-map the Rio Grande Project and interpret all exploration results previously generated. Ten days were spent in the field remapping lithologies, mineralization, and alteration from the main zone at a scale of 1:5,000. The area covered is 10.5 km². Outcrops, trenches, road cuts and information generated by drilling were used to complete the mapping. Core was re-logged, and reinterpretation of the geophysics was completed. New plots, sections and maps in different scales were generated to better show the relations between geophysics, mineralized zones, alteration, drilling, soil anomalies and trenching.

In June 2004, Mansfield and Planet Ventures Inc. (predecessor of Regulus) signed a joint venture agreement in which Regulus became the operator for exploration on the property. Regulus began an exploration program in November 2004 which remains in progress.

In 2008, Pachamama was formed and acquired its 50% interest in the Rio Grande Project from Mansfield as part of the plan of arrangement involving Mansfield and Pachamama made pursuant to an arrangement agreement dated September 25, 2008 (the "Pachamama Arrangement"). At that time Pachamama signed a joint venture agreement with Antares, pursuant to which Antares would remain the operator.

In October 2010, Regulus was formed as a spin out of Antares. As a part of that transaction, Regulus acquired Antares' 50% interest in the Rio Grande Project and became the operator.

In May 2012, Regulus acquired Pachamama pursuant to the Pachamama Arrangement, which resulted in Regulus indirectly owning 100% of the Rio Grande Project.

Geology and Mineralization

The Rio Grande area consists of two overlapping andesitic volcanic centers, as well as numerous flanking shallow intrusive plugs, dikes and sills. There is relatively little outcrop, with most areas covered by a thin veneer of colluvium. Zones which contain most of the copper-gold mineralization, predominantly potassically altered, are mainly controlled by north-northwest, east-northeast and west-northwest oriented structures. This is reflected by the orientations of the altered mineralized zones and coincident induced polarization geophysical anomalies. These structures are believed to be reflecting part of ring structures associated to the larger, southwestern volcanic center. Close examination of trenched areas shows the presence of copper oxides (with gold) along steep east-west (east-northeast and west-northwest) and north-south (north-northwest) trending veinlets and joint sets, as well as shallowly dipping ones. While perhaps not all are involved directly in mineralization, these joint sets and veinlets appear to represent the structural control at a property scale, of the distribution of copper and gold.

Mineralization is controlled by dense stockworks and sheeted quartz-magnetite-sulfide veinlets as well as related to veins and veinlets of purple anhydrite. Sulphide minerals include chalcopyrite and pyrite which appear as stringers in the quartz-magnetite veinlets, filling cavities in the veinlets or/and forming sulphide veinlets.

Deposit Types

Two styles of Cu-Au mineralization with associated alteration have been recognized on the Rio Grande Property: an early mineralized system with affinities to iron-oxide copper-gold ("IOCG") type deposits; and a later mineralized system with affinities to porphyry style copper-gold deposits.

IOCG type deposits are a relatively recently defined deposit type. These deposits contain Fe-oxide-Cu-Au-(-/+ U) and include La Candelaria (Chile), Olympic Dam (Australia), and Salobo and Sossego (Brazil). They generally form in a structural and tectonic setting which includes extensional-arc environments with high angle structures that are adjacent to evaporite-redbeds. The alteration assemblages include Kspar-sericite and diopside-scapolite-magnetite.

The porphyry style copper-gold deposits are associated with a core K-feldspar altered zone with quartzmagnetite-pyrite stockwork, flanked by quartz-sericite-pyrite alteration, similar in characteristic to Bajo La Alumbrera (Argentina), and Grassberg (Indonesia).

Exploration and Drilling

The following description of the exploration history of the Rio Grande Project was condensed and modified by Price (2010), who in turn drew heavily on reports by Heather *et al.* (2005), Armbrust *et al.* (2005), and Kesting (2002).

- In June and July 1999, Mansfield prospected the Rio Grande area collecting 210 surface rock samples which defined and delineated a zone of copper-gold mineralization. A simplified sketch alteration map was generated showing different alteration types and exploration targets in the 2 x 2 kilometre area.
- In early 2000, Mansfield signed a joint venture agreement with Minera Teck Argentina, a wholly owned subsidiary of Teck Corp. This company had the opportunity to earn a 55% interest and was the manager of the exploration project.
- During April and May 2000, Teck prepared a geological map at a scale of 1:20,000, covering roughly an area of 80 square kilometres. A smaller zone, mainly consisting of the area of potassic and scapolite-diopside-magnetite alteration, was mapped at a scale of 1:5,000. An additional 118 surface rock samples were collected and new mineralized zones were discovered. An orientation soil survey was completed in an attempt to test the usefulness of soil geochemistry in detecting the newly discovered mineralization. Three hand trenches were dug and channel sampled; these assays returned encouraging results.
- Follow-up exploration programs commenced in September 2001. The soil survey was completed over an area of 20 square kilometres, with some 1,420 samples collected. The results showed an extended gold-copper anomaly. Quantec Argentina performed geophysical surveys consisting of ground magnetics covering an area of 12 square kilometres, and an Induced Polarization (IP) survey covering an area of 3.5 square kilometres. A 2.7-kilometre trenching program was undertaken in order to test the Cu-Au anomalies generated by the soil sampling and prospecting programs. A total of 22 trenches was completed in the main area, as well as five test pits. Special studies were performed to better understand the alteration and mineralization styles including petrography studies, K-Ar geochronology and Pima studies. A diamond drilling program consisting of 11 holes and totaling 3,220.6 metres was completed. The detailed results of Teck's exploration programs are described in reports Smith (2000) and Smith (2001). Additional work on the property was recommended, however, Teck terminated its exploration efforts in Argentina in early 2002, and returned the property to Mansfield.
- In October 2002, Mansfield designed a program to re-map the Rio Grande Project and re-interpret all exploration results previously generated. Ten days were spent in the field re-mapping, at a scale of 1:5,000, the lithology, mineralization, and alteration in the central mineralized portion of the Rio Grande Project; an area of 10.5 square kilometres. Outcrops, trenches, road cuts and information generated by drilling were used to complete the mapping. Core was re-logged, and reinterpretation of the geophysics was completed.
- In June 2004, Mansfield and Planet Ventures Inc., the predecessor of Antares Minerals Inc. ("Antares"), signed a joint venture agreement in which Antares became the operator for exploration on the property through its Argentine subsidiary, Minera Antares Argentina S.A. Antares began actively exploring the property in October 2004 and completed the first phase of this work that ended in May 2005 and consisted of several trenches and seven holes totalling 1,763.40 m of drilling.

- During the period 2006 to 2008, Antares conducted several exploration campaigns every year that consisted mainly of additional diamond drilling and extensive trenching throughout the project. A total of 28,031.5 metres were completed in 60 drill holes. These campaigns resulted in important extensions of the mineralization, both oxidized and hypogene, into new zones and to depth. Antares also completed a gradient array ground IP survey covering important areas of the project. The topography resolution was enhanced through a major detailed survey performed in the main area which included all roads, exploration pits, drill pads and collars.
- In early 2009, the global economic crisis forced Antares to put the Rio Grande Project on hold while it focused on its Haquira Cu-Mo-Au project in Peru. In December 2010, Antares was sold to First Quantum Minerals. Concurrent with the take-over, the Rio Grande project was spun out into a new company called Regulus Resources Inc.
- In 2011, Regulus recommenced exploration activities at Rio Grande, completing an aggressive exploration program which included a Quantec Titan 24 geophysical survey (IP, DC and MT), 15,025 metres of drilling in 20 diamond drill holes, and the first 43-101 compliant resource on the Rio Grande Project using information generated until the end of the 2008 campaign. For the resource calculation, it was necessary to do complete specific gravity tests and 80 representative samples from different lithologies, depths and variety of oxidation states were selected. In order to characterize different types of ore, Regulus conducted the first metallurgical work that tested 20 bottle-roll and two flotation samples. In addition, Regulus investigated SART technology for cyanide recovery by sending four samples to a specialized lab. At the end of that year, Regulus announced the discovery of a new high-grade Au-Cu mineralized zone in the Southwest Zone.
- The following year Regulus and its joint venture partner, Pachamama, consolidated the Rio Grande project ownership through a plan of arrangement that merged the two companies. The merged entity raised CDN\$27 million and thereafter conducted a 24,970 metre, 28 drill holes program which focused primarily on the new high-grade discovery in the Southwest Zone. Regulus also completed a single drill hole on the edge of a large Au soil anomaly in the Cerro Cori area, located 2 km east of the main mineralized area at Rio Grande. At the end of 2012, Regulus completed an extension of ground magnetics at Cerro Cori for 62.4 linear kilometres.
- During the first half of 2013, Regulus focused its exploration activities at Cerro Cori, commencing with geological mapping, construction of roads, trenching/sampling and a follow-up 1,200 metres, 4 drill hole campaign that ended in June. The results obtained from this zone were not particularly encouraging and Regulus decided not to move forward with field exploration in the area.
- From mid-2013 to 2017, all field activities at Rio Grande were suspended. This decision was driven by several factors such as the global economic crisis, depressed market conditions for mineral exploration, lower commodities prices and challenging conditions for foreign investment in Argentina. Regulus decided to take advantage of the downturn in the markets and conducted an extensive core re-logging campaign at Rio Grande which included detailed geological descriptions for all 74,210 metres drilled, extensive petrographic-staining work, integration of all geophysical information, development of an updated geological model, and definition of new drill targets. The results of this work are presented in this report.

Sampling and Analysis

Early Exploration – Teck and Mansfield

After logging, all drill core was split with a saw on site, with half archived for future reference and half sent to Acme Analytical Labs ("**Acme**") for assaying. Assay intervals are nominally two metres, with a few exceptions for the top and bottom of holes, areas of no recovery, etc. The core was bagged and sent to Salta weekly by truck, where it was shipped by bus to the Acme prep lab in Mendoza.

Regulus Exploration

Surface Rock Chip Samples

Surface rock chip and grab samples are collected by Regulus field-personnel using hammer and chisels. Rock chips are immediately placed into cloth or plastic sample bags, secured with a plastic zip tie, and labelled with a unique Regulus sample number. Most of the rock chip samples are semi-continuous chip channel samples and are typically

two (2) metres in length, but this depends upon the nature of the outcrop and/or road cut being sampled. The bagged samples are then transported to the nearest Regulus field camp, by Regulus personnel, where they were stored in a secure area pending shipment to a certified laboratory (ALS Chemex) sample prep facility.

Talus Debris (Float) Samples

Talus debris or float samples are collected in areas of low outcrop density or cover. Many of the areas under exploration are covered with a thin veneer of rock talus or float however, this float material has not been transported very far and is basically a result of in situ weather and erosion of the bedrock. The objective of collecting this type of sample is to test if it would be useful in the identification of thinly buried/covered mineralization.

Trench Sample

Trenches are typically excavated to bedrock with an average depth of 0.5 to 2.0 metres and a width of 1 to 1.5 metres, using a large excavator. If bedrock is not encountered within approximately 2 metres, the trench is discontinued for safety reasons. All loose rock is cleared away from the floor of the trench to expose a clean smooth bedrock surface. Sample intervals, typically 2 metres in length, but variable depending upon the nature of the bedrock, are then marked by a Regulus geologist. Channel samples are then cut with a portable, gas-powered, water-cooled, diamond channel saw. Two parallel cuts are made approximately 5 cm apart and to a depth of 3 to 4 cm. Samples are then extracted by Regulus field personnel with the aid of a hammer and chisel with emphasis on constant sample volume for the length of the sample interval. Rock chips are immediately placed into a plastic sample bag, secured with a plastic zip tie, and labelled with a unique Regulus sample number. The sample site is then marked with a metal tag inscribed with the unique Regulus sample number. The bagged samples are transported to the nearest Regulus field camp by Regulus personnel where they were stored in a secure area pending shipment to a certified laboratory (ALS Chemex) sample prep facility.

Reverse Circulation Drill Samples

Reverse circulation drill samples are collected immediately at the drill-hole site. Reverse circulation drilling is completed with dry conditions, however, if water is encountered the drilling method is converted to diamond drill core to ensure sample integrity. Dry drill sample cuttings are collected in a cyclone over a 2 metre sample interval and then passed through a riffle splitter to sequentially reduce the sample size. One-eighth of the sample (9-10 kg) is placed into a pre-labelled plastic bag, sealed with a plastic zip tie, and identified with a unique Regulus sample number. The bagged samples are transported to the nearest Regulus camp by Regulus personnel, where they are stored in a secure area pending shipment to a certified laboratory sample prep facility.

The remaining seven-eighths of the sample are then stored in a large, labelled plastic bag at the drill site for future reference. The reference samples from mineralized intervals are transported to the nearest Regulus camp by Regulus personnel. A small representative sample of the rock cuttings from each interval is placed into a plastic sample tray for subsequent geological logging of the hole by a Regulus geologist.

Diamond Drilling Samples

Diamond drill core is collected at the drill site under the supervision of Regulus employees where RQD (Rock Quality Designation) measurements are taken before the core is transported by truck to the core logging facility in camp. After geologically logging the core, the samples are typically sampled over a 2 metre sample interval unless the geologist determines the presence of an important geological contact. The core is cut with a diamond saw blade with half the sample retained in the core box for future reference and the other half (9-10 kg) placed into a pre-labelled plastic bag, sealed with a plastic zip tie, and identified with a unique Regulus sample number. The bagged samples are then stored in a secure area pending shipment to a certified laboratory sample prep facility.

Security of Samples

Early Exploration – Teck and Mansfield

Samples were assayed for gold by fire assay with AA finish and for silver and copper by geochemical methods. Teck reports that duplicate assays were performed approximately every 20 samples. Blanks were inserted every 20 samples and four standards were inserted by the lab at random intervals.

An audit completed by Chlumsky, Armbrust and Meyer LLC ("CAM") revealed that paper copies of assay certificates were archived in Teck's office in Santiago, but were not available for review by CAM. Information on

the results of quality assurance/quality control ("QA/QC") procedures used by Teck also were not available for review and reject and pulverized samples have also been lost.

CAM did examine the half-split core and confirm that this material could be further split and assayed if necessary. CAM did not see any information that would suggest that any sampling or assaying problems were encountered by Teck.

Regulus Exploration

Regulus has implemented a quality assurance (QA) and quality control (QC) program to ensure the reliability of all lithochemical sampling and analyzes of both surface samples and drill samples from all of its projects.

All samples are shipped directly to certified laboratory sample prep facility in sealed bags with unique Regulus identification numbers. Samples are prepared and analyzed only at internationally certified labs (e.g., international standards ISO 9001:2000 and ISO 17025:1999), which control their data quality with the use of reagent blanks, reference materials, and replicates. Regulus has mostly hired services from ALS Chemex. All lab control results pertinent to Regulus data, such as standards, blanks, and duplicates must be reported Regulus.

In addition, Regulus independently inserts certified control standards, coarse field blanks, and duplicates into the sample stream to monitor data quality. These standards are inserted "blindly" to the laboratory in the sample sequence. Regulus knows the values that should be determined for these standard samples, but the laboratory does not, and the standards act as an independent test of the laboratory's accuracy of analysis. Regulus inserts a minimum of 5% control samples in all sample batches and 10% control samples for drilling samples. The results of all data quality controls are carefully reviewed prior to the public release of any data. Finally, Regulus periodically performs "surprise" laboratory visits to inspect cleanliness and assess overall lab performance.

Other Properties

In 2012, in connection with the Regulus' arrangement with Pachamama, in addition to acquiring the remaining 50% working interest in the Rio Grande Project, Regulus acquired five Argentine projects and mineral rights covering approximately 28,000 hectares which will be acquired by Aldebaran in connection with the Arrangement. No material resources have been dedicated to these early stage properties since they were acquired by Regulus, and Aldebaran does not anticipate making any material expenditures beyond maintenance expenditures on such properties with regards to their exploration or development in the near term. These early stage properties are summarized below:

Property	Location	Ownership	Hectares
Aguas Calientes	Jujuy Province, Argentina	100%	2,700
Catua	Jujuy Province, Argentina	100%	900
El Camino	Salta Province, Argentina	100%	4,100
La Frontera	Catamarca Province, Argentina	100%	1,200
Oscara	Salta Province, Argentina	100%	19,004
Total			27,904

Aguas Calientes, Argentina

The Aguas Calientes property is located in northwestern Argentina in Jujuy Province, 25 kilometres northwest of the village of San Antonio de Los Cobres and 130 kilometres west of the city of Salta. Access from Salta is by all-weather road and paved highway.

The Aguas Calientes property comprises a single claim 100% owned by Regulus, covering approximately 2,700 hectares. The project consists of two main zones displaying epithermal precious metal mineralization associated with silica-(clay)-sericite alteration emplaced in Miocene volcanic and volcanoclastic rocks and in adjacent sedimentary strata of Late Cretaceous and Tertiary age. These zones have potential to host economic gold deposits.

Catua, Argentina

The Catua property is a copper prospect in Jujuy Province, northwestern Argentina, 6 kilometres from the Chilean border and 220 kilometres northwest of the city of Salta. Access is by all weather road.

El Camino, Argentina

The El Camino property is an iron-oxide-copper-gold prospect located 380 kilometres northwest of the city of Salta, northwest Argentina. Access from Salta is by good paved roads for the first 150 km and by all-weather dirt roads for the remaining part to La Casualidad Mine. Access to the property from this location is presently facilitated over a 2 kilometres long rough dirt track. The total travelling time from Salta is about 8 hours.

La Frontera, Argentina

The La Frontera property is a low sulphidation style silver-gold prospect located 320 kilometres west southwest of the city of Salta, in northwest Catamarca Province, Argentina. Access is by 75 kilometres of rough 4 x 4 or quad trail from the south end of the Salar Rio Grande.

Oscara, Argentina

The Oscara copper-gold-iron-oxide prospect located in the Puna region of Salta Province in northwestern Argentina. The area is accessible all year round through a good gravel road.

The Oscara prospect comprises 6 mining properties owned 100% by Regulus. Copper-Au occurrences, with elevated Fe-(Mo-Ba-Bi-Co) anomalies are found widespread over the entire property. These manifestations are hosted in rocks from Early to Late Paleozoic age, and are associated to broad zones with well-developed albite, K feldspar, hematite and chlorite-magnetite-epidote alteration. Also, multiple and widespread structures of copper mineralization are commonly found crosscutting and cementing poorly consolidated Tertiary sediments.

ITEM 6: FINANCINGS

Aldebaran Financing

As a condition to closing the Arrangement, Aldebaran has completed the Financing for US\$30 million. In that regard, Aldebaran has entered into the Route One Subscription Agreement whereby Route One has committed to provide financing to Aldebaran of US\$30 million at a price of US\$0.32 per share (pre-consolidation) or US\$0.96 per share (post-consolidation – approximately C\$1.28).

The Route One funds expect to participate in the Financing as to the following allocations:

<u>Fund</u>	<u>ALDE Shares</u>	<u>Subscription Price (USD)</u>
Route One Fund I L.P.	14,421,835	\$13,844,961.60
Route One Fund II L.P.	332,781	\$319,470.00
Route One Offshore Master Fund, L.P.	<u>16,495,384</u>	<u>\$15,835,568.40</u>
Total	31,250,000	\$30,000,000

After giving effect to the Arrangement, assuming a US\$30 million Financing, Aldebaran is anticipated to have CDN\$15.8 million in working capital available to it (See *Appendix C - Unaudited Pro Forma Consolidated Financial Statements of Aldebaran*). Aldebaran intends to use its available funds primarily to fulfil its commitments in the JV Agreement on the Altar Project, to maintain the Rio Grande Project, to initiate exploration on the Aguas Calientes project and for general expenses and working capital purposes. The 2018/2019 budget for the Altar Project has not yet been determined and agreed to by Aldebaran and Sibanye-Stillwater.

Due to the nature of mineral exploration activities, budgets are regularly reviewed in light of the success of the expenditures and other opportunities which may become available to Aldebaran. Accordingly, while Aldebaran anticipates that it will spend the funds available to it as stated in this Appendix, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent

Through its participation in the Financing and the Regulus Financing, Route One's proportional ownership of the outstanding Aldebaran Shares could be greater than 50% in certain circumstances. Under the terms of the Route One Subscription Agreement and the Financing, Route One has the option to subscribe for one or a combination of voting or non-voting common shares in the capital of Aldebaran, such that Route One will not have control or direction over securities carrying more than 50% of the voting rights attached to the outstanding voting securities of

Aldebaran. See "*Principal Security Holders*" in the Proxy Circular, and "*Description of Capital Structure*" in Appendix I to the Proxy Circular.

Closing of the Financing under the Route One Subscription Agreement is subject to satisfaction of certain of the closing conditions under the Arrangement Agreement and is expected to occur concurrently with and as a part of the closing of the Arrangement. Aldebaran may raise up to an additional US\$10 million in the Financing at the same price per share as Route One. To the extent any insiders participate in the Financing, their votes will be excluded from the required "majority of the minority" vote required by MI 61-101. See "*MI 61-101*".

The Route One Subscription Agreement contains a number of rights for Route One including pre-emptive rights, registration rights, board appointment, observer rights, voting support rights as further described below under the heading "*Material Contracts*".

See "*Funds Available and Principal Purposes*" above for a description of Aldebaran's 18 month sources and uses of funds.

Business Objectives and Milestones

Aldebaran intends to use its available funds primarily to fulfil its commitments in the JV Agreement on the Altar Project, to maintain, explore and develop the Rio Grande Project as may be determined and for general expenses and working capital purposes. The 2018/2019 budget for the Altar Project has not yet been determined and agreed to by Aldebaran and Sibanye-Stillwater.

Due to the nature of mineral exploration activities, budgets are regularly reviewed in light of the success of the expenditures and other opportunities which may become available to Aldebaran. Accordingly, while Aldebaran anticipates that it will spend the funds available to it as stated herein, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

ITEM 7: DIVIDENDS AND OTHER DISTRIBUTIONS

Aldebaran has not declared or paid any dividends on the Aldebaran Shares since its incorporation. Any decision to pay dividends on the Aldebaran Shares will be made by the Board on the basis of the corporation's earnings, financial requirements and other conditions existing at such future time.

ITEM 8: MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

Attached as Appendix "B" to this Listing Application is management's discussion and analysis for the Argentina Subsidiaries for the years ended September 30, 2017 and 2016 and for the nine month periods ended June 30, 2018 and 2017. The management's discussion and analysis for the Argentina Subsidiaries for the years ended September 30, 2017 and 2016 and for the nine month periods ended June 30, 2018 and 2017 was prepared as of October 15, 2018 and should be read in conjunction with the consolidated audited financial statements of the Argentina Subsidiaries for the years ended September 30, 2017 and 2016 and the consolidated unaudited financial statements of the Argentina Subsidiaries for the nine month periods ended June 30, 2018 and 2017. The financial data have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") applied consistently with prior periods and dollar amounts used herein are expressed in Canadian dollars unless otherwise stated. This discussion offers management's analysis of the financial and operating results of the Argentina Subsidiaries and contains certain forward-looking statements relating, but not limited, to operational information, future exploration and development plans and anticipated future mineral reserves or resources. Forward-looking information typically contains statements with words such as "anticipate", "estimate", "expect", "potential", "could", or similar words suggesting future outcomes. Readers and prospective investors of Aldebaran are cautioned not to place undue reliance on forward-looking information as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by Aldebaran. For additional information relating to the risks and uncertainties facing Aldebaran, see "Risk Factors".

Selected Pro Forma Financial Information of Aldebaran

The following information has been extracted from the unaudited pro-forma financial statements of Aldebaran dated June 30, 2018, which are attached as Appendix "C" to this Listing Application, and is presented in Canadian dollars.

	Aldebaran Resources Inc.	Carve-out	Pro Forma Adjustments	Pro Forma Balance Combined
ASSETS				
Total current assets	1	72,916	15,688,060	15,760,977
Total non-current assets	-	814,388	37,798,875	38,613,263
TOTAL ASSETS	\$ 1	\$ 887,304	\$ 53,486,935	\$ 54,374,240
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
Total current liabilities	-	8,659,256	(8,659,256)	-
Total non-current liabilities	-	414,969	-	414,969
TOTAL LIABILITIES	-	9,074,225	(8,659,256)	414,969
Total shareholders' equity	1	(8,186,921)	62,146,191	53,959,271
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1	\$ 887,304	\$ 53,486,935	\$ 54,374,240

ITEM 9: DISCLOSURE OF OUTSTANDING SECURITY DATA ON FULLY DILUTED BASIS

The following table sets forth the fully diluted share capital after giving effect to the Arrangement. See the unaudited pro forma consolidated financial statements of Aldebaran attached as Appendix "C" to this Listing Agreement.

	Number of Aldebaran Shares	Percentage of Aldebaran Shares
Aldebaran Shares issued to Regulus shareholders pursuant to Arrangement	30,331,531	39.1%
Aldebaran Shares issued pursuant to the Financing.....	31,250,000	40.3%
Aldebaran Shares issued to Stillwater Canada.....	15,449,555	19.9%
Aldebaran Shares issued for a financial advisory fee	604,870	0.8%
SUBTOTAL⁽¹⁾	77,635,957	100%
Aldebaran Shares reserved for issuance pursuant to Aldebaran Stock Option Plan ⁽²⁾	7,763,596	10%
FULLY DILUTED TOTAL	85,399,552	

Notes:

- (1) Assumes completion of the Arrangement and the US\$30 million Aldebaran Financing and the Regulus financing (announced August 22, 2018 for CDN\$20,140,000 at \$1.90 per share (10,600,000 Regulus Shares).
- (2) The number of Aldebaran Shares reserved pursuant to the Aldebaran Stock Option Plan is to be a maximum of 10% of the number of Aldebaran Shares issued and outstanding and issued pursuant to the Arrangement.

ITEM 10: DESCRIPTION OF SECURITIES TO BE LISTED

Aldebaran is applying to list the Aldebaran Shares for trading on the TSX-V. The following is a summary of the rights, privileges, restrictions and conditions which will be attached to the Aldebaran Shares on the Effective Date.

Aldebaran Shares

Aldebaran is authorized to issue an unlimited number of Aldebaran Shares and an unlimited number of non-voting common shares ("**Non-Voting Shares**"). Holders of Aldebaran Shares are entitled to one vote per share at meetings of holders of Aldebaran Shares. Holders of Aldebaran Shares and Non-Voting Shares are entitled to receive

dividends if, as and when declared by the board of directors and to receive pro rata the remaining property and assets of Aldebaran upon its dissolution or winding-up, subject to the rights of shares having priority over such outstanding shares in the capital of Aldebaran, as applicable. The Aldebaran Shares and Non-Voting Shares are convertible by the holders thereof into the other class of shares by delivering written notice of such holder's election to convert ("**Election**") to Aldebaran. Any such conversion shall be effective as of the date specified in the Election or such later date as may be determined by Aldebaran (provided that such later date shall not be more than 15 business days following the date the Election was received by Aldebaran).

Pre-Emptive Right

Pursuant to the terms of the Arrangement Agreement, Aldebaran has granted each of Route One and Stillwater Canada a pre-emptive right to maintain their respective percentage equity interests in Aldebaran in connection with any future financings by Aldebaran, provided that they each continue to own at least 10% of the Aldebaran Shares.

ITEM 11: CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Aldebaran, effective June 30, 2018, both before and after giving pro forma effect to the Arrangement (and assuming a US\$30 million Financing). See the unaudited pro forma consolidated financial statements of Aldebaran attached as Appendix "C" to this Listing Agreement and the audited balance sheet of Aldebaran attached as Appendix "D" to this Listing Agreement.

Designation	Authorized	Outstanding as at June 30, 2018 prior to giving effect to the Arrangement,	Outstanding as at June 30, 2018 after giving effect to the Arrangement,⁽¹⁾⁽²⁾
Aldebaran Shares	Unlimited	One (1)	72,530,394
Debt	N/A	Nil	Nil

Notes:

- (1) On a pro-forma basis, Aldebaran had a loss for the nine month period ended June 30, 2018 of \$1,237,268.
- (2) After the Effective Date, assuming the completion of the Financing and the Regulus Financing, there will be 77,635,957 Aldebaran Shares outstanding

ITEM 12: STOCK OPTION PLAN

The Board has adopted the Aldebaran Stock Option Plan, which Aldebaran Stock Option Plan has been approved by Regulus as the sole shareholder of Aldebaran. Below is a summary of the Aldebaran Stock Option Plan, which is qualified in its entirety by the full text of the Aldebaran Stock Option Plan attached hereto as Appendix "G". No stock options to acquire Aldebaran Shares have been granted to date.

Aldebaran Stock Option Plan

The Aldebaran Stock Option Plan authorizes the Board to issue stock options to directors, officers, employees and consultants of Aldebaran and its subsidiaries. The purpose of the Aldebaran Stock Option Plan is to provide directors, officers, employees and consultants of Aldebaran an incentive to achieve the longer-term objectives of Aldebaran, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of Aldebaran, and to attract and retain in the employ of Aldebaran or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in Aldebaran.

Description of the Plan

Pursuant to the TSX-V Option Policy, Aldebaran is permitted to maintain a "rolling 10%" stock option plan. On August 17, 2018, Regulus, as the sole shareholder of Aldebaran, approved the Aldebaran Stock Option Plan, pursuant to which Aldebaran Options to purchase Aldebaran Shares may be granted.

Eligibility

The Aldebaran Stock Option Plan provides for the granting of Aldebaran Options to purchase Aldebaran Shares to directors, officers and key employees and consultants of Aldebaran.

Administration

The Aldebaran Stock Option Plan is administered by the Board, which may, subject to applicable law, delegate its powers to administer the Aldebaran Stock Option Plan to a committee of the Aldebaran Board. Aldebaran Options may be granted at the discretion of the Aldebaran Board, in such number that may be determined at time of grant, subject to the limits set out in the Aldebaran Stock Option Plan.

Exercise Price

The exercise price of Aldebaran Options granted under the Aldebaran Stock Option Plan will be fixed by the Board at the time of grant, provided that the exercise price shall be not less than the closing trading price per Aldebaran Share on the TSX-V (or if the Aldebaran Shares are not listed on the TSX-V, on such stock exchange as the Aldebaran Shares are then traded) on the last trading day preceding: (i) the issuance of a news release in respect of the Aldebaran Option grant; or (ii) the date of grant, as applicable, on which there was a closing price, or, if the Aldebaran Shares are not listed on any stock exchange, a price determined by the Board.

Maximum Percentage of Aldebaran Shares Reserved

The aggregate number of Aldebaran Shares that may be issued pursuant to the exercise of Aldebaran Options awarded under the Aldebaran Stock Option Plan and all other share compensation arrangements of Aldebaran is 10% of the Aldebaran Shares outstanding from time to time, subject to the following limitations:

1. the aggregate number of Aldebaran Shares reserved for issuance to any one person under the Aldebaran Stock Option Plan, together with all other share compensation arrangements of Aldebaran, within a 12-month period, must not exceed 5% of the outstanding issue of Aldebaran Shares (on a non-diluted basis);
2. the aggregate number of Aldebaran Shares reserved for issuance to any one insider (as defined in the Aldebaran Stock Option Plan) and such insider's associates pursuant to the Aldebaran Stock Option Plan, together with all other share compensation arrangements of Aldebaran, must not exceed 5% of the outstanding issue of Aldebaran Shares;
3. the aggregate number of Aldebaran Shares reserved for issuance to insiders pursuant to the Aldebaran Stock Option Plan, together with all other share compensation arrangements of Aldebaran, within a 12-month period, must not exceed 10% of the outstanding issue of Aldebaran Shares;
4. the aggregate number of Aldebaran Shares reserved for issuance to any all persons employed to provide investor relations activities (as defined in the Aldebaran Stock Option Plan) within a 12-month period, must not exceed 2% of the outstanding issue of Aldebaran Shares;
5. the aggregate number of Aldebaran Shares reserved for issuance to consultants pursuant to the Aldebaran Stock Option Plan, together with all other share compensation arrangements of Aldebaran, shall not exceed 2% of the outstanding issue of Aldebaran Shares; and
6. the aggregate number of Aldebaran Shares reserved for issuance to any single consultant under the Aldebaran Stock Option Plan, together with all other share compensation arrangements of Aldebaran, within a 12-month period, shall not exceed 2% of the outstanding issue of Aldebaran Shares.

Transferability

The Aldebaran Options are not assignable or transferable by an optionee, except for a limited right of assignment in the event of the death of the optionee or a transfer in accordance with the requirements of the TSX-V.

Term and Vesting

The term of Aldebaran Options granted shall be determined by the Board in its discretion, to a maximum of five (5) years from the date of the grant of the Aldebaran Option. The vesting period or periods within this period during which an Aldebaran Option or a portion thereof may be exercised shall be determined by the Board. In the absence of any determination by the Board as to vesting, vesting shall be as to one-third on each of the first, second and third anniversaries of the date of grant. Further, the Board may, in its sole discretion, at any time, in the agreement in

respect of the Aldebaran Option grant, accelerate or provide for the acceleration of, vesting of Aldebaran Options previously granted.

Early Expiration

Unless otherwise provided in an agreement evidencing the grant of Aldebaran Options, Aldebaran Options shall terminate at the earlier of: (i) immediately upon termination of the Aldebaran Option holder for cause; (ii) the close of business 90 days after the optionee ceasing (other than by reason of termination for cause) to be at least one of an officer, director, employee or consultant of Aldebaran or a subsidiary of Aldebaran, as the case may be; (iii) the close of business 90 days after the optionee has been provided with written notice of dismissal related to (ii) above; and (iv) the expiry date of the Aldebaran Option. In addition, such Aldebaran Option may, subject to the terms thereof and any other terms of the Aldebaran Stock Option Plan, be extended by the Board to be exercised up to one year after departure of the participant from Regulus (for any reason other than termination for cause), or until the expiry date of the Aldebaran Option, if earlier.

Change of Control

In the event of a Change of Control (as defined in the Aldebaran Stock Option Plan), all Aldebaran Options which have not otherwise vested in accordance with their terms shall immediately vest and be exercisable, notwithstanding the other terms of the Aldebaran Options, for a period of time ending on the earlier of the expiry time of the Aldebaran Option and the thirtieth (30th) day following the Change of Control.

Voluntary Black-Out Periods

Aldebaran intends to adopt a policy on trading in the securities of Aldebaran which results in the imposition of self-imposed black-out periods from time to time, preventing officers, directors, employees and consultants from exercising options. For example, these black-out periods would be imposed when Aldebaran is considering various possible transactions or is completing material operations that could, if consummated or successfully completed, have a significant effect on the trading price or value of Aldebaran's securities. This policy will be adopted as part of Aldebaran's approach to responsible governance. However, the imposition of voluntary black-out periods can penalize Aldebaran and its insiders and employees where their Aldebaran Options have not been exercised prior to the voluntary black-out period and such Aldebaran Options would expire during such period.

Pursuant to the Aldebaran Stock Option Plan, the expiration of the term of any Aldebaran Options that would fall during a voluntary black-out period or within ten (10) business days following the termination of a voluntary black-out period will be extended for a period of ten (10) business days following the expiry of such black-out period such that all optionees will always have a maximum of ten (10) business days following a voluntary black-out period to exercise Aldebaran Options. This provision applies to all optionees.

Amendments to Aldebaran Options

The Board may amend or discontinue the Aldebaran Stock Option Plan at any time without the consent of the participants provided that such amendment shall not alter or impair any Aldebaran Options previously granted under the Aldebaran Stock Option Plan except as permitted by the provisions of the Aldebaran Stock Option Plan and that such amendment or discontinuance has been approved, if required, by the TSX-V. The Board may, with the approval of the participant, if required, amend the terms of any Aldebaran Option issued pursuant to the Aldebaran Stock Option Plan without approval of shareholders, unless otherwise required by the TSX-V.

The foregoing summary is subject to the specific provisions of the Aldebaran Stock Option Plan attached as Appendix "G" to this Listing Application.

ITEM 13: PRIOR SALES

On June 7, 2018, Aldebaran issued one (1) Aldebaran Share to Regulus at a price of Cdn\$1.00 per share to facilitate its organization. This share will be redeemed or repurchased for cancellation in connection with the Arrangement.

ITEM 14: ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER

As of the date of this Listing Application, no securities of any class of securities of Aldebaran are held in escrow or are anticipated to be held in escrow following the completion of the Arrangement.

In connection with the Listing Application, waiver of Escrow has been granted for Principals Fernando Pickmann, Gordon Leask, and Megan Cameron-Jones who each hold less than 1% of issued and outstanding shares. Tier 1 Value Security Escrow Agreement requirements will apply to the remaining Principals including Route One Investment L.P. and Sibanye-Stillwater, with such shares being released from escrow as to 25% on the date of the issuance of the TSX-V listing bulletin and 25% on each of the 6, 12 and 18 month anniversaries of closing.

In addition, Stillwater Canada has agreed to a 24-month restriction on resale of its Aldebaran Shares subject to certain exceptions. See "*Disclosure of Outstanding Security Data on a Fully Diluted Basis*".

ITEM 15: PRINCIPAL SECURITYHOLDERS

All of the issued and outstanding Aldebaran Shares are currently held by Regulus, and will be repurchased for cancellation in connection with the Arrangement. To the knowledge of Aldebaran, as of the date of this Listing Application, there are no persons who will, immediately following the completion of the Arrangement, directly or indirectly, own or exercise control or direction over, securities carrying more than 10% of the voting rights attached to any class of voting securities of Aldebaran other than:

<u>Name and Place of Residence</u>	<u>Type of Ownership</u>	<u>Number of Common Shares</u>	<u>Percent of Class</u>
Route One ⁽¹⁾⁽²⁾ San Francisco, California	Direct	38,413,125	49.5%
Stillwater Canada LLC ⁽³⁾ Delaware	Direct	15,449,555	19.9%

Note:

- (1) Each of Route One Fund I, L.P., Route One Fund II, L.P. and Route One Offshore Master Fund, L.P. (collectively, the "**Route One Funds**") will hold Aldebaran Shares and are each controlled by Route One.
- (2) The Route One Funds are all comingled investment vehicles with a large number of underlying investors. Route One Fund I, L.P. has 127 underlying investors, Route One Fund II, L.P. has 56 underlying investors, and Route One Offshore Master Fund, L.P. has 57 underlying investors.
- (3) Stillwater Canada LLC is a wholly-owned subsidiary of Sibanye Gold Limited, a publicly traded company.

ITEM 16: DIRECTORS AND EXECUTIVE OFFICERS

Name, Address and Occupation

The names, municipalities of residence, positions with Aldebaran and the principal occupations of the persons who will serve as directors and executive officers of Aldebaran after giving effect to the Arrangement are set out below, together with their pro forma holdings of Aldebaran Shares.

Name, Province and Country of Residence	Offices Held and Time as Director or Officer	Principal Occupation (for last 5 years)	Pro Forma Holdings of Aldebaran Shares⁽¹⁾
Directors/Officers			
John Black CEO and Director Denver, USA	Chief Executive Officer and Director since Incorporation	Chief Executive Officer of Regulus from May 2012.	901,351

Name, Province and Country of Residence	Offices Held and Time as Director or Officer	Principal Occupation (for last 5 years)	Pro Forma Holdings of Aldebaran Shares⁽¹⁾
Mark Wayne ⁽²⁾ CFO and Director Alberta, Canada	CFO and Director since Incorporation	Chief Financial Officer of Regulus since 2010; Vice-President of IA Securities Inc., an investment dealer, since January 2005.	907,581
Kevin Heather Chief Geological Officer and Director La Serena, Chile	Chief Geological Officer and Director since Incorporation	Chief Geological Officer of Regulus since January 31, 2011.	1,091,192
Fernando Pickmann Lima, Peru	Director since Incorporation	President and a director of Regulus since 2014, prior thereto, Chief Executive Officer and a director of Southern Legacy from June 2012 to 2014 and acting Chief Financial Officer since March 2014; Partner, Gallo Barrios Pickmann Abogados (law firm) from 2010 to present.	448,675
Gordon P. Leask ⁽²⁾ British Columbia, Canada	Director since Incorporation	Professional Geological Engineer. President and Chief Executive Officer of Hwy 50 Gold, a public junior mining company, since June 2008. Director of Pachamama from November 2008 to May 2012. Formerly, President and Chief Executive Officer of Goldrock since 1991 and 2004, respectively, to October 2012 and a director of Goldrock from 1991 to 2014.	374,093
John Sibley ⁽²⁾ British Columbia, Canada	Sibanye-Stillwater Nominee Director ⁽³⁾	Managing Director of Stillwater Canada since July 2017. Prior thereto he acted as board chairman for both Qtrade Canada Inc. from 2000 to 2018 and Minkabu, Inc. from 2016 to 2017. Prior thereto, Executive Vice President and General Counsel for Uranium One Inc. from 2006 to 2015, and a consultant from 2015 to 2016.	0
Megan Cameron- Jones British Columbia, Canada	Corporate Secretary	Corporate Secretary of Regulus since May 2012. Director and Corporate Secretary of Highway 50 Gold since June 2008. Director of Pachamama from November 2008 to May 2012. Director and Corporate Secretary of Goldrock from 1993 to 2016.	74,058

Notes:

- (1) Represents the Aldebaran Shares held by the directors on closing of the Arrangement.
- (2) Member of the Audit Committee.
- (3) Stillwater Canada will own 19.9% of the SpinCo shares on closing of the Arrangement and has the right pursuant to the Investor Rights Agreement to nominate one person to the SpinCo board.

Each of the directors of Aldebaran will hold office until the first annual meeting of the holders of Aldebaran Shares or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with Aldebaran articles or by-laws. Aldebaran anticipates adding additional full-time management personnel as needed in the future.

Assuming completion of the Arrangement, it is anticipated that the directors and executive officers of Aldebaran, as a group, will beneficially own, directly or indirectly, or exercise control or direction over 3,796,950 Aldebaran Shares, or approximately 4.9% of the number of Aldebaran Shares (19,251,681 and 24.8% including Stillwater Canada) that will be outstanding immediately following completion of the Arrangement.

John Black – Denver, USA – Chief Executive Officer

Mr. Black (age 58) is currently the Chief Executive Officer of Regulus. Mr. Black is an economic geologist with more than 30 years of exploration experience in The Americas, Central Asia, the SW Pacific, and Eastern Europe/Western Asia. He first worked in South America in 1993 and has been actively involved in mineral exploration throughout the continent for several companies since that time. His professional credentials include a B.Sc. degree in Geology from Stanford University in 1983 and an M.S. degree in Geology – Ore Deposits

Exploration from the same University in 1988. John was the founding President of Antares Minerals Inc. and was instrumental in acquiring the Haquira project in Peru for Antares. He was the key driver in negotiating the sale of Antares to First Quantum Minerals for C\$650 million. John's early career included work with Bear Creek Mining Company, Kennecott Minerals Corporation, Rio Tinto and Western Mining Corporation and he currently serves as a Director or Technical Advisor for several private and public exploration companies.

Mr. Black will devote the time necessary to perform the work required in connection with the management of Aldebaran and advancement of Aldebaran's principal properties. Mr. Black has not entered into any non-competition or non-disclosure agreement with Aldebaran, and will provide the services of Chief Executive Officer as an independent contractor.

Mark Wayne – Calgary, Alberta – Chief Financial Officer

Mr. Wayne (age 61) is currently the Chief Financial Officer of Regulus and prior to that, Antares Minerals Inc. Mr. Wayne has a law degree and is a Chartered Financial Analyst. He practiced law from 1980 – 1987, specializing in the fields of corporate and securities law. In 1987 he founded and became President of AltaFund Investment Corp., a public investment company that raised \$110 million. In 1991, AltaFund joined the Altamira group of mutual funds and Mr. Wayne subsequently served as Vice-President, Western Canada for Altamira until November 1998. Mr. Wayne has raised money for, and served as a director or officer of, a number of public and private companies over the years in the mining, oil and gas and technology sectors. Mr. Wayne is based in Calgary, Alberta and is also a Vice President of IA Securities Inc., a full service investment dealer.

Mr. Wayne will devote the time necessary to perform the work required in connection with the management of Aldebaran and advancement of Aldebaran's principal properties. Mr. Wayne has not entered into any non-competition or non-disclosure agreement with Aldebaran, and will provide the services of Chief Financial Officer as an independent contractor.

Kevin B. Heather – La Serena, Chile – Chief Geological Officer

Dr. Heather (age 58) is currently the Chief Geological Officer of Regulus. Dr. Heather is an economic geologist with more than 30 years of field experience in North and South America. Dr. Heather received a BSc. (honours) degree in geology from the University of British Columbia (Vancouver, Canada) in 1982, a MSc. degree in geology from Queen's University (Kingston, Canada) in 1985, and a PhD. degree from the University of Keele (Keele, England) in 2001. s an economic geologist with more than 30 years of field experience in North and South America. Dr. Heather received a BSc. (honours) degree in geology from the University of British Columbia (Vancouver, Canada) in 1982, a MSc. degree in geology from Queen's University (Kingston, Canada) in 1985, and a PhD. degree from the University of Keele (Keele, England) in 2001.

Dr. Heather will devote the time necessary to perform the work required in connection with the management of Aldebaran and advancement of Aldebaran's principal properties. Mr. Heather has not entered into any non-competition or non-disclosure agreement with Aldebaran, and will provide the services of Chief Geological Officer as an independent contractor.

Fernando Pickmann – Lima, Peru – Director

Mr. Pickmann (age 52) is currently a director of Regulus. Mr. Pickmann has a law degree and an LLM in corporate Law and over 20 years of corporate, securities and mining law experience. His legal practice has been focused advising significant mining companies in Peru. He has acted as internal legal advisor of Peruvian Government on the Mining Privatization Committee of CENTROMIN PERU; he has been board member of several public and private junior mining companies and board member of PERU PETRO (oil and Gas Peruvian Agency) and is currently partner of GALLO BARRIOS PICKMANN Law Firm leading the mining practice currently Mr. Pickmann is considered as one of the leading lawyers in Peruvian mining practice by Chambers and Partners and Who is Who.

Mr. Pickmann has also been Professor of Mining Law and Strategic Alliances at Lima University. He has managed joint ventures, listings and financing of several junior mining companies with the Lima Stock Exchange. Mr. Pickmann was CEO of Southern Legacy Minerals prior to its amalgamation with Regulus Resources Inc.

Gordon Leask – British Columbia, Canada – Director

Mr. Leask (age 57) is currently a director of Regulus. Mr. Leask has a Bachelor of Applied Science in geological engineering from the University of British Columbia (1985) and is a Professional Engineer. Mr. Leask is the

President and CEO of Highway 50 Gold Corp. Gordon was also a founder and former President and director of Goldrock Mines Corp. as well as a founder and former director of White Knight Resources Ltd. which was acquired by U.S. Gold Corp. (now McEwen Mining Inc.) in 2007 for \$160 million.

John Sibley – British Columbia, Canada – Director

Mr. Sibley (age 68) has been an Executive Vice President, General Counsel, Company Secretary at Uranium One Inc. since September 1, 2006. Mr. Sibley served as a Partner in Davis & Company LLP, from 2001 to August 31, 2006. He has advised numerous Canadian and foreign companies involved in the mining sector on a wide range of matters, including public offerings and mergers and acquisitions. He provided advisory services to mining and mineral exploration companies. He served as a Non-Executive Director at Uranium One Inc. since April 2003. Mr. Sibley has been a Member of the Ontario bar since 1985, acting as lead counsel on a broad range of corporate finance legal issues. He holds a Bachelor of Arts from University of Manitoba and a Bachelor of laws from Osgoode Hall Law School of York University.

Megan Cameron-Jones – British Columbia, Canada – Corporate Secretary

Ms. Cameron-Jones (age 56) has 30 years experience in providing regulatory and management services to public companies. She is a director and officer of Highway 50 Gold Corp. Megan was a director and officer of Goldrock Mines Corp. for 23 years as well as a director and officer of White Knight Resources Ltd.

Ms. Cameron-Jones will devote the time necessary to perform the work required in connection with the management of Aldebaran and advancement of Aldebaran's principal properties. Ms. Cameron-Jones has not entered into any non-competition or non-disclosure agreement with Aldebaran, and will provide the services of Corporate Secretary as an independent contractor.

Other Reporting Issuer Experience

The following table sets out the directors and officers of Aldebaran that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
Mark Wayne	Regulus, Alberta	TSX-V	Director, CFO	2010	Present
	Moneta Porcupine Mines Inc., Ontario	TSX	Director	2014	Present
	Alamos Gold Inc., Ontario	TSX	Director	2005	2014
	NewCastle Gold Ltd., Ontario	TSX	Director	2013	2017
	Consolidated Westview Resources Corp., Alberta	TSX-V	President, CEO & Director	2007	2014
	ImmunoPrecise Antibodies Ltd., Alberta	NEX	President, Director	2007	2016
	Karnalyte Resources Inc., Alberta	TSX	Director	2010	2014
John Black	Regulus, Alberta	TSX-V	Director	2010	Present
			President	2012	Present
	Candente Copper Corp., BC	TSX-V	Director	2011	Present
	Chakana Copper Corp.	TSX-V	Director	2018	Present
Kevin Heather	Regulus, Alberta	TSX-V	VP Geology	2010	Present
	Moneta Porcupine Mines Inc. Ontario	TSX	Director	2017	Present
Gordon Leask	Regulus, Alberta	TSX-V	Director	2012	Present
	Highway 50 Gold Corp., BC	TSX-V	President, CEO & Director	2008	Present
	Goldrock Mines Corp., BC	TSX-V	President, CEO & Director	1991	2014
Fernando Pickmann	Regulus, Alberta	TSX-V	President & Director	2014	Present
	Southern Legacy Minerals Inc., BC	TSX-V	CEO & Director	2012	2014
John Sibley	Uranium One Inc.	TSX	Executive Vice President and General Counsel	2006	2015
Megan Cameron-Jones	Regulus, Alberta	TSX-V	Corporate Secretary	2012	Present

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
	Highway 50 Gold Corp.	TSX-V	Corporate Secretary & Director	2008	Present
	Goldrock Mines Corp.	TSX-V	Corporate Secretary & Director	1993	Present

Prior to the Effective Date, the Aldebaran Board will appoint an audit committee whose composition will comply with the requirements of the ABCA, Applicable Canadian Securities Laws and the TSX-V. The board of directors of Aldebaran may from time to time establish additional committees. The mandates of each of the committees will be established following completion of the Arrangement and will be in compliance with applicable legal and regulatory requirements.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as disclosed below, no proposed director is as at the date hereof, or has been:

- (a) within 10 years of the date hereof, a director or chief executive officer or chief financial officer of any company, including the Corporation, that:
 - (i) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted in such company, after the director or executive officer ceased to be a director chief executive officer or chief financial officer of the company, being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer; or
- (b) within 10 years of the date hereof, a director or executive officer of any company, including the Corporation, that, while that person was acting in their 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 became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Listing Application, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

In addition, no proposed director has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Mark Wayne, a director and officer of the Corporation, was a director of Railpower Technologies Corp. ("**Railpower**") until June 2008. In February 2009, Railpower filed for bankruptcy. On May 29, 2009, Railpower sold the majority of its assets to R.J. Corman Railroad Group, LLC.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of Aldebaran will be subject in connection with the operations of Aldebaran. In particular, certain of the directors and officers of Aldebaran are involved in managerial or director positions with other mining companies whose operations may, from time to time, be in direct competition with those of Aldebaran or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of Aldebaran. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that, in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain

from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA. As at the date of this Listing Application, Aldebaran is not aware of any existing or potential material conflicts of interest between Aldebaran and any director or officer of Aldebaran.

ITEM 17: EXECUTIVE COMPENSATION

To date, Aldebaran has not carried on any active business and has not completed a fiscal year of operations. No compensation has been paid by Aldebaran to its executive officers or directors and none will be paid until after the Arrangement has been completed. Following completion of the Arrangement, it is anticipated that the executive officers of Aldebaran will be paid salaries at a level that is comparable to companies of similar size and character.

As at the date of this Listing Application, there are no employment contracts in place between Aldebaran and any of the executive officers of Aldebaran and there are no provisions with Aldebaran for compensation for the executive officers of Aldebaran in the event of termination of employment or a change in responsibilities following a change of control of Aldebaran. It is expected that Aldebaran will enter into employment contracts with each of the executive officers of Aldebaran on or before the Effective Date.

Aldebaran has not established an annual retainer fee or attendance fee for directors. However, Aldebaran will establish directors' fees in the future and will reimburse directors for all reasonable expenses incurred in order to attend meetings. It is anticipated that directors will be compensated for their time and effort by granting them options to acquire Aldebaran Shares pursuant to the Aldebaran Stock Option Plan.

ITEM 18: INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There exists no indebtedness of the directors or executive officers of Aldebaran, or any of their associates, to Aldebaran, nor is any indebtedness of any of such persons to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Aldebaran.

ITEM 19: AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Following the completion of the Arrangement, it is anticipated that Aldebaran will adopt audit committee and corporate governance policies in compliance with applicable laws and TSX-V policies.

ITEM 20: AGENT, SPONSOR OR ADVISOR

Aldebaran has applied for and received a waiver from the sponsorship requirement in connection with its application for listing of the Aldebaran Shares on the TSX-V.

ITEM 21: RISK FACTORS

An investment in Aldebaran should be considered highly speculative due to the nature of its activities and the present stage of its development. Aldebaran was incorporated for the sole purpose of participating in the Arrangement and has not carried on any material business other than in connection with the Arrangement and related matters. Following completion of the Arrangement, Aldebaran will carry on the business currently carried on by the Argentina Subsidiaries as well as pursuant to the JV Agreement. Investors should carefully consider the following risk factors and the risk factors contained in the Proxy Circular.

All of Aldebaran's operations involve exploration and development and there is no guarantee that any such activity will result in commercial production of mineral deposits.

None of the exploration properties in which Aldebaran holds an interest host a known body of commercial ore and proposed programs on such properties are exploratory in nature. Development of these mineral properties is contingent upon obtaining satisfactory exploration results. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. There is no assurance that commercial quantities of ore will be discovered on any of Aldebaran's exploration properties. There is also no assurance that, even if commercial

quantities of ore are discovered, a mineral property will be brought into commercial production. The discovery of mineral deposits is dependent upon a number of factors not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, mineral prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, assuming discovery of a commercial ore body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the control of Aldebaran.

Aldebaran is exposed to risks of changing political stability and government regulation in the countries in which it operates.

Aldebaran will hold mineral interests in Argentina which may be affected in varying degrees by political stability, government regulations relating to the mining industry and foreign investment therein, and the policies of other nations in respect of Argentina. Any changes in regulations or shifts in political conditions are beyond the control of Aldebaran and may adversely affect its business. Aldebaran's operations may be affected in varying degrees by government regulations, including those with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, employment, land use, water use, environmental legislation and mine safety. The regulatory environment is in a state of continuing change, and new laws, regulations and requirements may be retroactive in their effect and implementation. Aldebaran's operations may also be affected in varying degrees by political and economic instability, economic or other sanctions imposed by other nations, terrorism, military repression or adventurism, civil unrest, crime, extreme fluctuations in currency exchange rates and high inflation.

Future amendments to the laws of Argentina could weaken, shorten or curtail Aldebaran's mineral exploration rights or make it more difficult or expensive to obtain mining rights and carry out mining.

Future amendments to the laws or new legislation covering ostensibly unrelated matters could affect the existing laws relating to mineral exploration and development and harm Aldebaran's ability to carry on business in Argentina.

Mineral prices are volatile.

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist or develop for the sale of same. There can be no assurance that mineral prices will be such that Aldebaran's properties can be mined at a profit. Factors beyond the control of Aldebaran may affect the marketability of any minerals discovered. Mineral prices are subject to volatile price changes due to a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

Reliance Management and Key Personnel.

Aldebaran relies heavily on its existing management. Recruiting and retaining qualified personnel is critical to Aldebaran's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. Aldebaran believes that it has been successful in recruiting excellent personnel to meet its corporate objectives but, as the Aldebaran's business activity grows, it may require additional key financial, administrative and mining personnel. Although Aldebaran believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success. In the event that Aldebaran is unable to attract additional qualified personnel, its ability to grow its business or develop its existing properties could be materially impaired.

There can be no assurance that Aldebaran will be capable of raising the additional financing that it needs to carry out its exploration objectives.

The acquisition, exploration and development of mineral properties depends upon Aldebaran's ability to obtain financing through joint ventures, debt financing, equity financing or other means. There is no assurance that Aldebaran will be successful in obtaining required financing as and when needed. Depressed markets for precious and base metals may make it difficult or impossible for Aldebaran to obtain debt financing or equity financing on favourable terms or at all. Aldebaran operates in a region of the world which may make it more difficult for

Aldebaran to raise funds. Failure to obtain additional financing on a timely basis may cause Aldebaran to postpone its exploration plans, forfeit rights in some or all of its properties or joint ventures or reduce or terminate some or all of its operations.

There can be no assurance that the interest held by Aldebaran in its properties is free from defects nor that material contractual arrangements between Aldebaran and entities owned or controlled by foreign governments will not be unilaterally altered or revoked.

Aldebaran has investigated its rights to explore and exploit its various properties and, to the best of its knowledge, those rights are in good standing but no assurance can be given that such rights will not be revoked, or significantly altered, to the detriment of Aldebaran. There can also be no assurance that Aldebaran's rights will not be challenged or impugned by third parties.

Aldebaran is subject to substantial environmental and other regulatory requirements and such regulations are becoming more stringent. Non-compliance with such regulations, either through current or future operations or a pre-existing condition could materially adversely affect Aldebaran.

All phases of Aldebaran's operations are subject to environmental regulations by the government of Argentina. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, will not adversely affect Aldebaran's operations. Environmental hazards may exist on the properties in which Aldebaran holds interests which are presently unknown to Aldebaran and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits are sometimes required in connection with Aldebaran's operations. To the extent such approvals are required and not obtained, Aldebaran may be delayed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed, and may require corrective measures be implemented, additional equipment be installed, or other remedial actions be undertaken, any of which could result in material capital expenditures. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Aldebaran and require increased capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Pre-existing environmental liabilities.

Pre-existing environmental liabilities may exist on the properties in which Aldebaran currently holds an interest or on properties that may be subsequently acquired by Aldebaran which are unknown to Aldebaran and which have been caused by previous or existing owners or operators of the properties. In such event, Aldebaran may be required to remediate these properties and the costs of remediation could be substantial. Further, in such circumstances, Aldebaran may not be able to claim indemnification or contribution from other parties. In the event Aldebaran was required to undertake and fund significant remediation work, such event could have a material adverse effect upon Aldebaran and the value of its securities.

Community Relations.

In order to develop a mine, it will be necessary to secure surface right agreements with the local communities and there can be no assurance that Aldebaran will be successful in these efforts.

Calculation of reserves, resources and metal recoveries is only an estimate, and there can be no assurance about the quantity and grade of minerals until reserves or resources are actually mined.

There is a degree of uncertainty attributable to the calculation of reserves, resources and corresponding grades being mined or dedicated to future production. Until reserves or resources are actually mined and processed, the quantity of reserves or resources and grades must be considered as estimates only. In addition, the quantity of reserves or

resources may vary depending on mineral prices. Any material change in the quantity of reserves, resources, grade or stripping ratio may affect the economic viability of Aldebaran's properties. In addition, there can be no assurance that mineral recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Operating hazards and risks could affect Aldebaran's financial condition.

Mineral exploration, development and production are subject to many conditions that are beyond the control of Aldebaran. These conditions include, but are not limited to, natural disasters, unexpected equipment repairs or replacements, unusual geological formations, environmental hazards and industrial accidents. The occurrence of any of these events could result in delays, work-stoppages, damage to or destruction of property, loss of life, monetary losses and legal liability, any of which could have a material adverse effect upon Aldebaran or the value of its securities.

While it is anticipated that Aldebaran will maintain insurance against risks which are typical in the mining industry, insurance against certain risks to which Aldebaran may be exposed may not be available on commercially reasonable terms, or at all. Further, in certain circumstances, Aldebaran might elect not to insure itself against such liabilities due to high premium costs or for other reasons. Should Aldebaran suffer a material loss or become subject to a material liability for which it was not insured, such loss or liability could have a material adverse effect upon Aldebaran and the value of its securities.

Competition for new mining properties by larger, more established companies may prevent Aldebaran from acquiring interests in additional properties or mining operations.

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources than Aldebaran, Aldebaran may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that Aldebaran will acquire any interest in additional operations that would yield reserves or result in commercial mining operations.

Fluctuations in currency exchange rates may adversely affect Aldebaran's financial position.

Fluctuations in currency exchange rates, particularly operating costs denominated in currencies other than Canadian dollars, may significantly impact Aldebaran's financial position and results. Aldebaran faces risks mainly associated with fluctuations in Canadian currency relative to United States currency, as a significant portion of Aldebaran's expenses are incurred in United States dollars.

Certain directors of Aldebaran may become directors or officers of, or have shareholdings in, other mineral resource companies and there is the potential that such directors or officers will encounter conflicts of interest with Aldebaran.

Certain of the directors of Aldebaran may become directors or officers of, or have significant shareholdings in, other mineral resource companies and, to the extent that such other companies may participate in ventures in which Aldebaran may participate, the directors or officers of Aldebaran may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with Aldebaran for the acquisition of mineral property rights. These interlocking directorships and executive positions may make it more difficult for Aldebaran to negotiate participation in additional ventures on satisfactory terms or may make such participation relatively more expensive.

Earnings and Dividend Record.

Aldebaran has paid no dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. Aldebaran does not generate any cash flow from operations and would not expect to do so in the foreseeable future.

ITEM 22: PROMOTERS

Regulus took the initiative of founding and organizing Aldebaran and its business and operations and, as such, may be considered to be a promoter of Aldebaran for the purpose of Applicable Securities Laws. As of the date of this

Listing Application, Regulus is the sole shareholder of Aldebaran and will transfer Regulus' interests in Regulus Argentina and El Toro to Aldebaran as contemplated by the terms of the Arrangement. Upon completion of the Arrangement, Regulus will not hold any of the Aldebaran Shares.

ITEM 23: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Regulatory Actions

There have been (i) no penalties or sanctions imposed against Aldebaran by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions imposed by a court or regulatory body against Aldebaran; and (iii) no settlement agreements Aldebaran entered into with a court relating to securities legislation or with a securities regulatory authority.

Legal Proceedings

There are no material legal proceedings to which Aldebaran is a party or in respect of which any of the assets of Aldebaran are subject, which is or will be material to Aldebaran and Aldebaran is not aware of any such proceedings that are contemplated.

ITEM 24: INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this Listing Application, none of the directors or executive officers of Aldebaran or any person or company that is the direct or indirect owner of, or who exercises control or direction of, more than 10% of any class or series of Aldebaran's outstanding voting securities, or any associate or affiliate of any of the foregoing persons or companies, has or has had any material interest, direct or indirect, in any past transaction or any proposed transaction that has materially affected or will materially affect Aldebaran.

ITEM 25: INVESTOR RELATIONS ARRANGEMENTS

Aldebaran has not engaged any party to provide promotional or investor services to Aldebaran.

ITEM 26: AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditors

The auditors of Aldebaran are Davidson & Company LLP, Chartered Accountants, in Vancouver, BC. Davidson & Company LLP report they are independent of Aldebaran in accordance with the Rules of Professional Conduct as outlined by the Institute of Chartered Accountants of British Columbia.

Transfer Agent and Registrar

Computershare Trust Company of Canada, at its principal offices in Calgary, Alberta, will be the registrar and transfer agent for the Aldebaran Shares.

ITEM 27: MATERIAL CONTRACTS

The only contracts entered into by Aldebaran, that materially affect Aldebaran or to which it will become a party on or prior to the Effective Date, that can reasonably be regarded as material to a proposed investor in the Aldebaran Shares, other than contracts entered into in the ordinary course of business, are as follows:

- (a) the Arrangement Agreement;
- (b) the JV Agreement;
- (c) the Route One Subscription Agreement

- (d) the Investor Rights agreement,

The following descriptions of Aldebaran's material contracts are qualified entirely by the full copy of such agreements which are attached as appendices to the Arrangement Agreement and available on the Regulus SEDAR profile at www.sedar.com.

Arrangement Agreement

Effective Date of the Arrangement

After obtaining the approval of the Regulus Shareholders, upon the other conditions in the Arrangement Agreement, including receipt of the appropriate regulatory approvals, being satisfied or waived (if permitted), and upon the Final Order being granted, Regulus filed the Articles of Arrangement with the Registrar. Pursuant to Section 193(12) of the ABCA, the Arrangement becomes effective on the date shown on the certificate of arrangement issued by the Registrar or, if no certificate is issued, on the date the Articles of Arrangement are filed. The Effective Date occurred on October 25, 2018.

Covenants

Covenants of Regulus

Regulus has given, in favour of Sibanye-Stillwater, usual and customary covenants for an agreement in the nature of the Arrangement Agreement, including a covenant to carry on business in the ordinary course of business consistent with past practice between the date of the Arrangement Agreement and the earlier of the Effective Time and the date, if any, that the Arrangement Agreement is terminated in accordance with its terms, to maintain and preserve Regulus' and the Argentina Subsidiaries' business organization, assets, employees, and advantageous business relationships and a covenant not to undertake certain actions outside of the ordinary course of business without Sibanye-Stillwater's consent.

Regulus has also provided customary covenants in favour of Sibanye-Stillwater in respect of the Arrangement including covenants: (i) to ensure that each of the Argentina Subsidiaries maintains in force its current insurance policies; (ii) to ensure the working capital of the Argentina Subsidiaries is not less than \$0; (iii) to cause Aldebaran to apply for and use reasonable commercial efforts to obtain approval for the listing of the Aldebaran Shares on the TSX-V; (iv) to use its commercially reasonable efforts to obtain all regulatory approvals relating to Aldebaran, Regulus, or any of its subsidiaries in respect of the Arrangement; (v) to have Regulus' Board of Directors unanimously recommend that the Regulus Shareholders vote in favour of the Arrangement; (vi) to use commercially reasonable efforts to do all such things necessary to complete the Financing; and (vii) not to make, solicit, initiate, facilitate, entertain, encourage or promote any inquiries, proposals or offers that may reasonably be expected to lead to a Regulus Competing Transaction, and to terminate and cease any discussions or negotiations with any party other than Sibanye-Stillwater that may reasonably be expected to lead to a Regulus Competing Transaction.

Covenants of Sibanye-Stillwater

Sibanye-Stillwater has provided customary covenants in favour of Regulus, including a covenant to carry on business in the ordinary course of business consistent with past practice between the date of the Arrangement Agreement and the earlier of the Effective Time and the date, if any, that the Arrangement Agreement is terminated in accordance with its terms, to maintain and preserve Sibanye-Stillwater's and its subsidiaries' business organization, assets, employees, and advantageous business relationships and a covenant not to undertake certain actions outside of the ordinary course of business without Regulus' consent.

Sibanye-Stillwater has also provided covenants in favour of Regulus in respect of the Arrangement including covenants: (i) to ensure that Sibanye-Stillwater and its subsidiaries maintain in force their current insurance policies; (ii) to ensure the working capital of the Sibanye-Stillwater's subsidiaries is not less than \$0; (iii) to make all necessary filings and applications necessary to complete the transactions contemplated by the Arrangement; and (iv) not to make, solicit, initiate, facilitate, entertain, encourage or promote any inquiries, proposals or offers that may reasonably be expected to lead to a Sibanye-Stillwater Competing Transaction, and to terminate and cease any discussions or negotiations with any party other than Regulus that may reasonable be expected to lead to a Sibanye-Stillwater Competing Transaction.

Mutual Covenants Regarding the Arrangement

Regulus, Aldebaran and Sibanye-Stillwater have each given, in favour of one another, usual and customary mutual covenants for an agreement of this nature, including a mutual covenant to use their respective commercially reasonable efforts to prepare and file any documents required under any applicable Laws relating to the Arrangement and the transactions contemplated thereby.

Regulus, Aldebaran and Sibanye-Stillwater have also provided mutual covenants to coordinate and cooperate with each other in connection with the foregoing, including using commercially reasonable efforts: (i) to obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts; (ii) to obtain all necessary consents, approvals and authorizations as are required to be obtained under applicable Law; (iii) to defend all lawsuits or other legal, regulatory or other proceedings challenging or affecting the Arrangement Agreement or the consummation of the transactions contemplated hereby; (iv) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the parties to consummate the transactions contemplated hereby; (v) to effect all necessary registrations and other filings and submissions of information required by Governmental Entities; and (vi) to fulfill all conditions, perform all obligations and satisfy all provisions of the Arrangement Agreement and the Arrangement; including, in each such case, providing each other with advance copies of any documentation to be submitted and a reasonable opportunity to review and comment on such documentation.

Representations and Warranties

The Arrangement Agreement contains certain representations and warranties of Regulus relating to, among other things, the following: organization and qualification; ownership of subsidiaries; approval of the Regulus Board; no violations; authority relative to the Arrangement Agreement; voluntary arrangement; no legal impediment; consents; winding up; administration and receivership; capitalization; issuance of Regulus Shares; reporting issuer status and certain Securities Laws matters; no material change; Regulus' financial statements; working capital; contracts; property; records and data; mineral reserves and resources; mining safety; permits; regulatory matters; books and records; mineral rights; compliance with laws; environmental matters; taxes; related party transactions; absence of a shareholders rights plan; litigation; employee benefits; labour and employment matters; brokers; indebtedness and liabilities; restrictions on business activities; insurance; absence of cease trade orders; financing commitments; and Anti-Money Laundering and Anti-Corruption Laws.

The Arrangement Agreement contains certain representations and warranties of Aldebaran relating to the following: organization and qualification; authority relative to the Arrangement Agreement; no violations; capitalization; absence of undisclosed liabilities; no material change; issuance of Aldebaran Shares; compliance with Laws; filings and consents; no legal impediments; and books and records.

The Arrangement Agreement contains certain representations and warranties of Sibanye-Stillwater relating to, among other things, the following: organization and qualification; ownership of subsidiaries; authority relative to the Arrangement Agreement; no violations; no legal impediment; consents; no material change; Sibanye-Stillwater's financial statements; working capital; books and records; absence of undisclosed liabilities; contracts; mineral rights; litigation; taxes; property; records and data; mineral reserves and resources; mining safety; permits; environmental matters; regulatory matters; absence of a shareholders rights plan; contracts; employee benefits; labour and employment matters; compliance with Laws; absence of cease trade orders; winding up; administration and receivership; related party transactions; rights of other persons; restrictions on business activities; indebtedness and liabilities; and Anti-Money Laundering and Anti-Corruption Laws.

Conditions to Closing

Mutual Conditions Precedent

Under the terms of the Arrangement Agreement, the Parties agreed that the respective obligations of the Parties to complete the transactions contemplated by the Arrangement Agreement are subject to fulfillment, on or before the Effective Date, of each of the following conditions precedent, each of which may only be waived with the mutual consent of the Parties:

- (a) the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, and shall not have been set aside or modified in a manner unacceptable to each of Regulus, Aldebaran and Sibanye-Stillwater, acting reasonably, on appeal or otherwise;

- (b) the Arrangement Resolution shall have been approved and adopted by the Regulus Shareholders at the Meeting in accordance with the Interim Order;
- (c) the Final Order has been obtained on terms consistent with the Arrangement Agreement and has not been set aside or modified in a manner unacceptable to each of Regulus, Aldebaran and Sibanye-Stillwater, each acting reasonably, on appeal or otherwise;
- (d) the ancillary transaction agreements attached as schedules C, D, E, F and G to the Arrangement Agreement have been agreed to and executed by the relevant parties thereto;
- (e) no Law is in effect that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins Regulus, Aldebaran or Sibanye-Stillwater from consummating the Arrangement;
- (f) the Aldebaran Shares have been conditionally approved for listing on the TSX-V;
- (g) there shall be no action taken under any applicable Laws, that:
 - i. results in a judgment or assessment of material damages, directly or indirectly, relating to the transactions contemplated herein; or
 - ii. imposes or confirms material limitations on the ability of the Regulus Shareholders, or Sibanye-Stillwater to exercise full rights of ownership of Aldebaran Shares issued pursuant to the Arrangement;
- (h) the Arrangement Agreement shall not have been terminated in accordance with its terms; and
- (i) all conditions to close the Financing have been satisfied or waived and the Financing is expected to close concurrently with the Arrangement.

Conditions in Favour of Regulus

The obligations of Regulus to complete the transactions contemplated by the Arrangement Agreement shall also be subject to the following conditions precedent (each of which is for the exclusive benefit of Regulus and may be waived by Regulus at any time):

- (a) Sibanye-Stillwater has complied in all material respects with its covenants in the Arrangement Agreement and has provided to Regulus a certificate of two of its senior officers dated the Effective Date certifying as to such compliance;
- (b) all representations and warranties of Sibanye-Stillwater set forth in the Arrangement Agreement that are qualified by materiality or by the expression Material Adverse Effect shall be true and correct in all respects as of the date of the Arrangement Agreement and are true and correct as of the Effective Time, in all respects, and all other representations and warranties of Sibanye-Stillwater were true and correct as of the date of the Arrangement Agreement and are true and correct as of the Effective Time, in all material respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, and Sibanye-Stillwater has provided to Regulus a certificate of two of its senior officers dated the Effective Date certifying as to such matters;
- (c) Sibanye-Stillwater has provided to Regulus certified copies of the resolutions duly passed by its board of directors approving the Arrangement Agreement and the consummation of the transactions contemplated thereby;
- (d) Sibanye-Stillwater has provided to Regulus a favourable title opinion, in form and substance satisfactory to Regulus, acting reasonably, with respect to the Altar Project held by Sibanye-Stillwater's subsidiaries, dated the Effective Date;
- (e) Stillwater Canada, Peregrine Metals and other Sibanye-Stillwater subsidiaries have entered into the Pledge Agreements;

- (f) since the date of the Arrangement Agreement, there shall not have been any change, effect, event, occurrence, development or state of facts that, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect in respect of Sibanye-Stillwater or its subsidiaries;
- (g) holders of not more than 5% of the Regulus Shares have exercised Dissent Rights; and
- (h) the working capital of Peregrine Metals shall not be less than \$0.

Conditions in Favour of Aldebaran

The obligations of Aldebaran to complete the transactions contemplated by the Arrangement Agreement shall also be subject to the following conditions precedent (each of which is for the exclusive benefit of Aldebaran and may be waived by Aldebaran at any time):

- (a) all representations and warranties of Sibanye-Stillwater and Regulus set forth in the Arrangement Agreement that are qualified by materiality or by the expression Material Adverse Effect shall be true and correct in all respects as of the date of the Arrangement Agreement and are true and correct as of the Effective Time, in all respects, and all other representations and warranties of Sibanye-Stillwater were true and correct as of the date of the Arrangement Agreement and are true and correct as of the Effective Time, in all material respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, and Sibanye-Stillwater has provided to Aldebaran a certificate of two of its senior officers dated the Effective Date certifying as to such matters;
- (b) each of Sibanye-Stillwater and Regulus has complied in all material respects with its covenants in the Arrangement Agreement and has provided to Aldebaran a certificate of two of its senior officers dated the Effective Date certifying as to such compliance;
- (c) each of Sibanye-Stillwater and Regulus has provided to Aldebaran certified copies of the resolutions duly passed by its board of directors approving the Arrangement Agreement and the consummation of the transactions contemplated thereby;
- (d) there shall be no action taken under any applicable Laws, that:
 - i. results in a judgment or assessment of material damages, directly or indirectly, relating to the transactions contemplated herein; or
 - ii. imposes or confirms material limitations on the ability of the Regulus Shareholders, or Sibanye-Stillwater to exercise full rights of ownership of Aldebaran Shares issued pursuant to the Arrangement;
- (e) since the date of the Arrangement Agreement, there shall not have been any change, effect, event, occurrence, development or state of facts that, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect in respect of Sibanye-Stillwater or its subsidiaries; and
- (f) the working capital of Peregrine Metals shall not be less than \$0.

Conditions in Favour of Sibanye-Stillwater

The obligations of Sibanye-Stillwater to complete the transactions contemplated by the Arrangement Agreement shall also be subject to the following conditions precedent (each of which is for the exclusive benefit of Sibanye-Stillwater and may be waived by Sibanye-Stillwater at any time):

- (a) each of Regulus and Aldebaran has complied in all material respects with its covenants in the Arrangement Agreement and has provided to Sibanye-Stillwater a certificate of two of its senior officers dated the Effective Date certifying as to such compliance;
- (b) all representations and warranties of Regulus and Aldebaran set forth in the Arrangement Agreement that are qualified by materiality or by the expression Material Adverse Effect shall be

true and correct in all respects as of the date of the Arrangement Agreement and are true and correct as of the Effective Time, in all respects, and all other representations and warranties of Regulus and Aldebaran were true and correct as of the date of the Arrangement Agreement and are true and correct as of the Effective Time, in all material respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, and each of Regulus and Aldebaran has provided to Sibanye-Stillwater a certificate of two of its senior officers dated the Effective Date certifying as to such matters;

- (c) each of Regulus and Aldebaran has provided to Sibanye-Stillwater certified copies of the resolutions duly passed by its board of directors approving the Arrangement Agreement and the consummation of the transactions contemplated thereby;
- (d) the Regulus Board has made, and has not withdrawn, amended, modified, or qualified, in any adverse respect, the Board Recommendation;
- (e) each of the Support Agreements and the subscription agreement in respect of the Financing is in full force and effect and no Supporting Shareholder has terminated or otherwise breached its obligations under any such agreements;
- (f) Regulus has provided to Sibanye-Stillwater certified copies of the Arrangement Resolution, duly passed, approving the Arrangement;
- (g) Regulus has provided to Sibanye-Stillwater a favourable title opinion, in form and substance satisfactory to Sibanye-Stillwater, acting reasonably, with respect to the Rio Grande Project held by the Argentina Subsidiaries, dated the Effective Date;
- (h) since the date of the Arrangement Agreement, there shall not have been any change, effect, event, occurrence, development or state of facts that, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect in respect of the Argentina Subsidiaries or Aldebaran;
- (i) other than securities issued or issuable in connection with the Financing, immediately prior to the Effective Time: (i) the aggregate number of Aldebaran Shares issued and outstanding shall not be more than one (1) Aldebaran Share; (ii) there shall be no other shares in the capital of Aldebaran outstanding; and (iii) other than convertible securities that may be issued pursuant to approved employee incentive award plans, no person shall have any agreement or option or any right or privilege (whether by law, pre-emptive right, by contract or otherwise) capable of becoming an agreement or option for the purchase, subscription, allotment or issuance of any unissued Aldebaran Shares or other equity interests in Aldebaran other than as may arise pursuant to the terms of the Arrangement Agreement; and
- (j) immediately prior to the Effective Time, the Working Capital of the Argentina Subsidiaries shall be not less than \$0 and Regulus has provided to Sibanye-Stillwater a certificate of two of its senior officers dated the Effective Date certifying as to such compliance with supporting documentation in respect thereof, in form and substance satisfactory to Sibanye-Stillwater, acting reasonably.

Termination of the Arrangement Agreement

The Parties have agreed that the Arrangement Agreement may be terminated and the Arrangement may be abandoned at any time prior to the Effective Time (notwithstanding any approval of the Arrangement Agreement or the Arrangement Resolution by the Regulus Shareholders or the Arrangement by the Court):

- (a) by mutual written consent the Parties;
- (b) by either Regulus or Sibanye-Stillwater, if:
 - i. the Arrangement Resolution has not been approved and adopted by the Regulus Shareholders at the Meeting in accordance with the Interim Order, provided that a party may not terminate the Arrangement Agreement if the failure to obtain the approval and adoption of the Arrangement Resolution has been caused by, or is a result of, a breach by

such party of any of its representations or warranties or the failure of such party to perform any of its covenants or agreements under the Arrangement Agreement; or

- ii. after the date of the Arrangement Agreement, there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Regulus, Aldebaran or Sibanye-Stillwater from consummating the Arrangement; or
- iii. the Effective Time does not occur on or before the Outside Date, provided that a party may not terminate the Arrangement Agreement if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such party of any of its representations or warranties or the failure of such party to perform any of its covenants or agreements under the Arrangement Agreement; or

(c) by Regulus, if:

- i. a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Sibanye-Stillwater under the Arrangement Agreement occurs that would cause any conditions precedent not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date in accordance with the terms of the Arrangement Agreement; provided that Regulus is not then in breach of the Arrangement Agreement so as to cause any conditions precedent not to be satisfied; or
- ii. after the date of the Arrangement Agreement, there has occurred a Material Adverse Effect in respect of Peregrine Metals and its subsidiaries;

(d) by Sibanye-Stillwater, if:

- i. a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Regulus under the Arrangement Agreement occurs that would cause any conditions precedent not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date in accordance with the terms of the Arrangement Agreement; provided that Sibanye-Stillwater is not then in breach of the Arrangement Agreement so as to cause any conditions precedent not to be satisfied; or
- ii. the Regulus Board fails to unanimously make, or withdraws, amends, modifies, or qualifies, in any adverse respect (or publicly proposes or states its intention to do so), the Board Recommendation, or takes any other action that is or becomes disclosed publicly and which can reasonably be interpreted to indicate that the Regulus Board does not support the Arrangement or does not believe that the Arrangement and the Arrangement Agreement are in the best interests of the Regulus Shareholders; or
- iii. any event occurs as a result of which any conditions precedent are not capable of being satisfied, waived or cured by the Outside Date; or
- iv. after the date of the Arrangement Agreement, there has occurred a Material Adverse Effect in respect of Regulus, Aldebaran or the Argentina Subsidiaries.

Expenses and Termination Fees

On the Effective Date, Aldebaran shall reimburse Sibanye-Stillwater for the Reimbursable Amounts (as defined in the Cost Sharing Agreement) in accordance with Section 4.1 of the Cost Sharing Agreement.

Despite any other provision in the Arrangement Agreement relating to the payment of costs, expenses and fees, if an Expense Reimbursement Event occurs, Regulus shall pay Sibanye-Stillwater an amount equal to 50 percent of the Reimbursable Amounts (as defined in the Cost Sharing Agreement) incurred prior to the Termination Date. For the purposes of the Arrangement Agreement, "**Expense Reimbursement Event**" means the termination of the Arrangement Agreement by Sibanye-Stillwater pursuant to Section 14.2(d)(ii) of the Arrangement Agreement in connection with a breach by Regulus of its obligation not to change its recommendation with respect to the Arrangement or its obligation to not solicit competing transactions with respect to the Arrangement. At the time of

any such termination Sibanye-Stillwater is entitled to terminate the Arrangement Agreement pursuant to such provisions.

In addition, if the Arrangement Agreement is terminated by either Regulus or Sibanye-Stillwater as a result of Section 14.2(b)(i) of the Arrangement Agreement ("**Lack of Shareholder Approval**") not caused by Sibanye-Stillwater, Regulus shall reimburse Sibanye-Stillwater for an amount of up to \$1,500,000 of fees and expenses actually incurred by Sibanye-Stillwater in connection with the transactions contemplated by the Arrangement Agreement.

If the Arrangement Agreement is terminated by Sibanye-Stillwater as a result of a Lack of Shareholder Approval where the Regulus Board has changed its recommendation that Regulus Shareholders vote in favour of the Arrangement at the Meeting, Regulus shall reimburse Sibanye-Stillwater for an amount of up to \$1,500,000 of fees and expenses actually incurred by Sibanye-Stillwater in connection with the transactions contemplated by the Arrangement Agreement and pay Sibanye-Stillwater an amount equal to 50 percent of the Reimbursable Amounts incurred prior to the Termination Date.

If the Arrangement Agreement is terminated by Sibanye-Stillwater due to a failure of Aldebaran to complete the Financing due to a failure by Aldebaran to satisfy the conditions set out in Section 15.1(h), (i) or (k) of the Route One Subscription Agreement, Regulus shall reimburse Sibanye-Stillwater for an amount of up to \$1,500,000 of fees and expenses actually incurred by Sibanye-Stillwater in connection with the transactions contemplated by the Arrangement Agreement and pay Sibanye-Stillwater an amount equal to 50 percent of the Reimbursable Amounts incurred prior to the Termination Date.

Any expense reimbursement payable under Sections 15.2, 15.3, 15.4 or 15.5 of the Arrangement Agreement in connection with the termination of the Arrangement Agreement shall be paid by Regulus to Sibanye-Stillwater, by wire transfer of immediately available funds, within two (2) Business Days following the date of such termination of the Arrangement Agreement.

Amendments

The Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties and any such amendment may, subject to the Interim Order and the Final Order and the Act, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant thereto;
- (c) modify any of the covenants contained in the Arrangement Agreement and waive or modify performance of any of the obligations of the Parties; and/or
- (d) modify any mutual conditions precedent contained in the Arrangement Agreement;

provided that such amendment, modification and/or supplement must if made following the Meeting, be approved by the Court and communicated to the Regulus Shareholders, if and as required by the Court.

Route One's consent is required for any material changes or amendments to the Arrangement Agreement that would materially adversely affect Route One (which consent shall not be unreasonably withheld), except that Route One does not have a consent right over any waiver by Sibanye-Stillwater of the closing conditions set forth in Article 5 of the Arrangement Agreement.

JV Agreement

The consideration to acquire an option to acquire a 60% interest in the Altar Project under the JV Agreement comprises:

- an upfront cash payment of US\$15 million to Stillwater Canada upon the closing of the Arrangement;

- the issuance of 19.9% of the Aldebaran Shares to Stillwater Canada, subject to proration if the Financing exceeds US\$30 million; and
- Aldebaran's commitment to fund the next US\$30 million of expenditures on the Altar Project over five (5) years, inclusive of 2018 drilling that was conducted between February and May of this year.

Aldebaran also has the right to earn an additional 20% interest in the Altar Project by spending an additional US\$25 million over a three-year period following Aldebaran's acquisition of the initial 60% interest in the Altar Project.

Stillwater Canada has the right, but not the obligation, to participate in the Financing (at the same price per share as the other subscribers) to the extent the Financing exceeds US\$30 million to maintain its 19.9% level of ownership of Aldebaran.

The JV Agreement will govern the relationship between Aldebaran and Peregrine Metals during the initial 5-year earn in period (the "**Initial Period**") and the subsequent earn-in period of up to 3 years (the "**Additional Earn-In Period**"). The JV Agreement provides that if Aldebaran funds the minimum qualified expenditures (in accordance with approved programs and budgets) on the Altar Project of at least US\$3 million per year and totalling a minimum of US\$30 million over the Initial Period, then Aldebaran will earn 60% of the common shares of Peregrine Metals, which shares will be pledged in favour of Aldebaran during the Initial Period. During the Initial Period, Aldebaran will fund 100% of the expenses on the Altar Project. In the event of a funding shortfall during the Initial Period, a limited amount of the minimum annual expenditures may be either made up by Aldebaran in the following year or paid out to Stillwater Canada in certain circumstances and at Stillwater Canada's election.

Upon earning the initial 60% interest in Peregrine Metals, Aldebaran will have the ability to earn an additional 20% of the common shares of Peregrine Metals (which shares will be pledged in favour of Aldebaran through to the expiry of the Additional Earn-In Period) by funding an additional US\$25 million of qualifying expenditures within the earlier of: (i) 8 calendar years from the Effective Date; or (ii) 3 years from the date the initial 60% interest was earned. Funding shortfalls during the Additional Earn-In Period may be paid directly to Stillwater Canada in certain circumstances.

If at any time during the Initial Period (or Additional Earn-In Period) (subject to certain rights in the event of a *force majeure* event and the right to cure certain spending shortfalls) Aldebaran elects to stop funding the minimum qualified expenditures in accordance with the JV Agreement, it will forfeit the initial US\$15 million cash payment, the issuance of 19.9% of Aldebaran Shares to Stillwater Canada and any right to earn into a 60% or additional 20% interests in Peregrine Metals. Such forfeiture is the sole remedy of Stillwater Canada under the JV Agreement in respect of the funding requirements.

The JV Agreement provides for dispute resolution mechanisms and audit procedures for the approval of programs and budgets as well as *force-majeure* clauses dealing with the required annual and total expenditures.

The JV Agreement contains other customary provisions for an agreement of this nature, including a 10km area of interest around the Altar Project in which the parties' activities are bound to the JV Agreement and adjustment mechanisms for the parties' JV interests in certain circumstances. In addition, the JV Agreement provides that should either party's interest in Peregrine Metals fall below 10%, the other party may purchase such interest.

The JV Agreement contains covenants of Stillwater Canada and Peregrine Metals that they shall not transfer or register any encumbrances on the shares of Peregrine Metals during the Initial Period and Additional Earn-In Period, and on earn-in of the initial 60% interest or subsequent 20% interest, Aldebaran will have title to such shares of Peregrine Metals, its subsidiaries and their respective assets free and clear of all liens or encumbrances.

The JV Agreement contains a right of first refusal, providing each party with a right of first refusal on the transfer of the other parties' Peregrine Metals shares. The agreement also provides for drag-along and tag-along rights.

During the Initial Period, certain "Participant Reserved Matters" set forth in Schedule B-1 to the JV Agreement require the unanimous approval of the parties. Once Aldebaran has earned its interests under the JV Agreement, a reduced list of "Participant Reserved Matters", set forth in Schedule B-2 thereof require unanimous approval of the parties for so long as each party maintains at least a 10% interest in Peregrine Metals.

Route One Subscription Agreement and Investor Rights Agreement

The Route One Subscription Agreement contains a number of rights for Route One including pre-emptive rights, registration rights, board appointment, observer rights, voting support rights as further described below.

The Route One Subscription Agreement also contains certain closing conditions that must be satisfied by Regulus and Aldebaran or waived by Route One in order to complete the Financing, including:

- (a) The representations and warranties of Sibanye-Stillwater in the Arrangement Agreement shall be true and correct as of the Effective Time, in all respects, unless such failure does not materially adversely affect Route One (including with respect to its Aldebaran Shares, the value thereof or Route One's rights under the Route One Subscription Agreement);
- (b) The conditions precedent to the obligations of Aldebaran and Regulus to complete the Arrangement under Articles 3, 4 and 6 of the Arrangement Agreement shall have been satisfied (without giving effect to any waivers) unless such failure does not materially adversely affect Route One (including with respect to its Aldebaran Shares, the value thereof or Route One's rights under the Route One Subscription Agreement);
- (c) The representations and warranties of Aldebaran and Regulus set forth in the Route One Subscription Agreement shall be true and correct as of the Effective Time, unless such failure does not materially adversely affect Route One (including with respect to its Aldebaran Shares, the value thereof or Route One's rights under the Route One Subscription Agreement);
- (d) Each of Aldebaran and Regulus shall have performed and complied in all material respects with their covenants under the Route One Subscription Agreement, unless such failure does not materially adversely affect Route One (including with respect to its Aldebaran Shares, the value thereof or Route One's rights under the Route One Subscription Agreement);
- (e) The Arrangement Agreement shall remain in full force and effect and there shall have been no material changes or amendments to (i) the Arrangement Agreement (it being understood that the waiver by Sibanye Stillwater of any of the conditions under Article 5 of the Arrangement Agreement shall not constitute a material change or amendment), (ii) the Plan of Arrangement (in the form attached as Schedule A to the Arrangement Agreement), (iii) the JV Agreement (in the form attached as Schedule C to the Arrangement Agreement), or (iv) the Operating Agreement (in the form attached as Schedule C to the Arrangement Agreement), in each case, that would materially adversely affect Route One (including with respect to its Aldebaran Shares, the value thereof or Route One's rights under the Route One Subscription Agreement), except as consented to in writing by Route One, which consent shall not be unreasonably withheld;
- (f) Each of Sibanye Stillwater, Aldebaran and Regulus shall have irrevocably confirmed to Route One in writing that it is prepared to consummate the transactions contemplated by the Arrangement if the Financing is consummated substantially simultaneously;
- (g) The organizational documents of Aldebaran shall be in the form attached as Exhibit A to the Route One Subscription Agreement;
- (h) Aldebaran shall have adopted anti-corruption (including anti-bribery, anti-money laundering and other customary policies) and sanctions policies in the form attached as Exhibit B to the Route One Subscription Agreement;
- (i) Route One shall have received (i) the Pledge Agreements, duly executed by Aldebaran, Stillwater Canada and Peregrine Metals and its subsidiaries, (ii) a copy of the certificates representing the shares of Peregrine Metals and its subsidiaries pledged to Route One, and (iii) if Stillwater Canada elects to have such pledged shares held by an escrow agent, an escrow agreement, duly executed by the escrow agent, Aldebaran, Stillwater Canada, Peregrine Metals and its subsidiaries;
- (j) All steps necessary for Aldebaran to have a perfected first priority security interest in all of the shares of Peregrine Metals and its subsidiaries shall have been taken in accordance with the Pledge Agreements; and
- (k) John Black shall be the CEO of Aldebaran.

In addition, Regulus and Aldebaran are obligated to reimburse Route One for the reasonable fees and expenses incurred by or on behalf of Route One in connection with the Financing and the other transactions contemplated by the Arrangement, regardless of whether the Financing closes (unless the failure of the Financing to close is as a result of a breach by Route One of the Route One Subscription Agreement).

The Route One Subscription Agreement and the Investor Rights Agreement (collectively the "**Shareholders Agreements**"), provide Route One and Stillwater Canada, respectively, with a number of rights and restrictions, for so long as they each hold a minimum of 10% of the Aldebaran Shares.

The Shareholders Agreements provide that Aldebaran shall have a board of directors comprised of five (5) to seven (7) members, with each of Stillwater Canada and Route One having the right to nominate one (1) member to the Aldebaran board of directors and one (1) board observer, if desired. The nominees must satisfy all TSX-V and ABCA eligibility requirements. The Shareholders Agreements further provides for information rights including all board packages and certain other information to be provided to Stillwater Canada and Route One.

The Shareholders Agreements provide for pre-emptive rights for Route One and Stillwater Canada to maintain their respective pro-rata interests in Aldebaran in the event of any future financings or dilutive transactions. Certain transactions, including issuances of stock options, payment of agency fees in shares or convertible instruments, and the issuances of common shares of Aldebaran on conversion thereof will be exempt transactions for the purposes of the pre-emptive rights.

Stillwater Canada and Route One have each agreed to vote their Aldebaran Shares in favour of the other's board nominee(s), and to vote in favour of certain of Aldebaran management's nominees for a five-year period and the Shareholders Agreements require that Aldebaran solicits proxies in support of such nominee's election at annual meetings.

Stillwater Canada has agreed to a 24-month restriction on resale of its Aldebaran Shares subject to certain exceptions.

The Shareholders Agreements contain certain demand and piggy-back registration rights whereby Route One and Stillwater Canada can request Aldebaran's assistance with the orderly distribution of their Aldebaran Shares after an initial 24-month period. Any such distribution must be for a minimum of US\$5 million worth of Aldebaran Shares, may be requested only once per calendar year and will be subject to blackout periods and certain other restrictions. In the event Aldebaran effects a distribution of Aldebaran Shares, each of Route One and Stillwater Canada has the right, subject to certain restrictions, to effect a piggy-back registration.

The Shareholders Agreements provide that Aldebaran will: (i) maintain good corporate governance practices and comply with applicable anti-corruption laws, anti-money laundering laws and sanctions; (ii) use commercially reasonable efforts to remain a reporting issuer with its shares listed on the Exchange; (iii) maintain articles of incorporation and by-laws that are consistent with the terms set forth in the Shareholders Agreements; and (iv) implement (and use its best efforts to cause Peregrine Metals and its subsidiaries to adopt and effectively implement) certain agreed-upon anti-corruption policies.

ITEM 28: EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by Aldebaran other than: (i) IMC; and (ii) RPA, Aldebaran's independent geologists. At the time of the provision of such services, the aforementioned persons or companies, or principals thereof, did not own any of the outstanding Aldebaran Shares.

Certain legal matters relating to the Arrangement are to be passed upon by Dentons Canada LLP, on behalf of Aldebaran. Based on Shareholdings as of June 30, 2018, the partners and associates of Dentons Canada LLP will hold less than one percent of the Aldebaran Shares on the Effective Date. In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of Aldebaran or of any associate or affiliate of Aldebaran.

ITEM 29: OTHER MATERIAL FACTS

There are no other material facts in respect of the securities to be listed that are not disclosed in this Listing Application, or the documents incorporated herein by reference.

ITEM 30: ADDITIONAL INFORMATION – MINING OR OIL AND GAS APPLICANTS

There is no additional information to be included under this Item.

ITEM 31: EXEMPTIONS

No exemption from a securities regulator or securities regulatory authority has been received by the Company within the 12 months preceding the date of this listing application.

ITEM 32: FINANCIAL STATEMENT DISCLOSURE FOR ISSUERS

Aldebaran's audited statement of financial position as at June 30, 2018 is attached hereto as Appendix "D". The audited carve-out combined financial statements of Regulus for the years ended September 30, 2017 and 2016 are attached hereto as Appendix "E".

The following is a summary of selected consolidated financial information for the Argentina Subsidiaries for the periods indicated. The following information should be read in conjunction with the financial statements attached as Appendices "E" and "F" to this Listing Application.

Regulus Argentina Subsidiaries

	<u>Nine Months Ended June 30 2018</u>	<u>Year Ended September 30 2017</u>	<u>Year Ended September 30 2016</u>
Net loss	\$422,268	\$112,169	\$429,578
Total assets	\$887,304	\$1,191,421	\$640,401
Total liabilities	\$9,074,225	\$12,912,406	\$14,426,314

The following is a summary of selected pro forma unaudited consolidated financial information for Aldebaran for the period indicated. The following information should be read in conjunction with the pro forma unaudited consolidated financial statements of Aldebaran attached as Appendix "C" to this Listing Application. **The pro forma adjustments are based upon the assumptions described in the notes to the unaudited pro forma consolidated financial statements, including that the Regulus Shareholders approve the Arrangement Resolution at the Meeting and the Arrangement is completed. The unaudited pro forma consolidated financial statements are presented for illustrative purposes only and are not necessarily indicative of the operating or financial results that would have occurred had the Arrangement actually occurred at the times contemplated by the notes to the unaudited pro forma consolidated financial statements or of the results expected in future periods.**

	<u>Nine Months Ended June 30, 2018</u>
Net loss	\$1,237,268
Total assets	\$54,374,240
Total liabilities	\$414,969

ITEM 33: SIGNIFICANT ACQUISITIONS

Other than the transactions to be completed pursuant to the Arrangement, Aldebaran has made no significant acquisitions since incorporation.

ITEM 34: CERTIFICATES

34.1 CERTIFICATE OF ALDEBARAN RESOURCES INC.

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this listing application and of any material fact not otherwise required to be disclosed under an item of this listing application.

Dated October 30, 2018

(signed) "*John Black*"

John Black
Chief Executive Officer and Director

(signed) "*Mark Wayne*"

Mark Wayne
Chief Financial Officer and Director

ON BEHALF OF THE BOARD OF DIRECTORS OF ALDEBARAN RESOURCES INC.

Dated October 30, 2018

(signed) "*John Black*"

John Black
Director

(signed) "*Mark Wayne*"

Mark Wayne
Director

34.3 ACKNOWLEDGEMENT – PERSONAL INFORMATION

"Personal Information" means any information about an identifiable individual.

The Company hereby represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the Exchange of the Personal Information contained in or submitted pursuant to this Application for the purposes described in Appendix "A" to this Acknowledgement.

Dated October 30, 2018

(signed) "John Black"

John Black

Chief Executive Officer and Director

APPENDIX "A"

FORM 2B PERSONAL INFORMATION COLLECTION POLICY

Collection, Use and Disclosure

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including TSX Venture Exchange and Toronto Stock Exchange, (collectively referred to as the "Exchange") collect the information contained in or submitted pursuant to Form 2B (which may include personal, confidential, non-public or other information) and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Applicant,
- to consider the eligibility of the Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Applicant, or its associates or affiliates, including information as to such individuals' involvement with any other reporting issuers
- to detect and prevent fraud, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the capital markets in Canada.

Personal Information the Exchange collects may also be disclosed:

- (a) to securities regulators and regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, and each of their subsidiaries, affiliates, regulators and authorized agents, for the purposes described above, and these agencies and organizations may use the information in their own investigations;
- (b) on the Exchange's website or through printed materials published by or pursuant to the directions of the Exchange for the purposes described above; and
- (c) as otherwise permitted or required by law.

The Exchange may from time to time use third parties to process information or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers for the purposes described above.

Questions

If you have any questions or enquiries regarding the policy outlined above or about our privacy practices, please send a written request to: Chief Privacy Officer, TMX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2.

APPENDIX "B"

**Regulus Resources Carve-Out
Management's Discussion and Analysis
For the Year Ended September 30, 2017**

REGULUS RESOURCES CARVE-OUT MANAGEMENT'S DISCUSSION AND ANALYSIS

General

The following Management Discussion and Analysis ("MD&A") of Regulus Resources Carve-out (the "Entity" or "Regulus Carve-out") has been prepared by management, in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of August 21, 2018 and should be read in conjunction with the carve-out financial statements of the Entity for the year ended September 30, 2017 and 2016 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Entity.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Entity, unless specifically noted.

Management of Regulus Resources Inc. ("Regulus") is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Entity's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Description of Business and Overview

Regulus Carve-out is a mineral exploration company focused on properties in Argentina.

The Entity's principal property is the Rio Grande copper-gold project in Argentina.

The Carve-out entities comprise of two wholly-owned subsidiaries of Regulus, which carry on Regulus' business in Argentina, being:

Name of Subsidiary	Country of Incorporation	Ownership Interest	Principal Activity
Regulus Argentina S.A.	Argentina	100%	Mineral exploration
Minera El Toro S.A.	Argentina	100%	Mineral exploration

Significant Events/Overall Performance

On June 29, 2018, Regulus Resources Inc. ("Regulus") announced that it has entered into an arrangement agreement (the "Arrangement Agreement") to spin out its Argentine subsidiaries, which hold the Rio Grande, Aguas Calientes, and other projects in Argentina (the "Argentine Assets"), into a newly formed company, Aldebaran Resources Inc. ("Aldebaran"). Under the terms of the Arrangement Agreement, Aldebaran will enter into a joint venture and option agreement (the "JV Agreement") with Stillwater Canada LLC, an indirect subsidiary of Sibanye Gold Limited, trading as Sibanye-Stillwater ("Sibanye-Stillwater"), to acquire up to an 80% interest in Peregrine Metals Ltd. ("Peregrine"), a wholly-owned subsidiary of Sibanye-Stillwater, that owns the Altar Copper-Gold project in San Juan Province, Argentina ("Altar" or the "Altar Project").

The proposed spin out of Regulus' Argentine Assets will be completed pursuant to a plan of arrangement under the Business Corporations Act (Alberta) (the "Arrangement") subject to the completion of a minimum US\$30 million common share financing in Aldebaran (the "Financing", as discussed below) and the execution of definitive closing documents, including the JV Agreement, on closing of the Arrangement (collectively the "Transaction").

Each Regulus shareholder as of the effective date of the Transaction will receive one share of Aldebaran for every three Regulus shares held. Simultaneously, Aldebaran will enter into the JV Agreement, providing it with an option to earn up to 80% of the Altar Project. The requirements to exercise the options to acquire the Altar Project comprises:

REGULUS RESOURCES CARVE-OUT MANAGEMENT'S DISCUSSION AND ANALYSIS

- An upfront cash payment of US\$15 million to Sibanye-Stillwater upon the closing of the Arrangement;
- The issuance of 19.9% of the shares of Aldebaran to Sibanye-Stillwater, subject to proration if the financing exceeds US\$30 million;
- Aldebaran must incur US\$30 million of expenditures on Altar over five years (inclusive of 2018 drilling that was conducted between February and May 2018) to earn 60% in the Altar Project;
- An option granted to Aldebaran to earn an additional 20% in the Altar Project by spending an additional US\$25 million over a three year period following the initial earn-in.

In addition to shareholder and court approvals, the Transaction is subject to applicable regulatory approvals and the satisfaction of certain other closing conditions customary for a transaction of this nature. Aldebaran intends to make an application to list its shares on the TSX Venture Exchange.

Mineral Property Review

This review has been prepared by John Black, CEO and Director of Regulus. The scientific and technical data contained in the section pertaining to the Rio Grande project has been reviewed and approved by Kevin B. Heather, BSc (Hons), MSc, PhD, FAusIMMM, Chief Geologic Officer of Regulus, and a qualified person (QP) under the definitions of National Instrument 43-101.

The Entity owns a project located in Argentina (the Rio Grande Property) and also holds several other early stage prospects in northwestern Argentina.

Rio Grande Overview

The Company owns a 100% interest in the Rio Grande Project. Rio Grande is a large porphyry copper-gold prospect with associated IOCG (Iron Oxide Copper Gold) style alteration located in Salta Province, northwestern Argentina. Copper-gold mineralization at Rio Grande occurs within the eroded central core of a mid-Miocene intrusive center and is best expressed by a large area (2 km by 2 km) of well-defined, coincident copper-in-soil, gold-in-soil, and induced polarization (IP) chargeability anomalies. Trenching and drilling programs by Teck Corporation (2000-2001), Antares Minerals Inc. (2004-2008) and Regulus (2010-2012) have partially delineated the Discovery and Sofia copper-gold zones along the southeast margins of the system, extended the known mineralization to the northern and western margins of the system, and also encountered indications of deeper copper-gold mineralization beneath the central portion of the system.

The Rio Grande project is very favourably located along the prominent northwest-trending Archibarca Lineament which also controls the location of the world-class giant Escondida porphyry copper deposit 150 km to the northwest in Chile. The Rio Grande project shares geologic similarities with the Bajo de Alumbrera porphyry copper-gold deposit which is located along a similar northwest-trending regional structural lineament approximately 300 km to the south.

Regulus suspended drilling activity at the Rio Grande Project in late 2012 to conserve cash and re-evaluate the exploration strategy in light of challenging market conditions. During 2015 and early 2016, a major project data review was completed including re-logging of all drill core from the project. After completion of this data review, management believes that further exploration at depth is merited. Although Regulus continues to maintain the project on hold, the political and investment climate in Argentina has notably improved and options to recommence exploration are under evaluation. The June 2016 acquisition of Goldrock Mines Corp. and its Lindero gold project by Fortuna Silver Mines Inc. may also have an impact on future exploration and possible development at the Rio Grande Project. The Lindero gold project is located approximately 10 km from the Rio Grande project and Fortuna Silver has announced that it started construction of a mine.

Other Projects Overview

Field review of the early-stage Aguas Calientes, La Frontera and Oscara projects in northern Argentina was completed in 2015-2016 and determined that further work is warranted at these projects. Regulus conducted field mapping and a sampling program on the Aguas Calientes project in 2016 to develop potential drill targets, and is evaluating whether to proceed with drilling or to seek a joint venture partner. A drilling permit has been approved for the Aguas Calientes project and drilling could commence on relatively short notice. It is likely that partners will be sought to advance the La Frontera (Catamarca Province) and Oscara (Salta Province) projects.

**REGULUS RESOURCES CARVE-OUT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Outlook for 2018

The Entity is currently evaluating options to realize value for its exploration portfolio in Argentina, particularly given the improved outlook for foreign investment in exploration activity in the country.

Selected Annual Information

	Year Ended September 30, 2017	Year Ended September 30, 2016
Total Revenues	\$Nil	\$Nil
Net Loss	\$112,169	\$429,578
Total Assets	\$1,191,421	\$640,401
Long Term Liabilities	\$356,356	\$493,109
Dividends	\$Nil	\$Nil

Summary of Quarterly Results

The following is a summary of certain selected unaudited financial information for the most recent eight fiscal quarters.

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Revenue	\$Nil	\$Nil	\$Nil	\$Nil
Loss (gain)	\$(530,860)	\$251,847	\$260,202	\$130,980
Comprehensive loss (income)	\$(1,677,667)	\$(413,495)	\$(93,277)	\$119,511

	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Revenue	\$Nil	\$Nil	\$Nil	\$Nil
Loss (gain)	\$(285,961)	\$237,688	\$169,968	\$307,883
Comprehensive loss (income)	\$(557,205)	\$(29,951)	\$(2,567,965)	\$(4,520,553)

Results of Operations

Annual Revenue and Expenses

The Entity is still in the exploration stage without any producing properties. To date, the Entity has not earned revenues and is considered to be in the exploration stage.

The Entity held \$317,658 cash balances during the year ended September 30, 2017 (2016 - \$137,805).

Expenses for the year ended September 30, 2017 totaled \$112,169, versus \$429,578 in the prior year. Principal reasons for the decrease were as follows:

- Wages and benefits decreased by \$28,696 due primarily to a decreased level of administrative activities; and
- Recovery of taxes increased by \$288,959 due to taxes received in Argentina.

**REGULUS RESOURCES CARVE-OUT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Resources Expenditures

The Entity is engaged in the acquisition, exploration, and development of exploration and evaluation assets. Exploration and evaluation assets are recorded at cost. All acquisition, exploration and related overhead expenditures are recorded as an asset on the balance sheet under the heading "Exploration and evaluation assets". These expenditures will be depleted over the estimated life of the properties if and when they reach production or will be written down by management when it is determined that the net carrying amount will not be recovered.

All of the Entity's properties are in the exploration stage and there can be no assurance that any of them will reach the stage of production.

The Entity's net addition to exploration and evaluation assets in the year ended September 30, 2017 was \$536,477 (\$383,822 in the prior year).

Liquidity and Capitalization

Working Capital

The Entity had working capital deficiency of \$12,218,592 at September 30, 2017 (\$13,780,108 at September 30, 2016) which reflects intercompany debts which will be forgiven by Regulus prior to the closing of the Arrangement..

Long-Term Liability

The Entity had long-term liabilities at September 30, 2017 of \$356,356.

Environmental obligations for reclamation of disturbed areas are addressed on a continuous basis, as leases are explored and decisions made to abandon or plan further work. Local environmental regulations in Argentina require surface disturbances from mineral exploration to be addressed on an annual basis. The Entity has no production facilities, leaching facilities, or permanent maintenance facilities. The Entity has recognized the reclamation costs determined in accordance with local environmental requirements associated with its Argentine properties. The estimated amount of such programs as at September 30, 2017 was \$356,356 for the Argentine properties.

The Entity includes preliminary estimates of costs to conduct final environmental and reclamation in its National Instrument 43-101 standard preliminary economic assessments and pre-feasibility studies regarding project economic returns.

Related Party Transactions

The consolidated financial statements include the financial statements of the Entity and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest	Principal Activity
Regulus Argentina S.A.	Argentina	100%	Mineral exploration
Minera El Toro S.A.	Argentina	100%	Mineral exploration

Key Management Personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Entity as a whole. The Entity has determined that key management personnel consist of executive and non-executive members of the Regulus' Board of Directors and corporate officers.

During the year ended September 30, 2017, management fees of \$61,025 (2016 - \$59,059) were allocated from Regulus. These fees were allocated from fees paid to Regulus' CEO, CFO, COO, CGO, and non-executive directors.

**REGULUS RESOURCES CARVE-OUT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As at September 30, 2017, \$12,556,050 (2016 - \$13,917,476) was due to Regulus. This balance does not carry interest and has no terms for repayment.

Change in Accounting Policies

Please refer to the carve-out financial statements for the year ended September 30, 2017.

Future Accounting Changes

Please refer to the carve-out financial statements for the year ended September 30, 2017.

Critical Accounting Estimates

Please refer to the carve-out financial statements for the year ended September 30, 2017.

Financial Instruments

Please refer to the carve-out financial statements for the year ended September 30, 2017.

Risks and Uncertainties

All of the Entity's operations involve mineral exploration and development and there is no guarantee that any such activity will result in commercial production of deposits. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. Examples of these risks include, but are not limited to:

- No Proven Commercial Resources. There is no assurance that commercial quantities of ore will be discovered on any of Company's exploration properties, or even if commercial quantities of ore are discovered, that a mineral property will be brought into commercial production.
- Legal/Political Risk. Regulus' businesses in Argentina may be harmed if the countries adopt laws that are not favourable to the mining community. Laws may be applied in an inconsistent, arbitrary and unfair manner. Legal remedies may be uncertain, delayed or unavailable. Future amendments to Argentine laws could weaken, shorten or curtail the Entity's mineral exploration rights or adversely impact development economics.
- Changing Government Regulations. The Entity's operations may be affected by government regulations, including those with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, employment, land use, water use, environmental legislation and mine safety.
- Lack of Qualified Staff. Although the Entity believes that it will be successful in attracting and retaining qualified personnel as its business activity grows, there can be no assurance of such success.
- Availability of Financing. There can be no assurance that the Entity will be capable of raising the additional financing that it needs to carry out its exploration and development objectives.
- No Operating Mine History. Regulus has no history of developing or operating a mining project and there can be no assurance of its ability to operate such mining projects profitably.
- Environmental Risks. While the Entity reclaims areas disturbed by exploration on a continuous basis, exploration activities could potentially create environmental exposures that would represent unforeseen expenses for the Entity.
- Community Relations. The Entity strives to maintain good relations with the local communities in which it operates. In order to develop a mine, it will be necessary to secure surface right agreements with the local communities and there can be no assurance that the Entity will be successful in these efforts.

Forward Looking Statements

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as “anticipate”, “believe”, “plan”, “estimate”, “expect”, and “intend”, statements that an action or event “may”, “might”, “could”, “should”, or “will” be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the size and timing of future exploration on and the development of the Entity’s properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Entity’s actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; and the potential for conflicts of interest among certain officers or directors with certain other projects. Forward-looking statements are made based on management’s beliefs, estimates and opinions on the date that statements are made and the Entity undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Entity’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Entity is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com).

**Regulus Resources Carve-Out
Management's Discussion and Analysis**

For the Nine Months Ended June 30, 2018

REGULUS RESOURCES CARVE-OUT MANAGEMENT'S DISCUSSION AND ANALYSIS

General

The following Management Discussion and Analysis ("MD&A") of Regulus Resources Carve-out (the "Entity" or "Regulus Carve-out") has been prepared by management, in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of October 15, 2018 and should be read in conjunction with the unaudited interim carve-out financial statements of the Entity for the nine months ended June 30, 2018 and 2017 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The following should be read in conjunction with the audited annual consolidated financial statements of the Entity for the year ended September 30, 2017. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Entity.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Entity, unless specifically noted.

Management of Regulus Resources Inc. ("Regulus") is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Entity's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Description of Business and Overview

Regulus Carve-out is a mineral exploration company focused on properties in Argentina.

The Entity's principal property is the Rio Grande copper-gold project in Argentina.

The Carve-out entities comprise of two wholly-owned subsidiaries of Regulus, which carry on Regulus' business in Argentina, being:

Name of Subsidiary	Country of Incorporation	Ownership Interest	Principal Activity
Regulus Argentina S.A.	Argentina	100%	Mineral exploration
Minera El Toro S.A.	Argentina	100%	Mineral exploration

Significant Events/Overall Performance

On June 29, 2018, Regulus announced that it has entered into an arrangement agreement (the "Arrangement Agreement") to spin out its Argentine subsidiaries, which hold the Rio Grande, Aguas Calientes, and other projects in Argentina (the "Argentine Assets"), into a newly formed company, Aldebaran Resources Inc. ("Aldebaran"). Under the terms of the Arrangement Agreement, Aldebaran will enter into a joint venture and option agreement (the "JV Agreement") with Stillwater Canada LLC, an indirect subsidiary of Sibanye Gold Limited, trading as Sibanye-Stillwater ("Sibanye-Stillwater"), to acquire up to an 80% interest in Peregrine Metals Ltd. ("Peregrine"), a wholly-owned subsidiary of Sibanye-Stillwater, that owns the Altar Copper-Gold project in San Juan Province, Argentina ("Altar" or the "Altar Project").

The proposed spin out of Regulus' Argentine assets will be completed pursuant to a plan of arrangement under the Business Corporations Act (Alberta) (the "Arrangement") subject to the completion of a minimum US\$30 million common share financing in Aldebaran (the "Financing", as discussed below) and the execution of definitive closing documents, including the JV Agreement, on closing of the Arrangement (collectively the "Transaction").

REGULUS RESOURCES CARVE-OUT MANAGEMENT'S DISCUSSION AND ANALYSIS

Each Regulus shareholder as of the effective date of the Transaction will receive one share of Aldebaran for every three Regulus shares held. Simultaneously, Aldebaran will enter into the JV Agreement, providing it with an option to earn up to 80% of the Altar Project. The requirements to exercise the options to acquire the Altar Project comprises:

- An upfront cash payment of US\$15 million to Sibanye-Stillwater upon the closing of the Arrangement;
- The issuance of 19.9% of the shares of Aldebaran to Sibanye-Stillwater, subject to proration if the financing exceeds US\$30 million;
- Aldebaran must incur US\$30 million of expenditures on Altar over five years (inclusive of 2018 drilling that was conducted between February and May 2018) to earn 60% in the Altar Project;
- An option granted to Aldebaran to earn an additional 20% in the Altar Project by spending an additional US\$25 million over a three year period following the initial earn-in.

In addition to shareholder and court approvals, the Transaction is subject to applicable regulatory approvals and the satisfaction of certain other closing conditions customary for a transaction of this nature. Aldebaran intends to make an application to list its shares on the TSX Venture Exchange.

Intercompany debts of the Carve-out in the amount of \$8,659,256 will be forgiven by Regulus prior to the closing of the Arrangement which have been recorded to contributed surplus.

Mineral Property Review

This review has been prepared by John Black, CEO and Director of Regulus. The scientific and technical data contained in the section pertaining to the Rio Grande project has been reviewed and approved by Dr. Kevin B. Heather, BSc (Hons), MSc, PhD, FAusIMM, Chief Geologic Officer of Regulus, and a qualified person (QP) under the definitions of National Instrument 43-101.

The Entity owns a project located in Argentina (the Rio Grande Property) and also holds several other early stage prospects in northwestern Argentina..

Rio Grande Overview

The Entity owns a 100% interest in the Rio Grande Project. Rio Grande is a large porphyry copper-gold prospect with associated IOCG (Iron Oxide Copper Gold) style alteration located in Salta Province, northwestern Argentina. Copper-gold mineralization at Rio Grande occurs within the eroded central core of a mid-Miocene intrusive center and is best expressed by a large area (2 km by 2 km) of well-defined, coincident copper-in-soil, gold-in-soil, and induced polarization (IP) chargeability anomalies. Trenching and drilling programs by Teck Corporation (2000-2001), Antares Minerals Inc. (2004-2008) and Regulus (2010-2012) have partially delineated the Discovery and Sofia copper-gold zones along the southeast margins of the system, extended the known mineralization to the northern and western margins of the system, and also encountered indications of deeper copper-gold mineralization beneath the central portion of the system.

The Rio Grande project is very favourably located along the prominent northwest-trending Archibarca Lineament which also controls the location of the world-class giant Escondida porphyry copper deposit 150 km to the northwest in Chile. The Rio Grande project shares geologic similarities with the Bajo de Alumbrera porphyry copper-gold deposit which is located along a similar northwest-trending regional structural lineament approximately 300 km to the south.

Regulus suspended drilling activity at the Rio Grande Project in late 2012 to conserve cash and re-evaluate the exploration strategy in light of challenging market conditions. During 2015 and early 2016, a major project data review was completed including re-logging of all drill core from the project. After completion of this data review, management believes that further exploration at depth is merited. Although Regulus continues to maintain the project on hold, the political and investment climate in Argentina has notably improved and options to recommence exploration are under evaluation. The June 2016 acquisition of Goldrock Mines Corp. and its Lindero gold project by Fortuna Silver Mines Inc. may also have an impact on future exploration and possible development at the Rio Grande Project. The Lindero gold project is located approximately 10 km from the Rio Grande project and Fortuna Silver has announced that it started construction of a mine.

**REGULUS RESOURCES CARVE-OUT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Other Projects Overview

Field review of the early-stage Aguas Calientes, La Frontera and Oscara projects in northern Argentina was completed in 2015-2016 and determined that further work is warranted at these projects. Regulus conducted field mapping and a sampling program on the Aguas Calientes project in 2016 to develop potential drill targets, and is evaluating whether to proceed with drilling or to seek a joint venture partner. A drilling permit has been approved for the Aguas Calientes project and drilling could commence on relatively short notice. It is likely that partners will be sought to advance the La Frontera (Catamarca Province) and Oscara (Salta Province) projects.

Outlook for 2018

The Entity is currently evaluating options to realize value for its exploration portfolio in Argentina, particularly given the improved outlook for foreign investment in exploration activity in the country.

Summary of Quarterly Results

The following is a summary of certain selected unaudited financial information for the most recent eight fiscal quarters.

	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Revenue	\$Nil	\$Nil	\$Nil	\$Nil
Loss (gain)	\$135,411	\$149,604	\$137,253	\$(530,860)
Comprehensive loss (income)	\$(2,464,741)	\$(495,255)	\$(574,068)	\$(966,204)

	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Revenue	\$Nil	\$Nil	\$Nil	\$Nil
Loss (gain)	\$251,847	\$260,202	\$130,980	\$(285,961)
Comprehensive loss (income)	\$(1,835,092)	\$616,857	\$119,511	\$(557,205)

Operations and Financial Condition

Nine Month Review

The Entity is still in the exploration stage without any producing properties.

Expenses for the nine months ended June 30, 2018 totaled \$422,268 versus \$643,029 for the corresponding prior year nine month period. Principal reasons for the decrease were as follows:

- Management fees increased by \$13,633 due primarily to an increase in management fees rates;
- Office and administration fees increased by \$34,446 due primarily to an increased level of administrative activities;
- Wages and benefits increased by \$42,054 due primarily to an increased level of administrative activities; and
- Exploration and evaluation assets expensed decreased by \$249,949 due to write-down of the Rio Grande property in Argentina in 2017.

The net result of the foregoing is that the Entity incurred a loss of \$422,268 in the current nine month period versus a loss of \$643,029 in the corresponding nine month period of last year.

**REGULUS RESOURCES CARVE-OUT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Third Quarter Review

Expenses for the three months ended June 30, 2018 totaled \$135,411 versus \$251,847 for the corresponding prior year three month period. Principal reasons for the decrease were as follows:

- Wages and benefits increased by \$8,607 due primarily to an increased level of administrative activities; and
- Exploration and evaluation assets expensed decreased by \$98,285 due to write-down of the Rio Grande property in Argentina in 2017.

The net result of the foregoing is that the Entity incurred a loss of \$135,411 in the current three month period versus a loss of \$251,847 in the corresponding quarter of last year.

Resources Expenditures

The Entity is engaged in the acquisition, exploration, and development of exploration and evaluation assets. Exploration and evaluation assets are recorded at cost. All acquisition, exploration and related overhead expenditures are recorded as an asset on the balance sheet under the heading "Exploration and evaluation assets". These expenditures will be depleted over the estimated life of the properties if and when they reach production or will be written down by management when it is determined that the net carrying amount will not be recovered.

All of the Entity's properties are in the exploration stage and there can be no assurance that any of them will reach the stage of production.

The Entity's net addition to exploration and evaluation assets in the nine months ending June 30, 2018 was \$369,197 (\$647,219 in the corresponding period of the prior year).

Liquidity and Capitalization

Working Capital

The Entity had working capital deficiency of \$8,586,340 at June 30, 2018 (\$12,218,592 at September 30, 2017) which reflects intercompany debts which will be forgiven by Regulus prior to the closing of the Arrangement.

Long-Term Liability

The Entity had long-term liabilities at June 30, 2018 of \$414,969.

Environmental obligations for reclamation of disturbed areas are addressed on a continuous basis, as leases are explored and decisions made to abandon or plan further work. Local environmental regulations in Argentina require surface disturbances from mineral exploration to be addressed on an annual basis. The Entity has no production facilities, leaching facilities, or permanent maintenance facilities. The Entity has recognized the reclamation costs determined in accordance with local environmental requirements associated with the Rio Grande properties. The estimated amount of such programs as at June 30, 2018 was \$414,969 for the Rio Grande property.

The Entity includes preliminary estimates of costs to conduct final environmental and reclamation in its National Instrument 43-101 standard preliminary economic assessments and pre-feasibility studies regarding project economic returns.

**REGULUS RESOURCES CARVE-OUT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Related Party Transactions

The condensed carve-out combined interim financial statements include the financial statements of the Entity and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest	Principal Activity
Regulus Argentina S.A.	Argentina	100%	Mineral exploration
Minera El Toro S.A.	Argentina	100%	Mineral exploration

Key Management Personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Entity as a whole. The Entity has determined that key management personnel consist of executive and non-executive members of the Entity's Board of Directors and corporate officers.

During the period ended June 30, 2018, management fees of \$56,064 (2017 - \$42,431) were allocated from Regulus. These fees were allocated from fees paid to Regulus' CEO, CFO, COO, CGO, and non-executive directors.

As at June 30, 2018, \$8,659,256 (September 30, 2017 - \$12,556,050) was due to Regulus. This balance does not carry interest and has no terms for repayment.

Change in Accounting Policies

Please refer to the unaudited interim carve-out financial statements for the nine months ended June 30, 2018.

Future Accounting Changes

Please refer to the unaudited interim carve-out financial statements for the nine months ended June 30, 2018.

Critical Accounting Estimates

Please refer to the unaudited interim carve-out financial statements for the nine months ended June 30, 2018.

Financial Instruments

Please refer to the unaudited interim carve-out financial statements for the nine months ended June 30, 2018.

Risks and Uncertainties

All of the Entity's operations involve mineral exploration and development and there is no guarantee that any such activity will result in commercial production of deposits. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. Examples of these risks include, but are not limited to:

- No Proven Commercial Resources. There is no assurance that commercial quantities of ore will be discovered on any of the Entity's exploration properties, or even if commercial quantities of ore are discovered, that a mineral property will be brought into commercial production.
- Legal/Political Risk. Regulus' businesses in Argentina may be harmed if the countries adopt laws that are not favourable to the mining community. Laws may be applied in an inconsistent, arbitrary and unfair manner. Legal remedies may be uncertain, delayed or unavailable. Future amendments to Argentine laws could weaken, shorten or curtail the Entity's mineral exploration rights or adversely impact development economics.

**REGULUS RESOURCES CARVE-OUT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

- **Changing Government Regulations.** The Entity's operations may be affected by government regulations, including those with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, employment, land use, water use, environmental legislation and mine safety.
- **Lack of Qualified Staff.** Although the Entity believes that it will be successful in attracting and retaining qualified personnel as its business activity grows, there can be no assurance of such success.
- **Availability of Financing.** There can be no assurance that the Entity will be capable of raising the additional financing that it needs to carry out its exploration and development objectives.
- **No Operating Mine History.** Regulus has no history of developing or operating a mining project and there can be no assurance of its ability to operate such mining projects profitably.
- **Environmental Risks.** While the Entity reclaims areas disturbed by exploration on a continuous basis, exploration activities could potentially create environmental exposures that would represent unforeseen expenses for the Entity.
- **Community Relations.** The Entity strives to maintain good relations with the local communities in which it operates. In order to develop a mine, it will be necessary to secure surface right agreements with the local communities and there can be no assurance that the Entity will be successful in these efforts.

Forward Looking Statements

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as “anticipate”, “believe”, “plan”, “estimate”, “expect”, and “intend”, statements that an action or event “may”, “might”, “could”, “should”, or “will” be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the size and timing of future exploration on and the development of the Entity's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Entity's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel and the potential for conflicts of interest among certain officers or directors with certain other projects. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Entity undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Entity's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Entity is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com).

APPENDIX "C"

Aldebaran Resources Inc. “Aldebaran”
Pro-Forma Consolidated Financial Statements
(Unaudited – Prepared by Management)

June 30, 2018

(Expressed in Canadian Dollars)

Aldebaran Resources Inc. “Aldebaran”
Pro Forma consolidated statement of financial position
As at June 30, 2018
(Unaudited – prepared by management)
(Expressed in Canadian Dollars)

	Aldebaran Resources Inc.	Carve-out	Pro Forma Adjustments	Pro Forma Notes	Pro Forma Balance Combined
ASSETS					
Current assets					
Cash	\$ 1	\$ 29,365	\$ 39,000,000 (1,950,000) (19,500,000) (1,805,000) (56,940)	B C D E F	\$ 15,717,426
Receivables	-	9,997	-		9,997
Prepaid expenses	-	33,554	-		33,554
Total current assets	1	72,916	15,688,060		15,760,977
Non-current assets					
Property, plant, and equipment	-	1,403	-		1,403
Exploration and evaluation assets	-	812,985	19,500,000 200,000 56,940 18,041,935	D E F J	38,611,860
Total non-current assets	-	814,388	37,798,875		38,613,263
TOTAL ASSETS	\$ 1	\$ 887,304	\$ 53,486,935		\$ 54,374,240
LIABILITIES AND SHAREHOLDERS' EQUITY					
LIABILITIES					
Current liabilities					
Due to related parties	\$ -	\$ 8,659,256	\$ (8,659,256)	H	\$ -
Total current liabilities	-	8,659,256	(8,659,256)		-
Non-current liabilities					
Decommissioning liability	-	414,969	-		414,969
Total non-current liabilities	-	414,969	-		414,969
TOTAL LIABILITIES	-	9,074,225	(8,659,256)		414,969
SHAREHOLDERS' EQUITY					
Capital stock	1	-	\$ 39,000,000 (1,950,000) (1,540,000) 750,000 27,102,980 18,041,935	A,B C E G I J	\$ 81,404,916
Contributed surplus	-	\$ 27,102,980	8,659,256 (27,102,980)	H I	8,659,256
Accumulated other comprehensive loss	-	(565,020)	-		(565,020)
Deficit	-	(34,724,881)	(65,000) (750,000)	E G	(35,539,881)
Total shareholders' equity	1	(8,186,921)	62,146,191		53,959,271
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1	\$ 887,304	\$ 53,486,935		\$ 54,374,240

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

Aldebaran Resources Inc. “Aldebaran”

Pro Forma consolidated statement of comprehensive income (loss)

For the nine months ended June 30, 2018

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

	Aldebaran Resources Inc.	Carve-out	Pro Forma Adjustments	Pro Forma Notes	Pro Forma Balance Combined
Expenses					
Accounting and audit	\$ -	\$ 26,135	\$ 65,000	E	\$ 91,135
Amortization	-	1,066	-		1,066
Bank charges and interest	-	19,655	-		19,655
Consulting fees	-	47,829	750,000	G	797,829
Fees and taxes	-	5,753	-		5,753
Insurance	-	22,951	-		22,951
Interest expense	-	21,885	-		21,885
Investor relations and shareholder information	-	11,280	-		11,280
Legal	-	5,244	-		5,244
Management fees	-	56,064	-		56,064
Office and administration	-	68,071	-		68,071
Rent	-	39,849	-		39,849
Telephone	-	3,512	-		3,512
Transfer agent and listing fees	-	3,667	-		3,667
Travel	-	5,307	-		5,307
Wages and benefits	-	43,977	-		43,977
	-	(382,245)	(815,000)		(1,197,245)
Other items					
Loss on foreign exchange	-	(31,032)	-		(31,032)
Write-off of receivables	-	(8,991)	-		(8,991)
Net loss for the period	-	(422,268)	(815,000)		(1,237,268)
Items that will not be reclassified subsequently to profit and loss					
Translation adjustment	-	3,956,332	-		3,956,332
Comprehensive income (loss) for the period	\$ -	\$ 3,534,064	\$ (815,000)		\$ 2,719,064
Basic and diluted net income (loss) per share	\$ -	\$ -	\$ (0.01)		\$ 0.04
Weighted average number of common shares outstanding	1	-	72,530,393		72,530,394

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

Aldebaran Resources Inc. “Aldebaran”

Pro Forma consolidated statement of comprehensive income (loss)

For the year ended September 30, 2017

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

	Aldebaran Resources Inc.	Carve-out	Pro Forma Adjustments	Pro Forma Notes	Pro Forma Balance Combined
Expenses					
Accounting and audit	\$ -	\$ 37,397	\$ 65,000	E	\$ 102,397
Amortization	-	1,820	-		1,820
Bank charges and interest	-	29,491	-		29,491
Consulting fees	-	56,238	750,000	G	806,238
Fees and taxes	-	56,964	-		56,964
Insurance	-	35,017	-		35,017
Interest expense	-	39,636	-		39,636
Investor relations and shareholder information	-	5,641	-		5,641
Legal	-	13,819	-		13,819
Management fees	-	61,025	-		61,025
Office and administration	-	45,146	-		45,146
Rent	-	45,964	-		45,964
Telephone	-	4,622	-		4,622
Transfer agent and listing fees	-	4,589	-		4,589
Travel	-	7,882	-		7,882
Wages and benefits	-	1,850	-		1,850
	-	(447,101)	(815,000)		(1,262,101)
Other items					
Gain on foreign exchange	-	45,973	-		45,973
Recovery of taxes	-	288,959	-		288,959
Net loss for the year	-	(112,169)	(815,000)		(927,169)
Items that will not be reclassified subsequently to profit and loss					
Translation adjustment	-	2,177,097	-		2,177,097
Comprehensive income (loss) for the year	\$ -	\$ 2,064,928	\$ (815,000)		\$ 1,249,928
Basic and diluted net income (loss) per share	\$ -	\$ -	\$ (0.01)		\$ (0.01)
Weighted average number of common shares outstanding	1	-	72,530,393	5	72,530,394

Aldebaran Resources Inc. “Aldebaran”

Notes to the Pro Forma Consolidated Financial Statements

June 30, 2018

(Unaudited – prepared by management)

(Expressed in Canadian Dollars, except percentage amounts and share information)

1. Plan of Arrangement

The unaudited pro forma financial statements have been compiled for purposes of inclusion in an Listing Statement for Aldebaran Resources Inc. (“Aldebaran”).

On June 29, 2018, Regulus Resources Inc. (“Regulus”) announced that it has entered into an arrangement agreement (the “Arrangement Agreement”) will transfer its Rio Grande copper-gold project located in Salta, Argentina together with certain other early-stage mineral exploration properties located in Argentina, to a newly formed company, Aldebaran. In connection with the closing of the Arrangement, Aldebaran will enter into an option and JV agreement (the “JV Agreement”) with Stillwater Canada LLC, a wholly-owned subsidiary of Sibanye-Stillwater (“Stillwater Canada”), granting Aldebaran an option to acquire 60% of the common shares of Peregrine Metals Ltd. (“Peregrine”) which owns Sibanye-Stillwater’s interest in the Altar copper-gold project (“Altar” or the “Altar Project”) in San Juan Province, Argentina. Aldebaran also has an option to earn an additional 20% of the common shares of Peregrine Metals Ltd. by spending an additional US\$25 million on the project over up to a further three year period.

The proposed spin out of Regulus’ Argentine subsidiaries will be completed pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) (the “Arrangement”) subject to the completion of a minimum US\$30 million common share financing in Aldebaran (the “Financing”, as discussed below) and the execution of definitive closing documents, including the JV Agreement, on closing of the Arrangement (collectively the “Transaction”).

Each Regulus shareholder as of the effective date of the Transaction will receive one share of Aldebaran for every three Regulus shares held. Simultaneously, Aldebaran will enter into the JV Agreement, providing it with an option to earn an initial 60% and up to 80% of the Altar Project. The requirements to exercise the options to acquire the Altar Project comprises:

- An upfront cash payment of US\$15 million to Sibanye-Stillwater upon the closing of the Arrangement;
- The issuance of 19.9% of the shares of Aldebaran to Sibanye-Stillwater, subject to proration if the financing exceeds US\$30 million;
- Aldebaran must incur US\$30 million of expenditures on Altar over five years (inclusive of 2018 drilling that was conducted between February and May 2018) to earn 60% in the Altar Project;
- An option granted to Aldebaran to earn an additional 20% in the Altar Project by spending an additional US\$25 million over a three year period following the initial earn-in.

In addition to shareholder and court approvals, the Transaction is subject to applicable regulatory approvals and the satisfaction of certain other closing conditions customary for a transaction of this nature. Aldebaran intends to make an application to list its shares on the TSX Venture Exchange.

Aldebaran Resources Inc. “Aldebaran”

Notes to the Pro Forma Consolidated Financial Statements

June 30, 2018

(Unaudited – prepared by management)

(Expressed in Canadian Dollars, except percentage amounts and share information)

2. Basis of Presentation

These unaudited pro forma consolidated financial statements give effect to the Arrangement whereby Regulus will transfer its interests detailed in the carve-out combined financial statements to Aldebaran for shares in Aldebaran.

The unaudited pro forma consolidated financial statements have been compiled from and include:

- An unaudited pro forma consolidated statement of financial position, which combines the statement of financial position of Aldebaran as at June 30, 2018 and the carve-out combined statement of financial position of Regulus Resources Carve-out (“Carve-out”) as at June 30, 2018, giving effect to the Arrangement as if it occurred on June 30, 2018; and
- An unaudited pro forma consolidated statement of comprehensive loss, which combines the statement of comprehensive loss of Aldebaran from the date of incorporation from June 7, 2018 to June 30, 2018 and the carve-out combined statement of operations and comprehensive loss of Carve-out for the year ended September 30, 2017 and nine months ended June 30, 2018 giving effect to the Arrangement as if it had occurred on October 1, 2016.

These unaudited pro forma consolidated financial statements are provided for illustrative purposes only, and do not purport to represent the financial position that would have resulted had the Arrangement actually occurred on June 30, 2018, or the results of operations that would have resulted had the Arrangement actually occurred on October 1, 2016. Further, these pro forma consolidated financial statements are not necessarily indicative of the future financial position or results of operations on Aldebaran as a result of the Arrangement. These unaudited pro forma consolidated financial statements should be read in conjunction with the audited carve-out combined financial statements of Carve-out for the years ended September 30, 2017 and 2016 and the audited financial statements of Aldebaran as at June 30, 2018, all of which are contained within the filing statement.

3. Significant Accounting Policies

The accounting policies used in the preparation of these unaudited pro forma financial statements are those as set out in Carve-out audited combined financial statements for the years ended September 30, 2017 and 2016, and unaudited combined financial statements for the nine months ended June 30, 2018.

4. Pro-Forma Assumptions and Adjustments

- A. Upon completion of the Arrangement, each Regulus shareholder will receive one common share of Aldebaran for every three Regulus shares held. There will be no change in the Regulus shareholders’ holdings of Regulus as a result of the Arrangement. The total number of shares to be issued to Regulus shareholders will be 26,248,407 shares.
- B. Reflects the completion of a minimum \$39,000,000 (US\$30,000,000) common share financing in Aldebaran on closing of the Arrangement for 31,250,000 shares at \$1.25 per share.
- C. Aldebaran will bear all transaction costs associated with the Arrangement estimated in the amount of \$1,950,000 (US\$1,500,000).

Aldebaran Resources Inc. “Aldebaran”

Notes to the Pro Forma Consolidated Financial Statements

June 30, 2018

(Unaudited – prepared by management)

(Expressed in Canadian Dollars, except percentage amounts and share information)

4. Pro-Forma Assumptions and Adjustments (continued)

- D. Reflects an upfront cash payment of \$19,500,000 (US\$15,000,000) to Sibanye-Stillwater upon the closing of the Arrangement.
- E. Reflects transactions fees of \$1,805,000 for audit, accounting, legal and reimbursement of legal fees to Route One Investment Company LP in relation to closing of the Arrangement. Of this amount, \$200,000 has been capitalized to exploration and evaluation assets, \$1,540,000 has been recorded to share issue costs and \$65,000 has been recorded to the statement of comprehensive income (loss).
- F. Reflects costs associated with filing 43-101 reports of \$56,940 (US\$43,800) in relation to closing of the Arrangement.
- G. Reflects financial advisory fees of Aldebaran of \$750,000 in relation to closing of the Arrangement which will be settled with 598,438 shares of Aldebaran at \$1.25 per share.
- H. Intercompany debts of the Carve-out in the amount of \$8,659,256 will be forgiven by Regulus prior to the closing of the Arrangement which have been recorded to contributed surplus.
- I. The amount contained within contributed surplus of \$27,102,980 is transferred to capital stock upon the issuance of 26,248,407 common shares of Aldebaran.
- J. Aldebaran will issue 14,433,548 shares at \$1.25 per share to Sibanye representing 19.9% of the total shares outstanding for a value of \$18,041,935 which is capitalized to exploration and evaluation assets.

5. Shares Outstanding

	Proforma Notes	Number of Shares
Balance, inception		1
Shares issued to Regulus shareholders	A	26,248,407
Shares issued for Arrangement financing	B	31,250,000
Shares issued to Sibanye	J	14,433,548
Shares issued for advisory fee	G	598,438
Balance, June 30, 2018		72,530,394

APPENDIX "D"

Aldebaran Resources Inc.

Statement of Financial Position

As at June 30, 2018

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Aldebaran Resources Inc.

We have audited the accompanying financial statements of Aldebaran Resources Inc., which comprise the statement of financial position as at June 30, 2018 and June 7, 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Aldebaran Resources Inc. as at June 30, 2018 and June 7, 2018, in accordance with International Financial Reporting Standards.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

October 15, 2018



Aldebaran Resources Inc.

Statement of Financial Position

(Expressed in Canadian dollars)

	June 30, 2018	June 7, 2018
Assets		
Cash	\$ 1	\$ 1
Total Assets	\$ 1	\$ 1
Shareholder's Equity		
Share capital – unlimited shares authorized, 1 issued and outstanding (Note 1)	\$ 1	\$ 1
Total Shareholder's Equity	\$ 1	\$ 1

These financial statements are authorized for issue by the Board of Directors of Aldebaran Resources Inc. on October 15, 2018.

Approved by the Board of Directors

"John Black"

Director & Chief Executive Officer

"Mark Wayne"

Director

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

Aldebaran Resources Inc.

Notes to the Financial Statements

As at June 30, 2018

(Expressed in Canadian Dollars, except share information)

1. ORGANIZATION

Aldebaran Resources Inc. (the “Company”) was incorporated on June 7, 2018 under the laws of Canada Business Corporations Act as part of a plan of arrangement (the “Arrangement”) to reorganize Regulus Resources Inc. (“Regulus”). The Company’s intended business activity is the acquisition and exploration of exploration and evaluation properties in Argentina. To date, the Company has not commenced operations. The Company’s head office is located at Suite 2300 – 1177 West Hastings Street, Vancouver, BC V6E 2K3, Canada. The Company issued one common share upon incorporation. The common shares have no par value and the number of authorized common shares is unlimited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The statement of financial position has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Separate Statements of Income, Changes in Shareholder’s Equity and Cash Flows have not been presented as there have been no activities for the Company to date.

APPENDIX "E"

Carve-out combined financial statements of

Regulus Resources Carve-out

(the “Company”)

FOR THE YEAR ENDED SEPTEMBER 30, 2017 AND 2016

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Regulus Resources Inc.

We have audited the accompanying Carve-out combined financial statements of Regulus Resources Carve-out, which comprise the Carve-out combined statements of financial position as at September 30, 2017 and 2016, and the Carve-out combined statements of operations and comprehensive income, changes in deficiency and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information (the "Carve-out financial statements").

Management's Responsibility for the Carve-out combined Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, these Carve-out combined financial statements present fairly, in all material respects, the financial position of Regulus Resources Carve-out as at September 30, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

August 21, 2018



Regulus Resources Carve-out
CARVE-OUT COMBINED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars
As at

	September 30, 2017	September 30, 2016
ASSETS		
Current		
Cash (Note 5)	\$ 317,658	\$ 137,805
Receivables	18,766	14,055
Prepaid expenses	1,034	1,237
	<u>337,458</u>	<u>153,097</u>
Equipment	2,809	5,887
Exploration and evaluation assets (Note 6)	<u>851,154</u>	<u>481,417</u>
	<u>\$ 1,191,421</u>	<u>\$ 640,401</u>
LIABILITIES AND DEFICIENCY		
Current		
Accounts payable and accrued liabilities	\$ -	\$ 15,729
Due to related parties (Note 9)	12,556,050	13,917,476
	<u>12,556,050</u>	<u>13,933,205</u>
Decommissioning liability (Note 7)	<u>356,356</u>	<u>493,109</u>
	<u>12,912,406</u>	<u>14,426,314</u>
Deficiency		
Reserves (Note 8)	27,102,980	27,102,980
Accumulated other comprehensive loss	(4,521,352)	(6,698,449)
Deficit	<u>(34,302,613)</u>	<u>(34,190,444)</u>
	<u>(11,720,985)</u>	<u>(13,785,913)</u>
	<u>\$ 1,191,421</u>	<u>\$ 640,401</u>

Nature of operations (Note 1)

Approved by the Board:
Director:

"John Black"

John Black

Director and Chairman of the Audit Committee:

"Anthony Hawkshaw"

Anthony Hawkshaw

The accompanying notes are an integral part of these carve-out combined financial statements.

Regulus Resources Carve-out**CARVE-OUT COMBINED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**

Expressed in Canadian Dollars

	Year ended September 30, 2017	Year ended September 30, 2016
EXPENSES		
Accounting and audit	\$ 37,397	\$ 36,847
Amortization	1,820	2,255
Bank charges and interest	29,491	29,075
Consulting fees	56,238	82,087
Fees and taxes	56,964	37,645
Insurance	35,017	29,947
Interest expense (Note 7)	39,636	41,627
Investor relations and shareholder information	5,641	4,675
Legal	13,819	21,475
Management fees	61,025	59,059
Office and administration	45,146	34,149
Rent	45,964	68,493
Telephone	4,622	9,220
Transfer agent and listing fees	4,589	3,696
Travel	7,882	15,460
Wages and benefits	1,850	30,546
	(447,101)	(506,256)
OTHER ITEMS		
Gain on foreign exchange	45,973	85,971
Write-off of receivables	-	(9,293)
Recovery of taxes	288,959	-
	(112,169)	(429,578)
LOSS FOR THE YEAR		
Items that will not be reclassified subsequently to profit and loss:		
Translation adjustment	2,177,097	8,468,842
Comprehensive income for the year	\$ 2,064,928	\$ 8,039,264

The accompanying notes are an integral part of these carve-out combined financial statements.

Regulus Resources Carve-out
CARVE-OUT COMBINED STATEMENTS OF DEFICIENCY
Expressed in Canadian Dollars
For the Years Ended September 30

	Reserves	Accumulated Other Comprehensive Loss	Deficit	Total
Balance, September 30, 2015	\$ -	\$ -	\$ -	\$ -
Transfer of net deficiency from Regulus Resources Inc.	27,102,980	(15,167,291)	(33,760,866)	(21,825,177)
Foreign exchange adjustment	-	8,468,842	-	8,468,842
Loss for the year	-	-	(429,578)	(429,578)
Balance, September 30, 2016	\$ 27,102,980	\$ (6,698,449)	\$ (34,190,444)	\$ (13,785,913)
Foreign exchange adjustment	-	2,177,097	-	2,177,097
Loss for the year	-	-	(112,169)	(112,169)
Balance, September 30, 2017	\$ 27,102,980	\$ (4,521,352)	\$ (34,302,613)	\$ (11,720,985)

The accompanying notes are an integral part of these carve-out combined financial statements.

Regulus Resources Carve-out
CARVE-OUT COMBINED STATEMENTS OF CASH FLOWS
Expressed in Canadian Dollars
For the Years Ended September 30

	2017	2016
Cash Flows from Operating Activities		
Net loss for the year	\$ (112,169)	\$ (429,578)
Items not affecting cash:		
Amortization	1,820	2,255
Interest expense	39,636	41,627
Write-off of receivables	-	9,293
Changes in non-cash working capital items:		
Receivables	(7,566)	(24,024)
Prepaid expenses	-	455
Accounts payable and accrued liabilities	(15,109)	18,448
Due to related parties	895,762	676,479
Net cash provided by operating activities	<u>802,374</u>	<u>294,955</u>
Cash Flows from Investing Activities		
Exploration and evaluation assets and decommissioning liability	<u>(666,893)</u>	<u>(497,728)</u>
Net cash used in investing activities	<u>(666,893)</u>	<u>(497,728)</u>
Effect of foreign exchange on cash	<u>44,372</u>	<u>205,540</u>
Change in cash for the year	179,853	2,767
Cash, beginning of year	<u>137,805</u>	<u>135,038</u>
Cash, end of year	\$ 317,658	\$ 137,805

Supplemental disclosures with respect to cash flows (Note 10)

Regulus Resources Carve-out
NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS

Expressed in Canadian Dollars

For the Years ended September 30, 2017 and 2016

1. NATURE OF OPERATIONS

Regulus Resources Carve-out (“Carve-out” or the “Entity”) is an exploration stage entity that is engaged directly in the acquisition and exploration of exploration and evaluation properties in Argentina. To date, the Entity has not generated significant revenues from operations and is considered to be in the exploration stage. The address of the Entity’s registered and records office is Suite 2300 – 1177 West Hastings Street, Vancouver, BC, Canada V6E 2L3.

At the date of these consolidated financial statements, the Entity has not been able to identify a known body of commercial grade ore on any of its exploration and evaluation assets. The ability of the Entity to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Entity being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation assets. To date, the Entity has not earned revenues and is considered to be in the exploration stage.

As at September 30, 2017, the Entity had working capital deficiency of \$12,218,592. Management is currently evaluating a future financing in the Entity including equity raises in order to fund the drilling program proposed to the end of 2018.

These carve-out combined financial statements were authorized by the audit committee and by the board of directors of the Entity on August 21, 2018.

2. PLAN OF ARRANGEMENT

On June 29, 2018, Regulus Resources Inc. (“Regulus”) announced that it has entered into an arrangement agreement (the “Arrangement Agreement”) to spin out its Argentine subsidiaries, which hold the Rio Grande, Aguas Calientes, and other projects in Argentina, into a newly formed company, Aldebaran Resources Inc. (“Aldebaran”). Under the terms of the Arrangement Agreement, Aldebaran will enter into a joint venture and option agreement (the “JV Agreement”) with Stillwater Canada LLC, an indirect subsidiary of Sibanye Gold Limited, trading as Sibanye-Stillwater (“Sibanye-Stillwater”), to acquire up to an 80% interest in Peregrine Metals Ltd. (“Peregrine”), a wholly-owned subsidiary of Sibanye-Stillwater, that owns the Altar Copper-Gold project in San Juan Province, Argentina (“Altar” or the “Altar Project”).

The proposed spin out of Regulus’ Argentine assets will be completed pursuant to a plan of arrangement under the Business Corporations Act (Alberta) (the “Arrangement”) subject to the completion of a minimum US\$30 million common share financing in Aldebaran (the “Financing”, as discussed below) and the execution of definitive closing documents, including the JV Agreement, on closing of the Arrangement (collectively the “Transaction”).

Each Regulus shareholder as of the effective date of the Transaction will receive one share of Aldebaran for every three Regulus shares held. Simultaneously, Aldebaran will enter into the JV Agreement, providing it with an option to earn up to 80% of the Altar Project. The requirements to exercise the options to acquire the Altar Project comprises:

- An upfront cash payment of US\$15 million to Sibanye-Stillwater upon the closing of the Arrangement;
- The issuance of 19.9% of the shares of Aldebaran to Sibanye-Stillwater, subject to proration if the financing exceeds US\$30 million;
- Aldebaran must incur US\$30 million of expenditures on Altar over five years (inclusive of 2018 drilling that was conducted between February and May 2018) to earn 60% in the Altar Project;
- An option granted to Aldebaran to earn an additional 20% in the Altar Project by spending an additional US\$25 million over a three year period following the initial earn-in.

In addition to shareholder and court approvals, the Transaction is subject to applicable regulatory approvals and the satisfaction of certain other closing conditions customary for a transaction of this nature. Aldebaran intends to make an application to list its shares on the TSX Venture Exchange.

3. BASIS OF PREPARATION

These carve-out combined financial statements have been prepared in accordance with International Financial Reporting (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These carve-out combined financial statements have been prepared on the basis of IFRS standards that are effective as at September 30, 2017, and on a historical cost basis except for financial instruments classified as fair value through profit or loss.

3. BASIS OF PREPARATION (cont'd...)

The purpose of these carve-out combined financial statements is to provide general purpose historical financial information of the Entity for the inclusion in the Listing Application in connection with the Arrangement Agreement. Therefore, these carve-out combined financial statements present the historical financial information of those subsidiaries making up the Entity, and allocations of shared income and expenses of Regulus that are attributable to the Entity.

The basis of preparation for the carve-out combined statements of financial position, comprehensive income, changes in deficiency and cash flows of Carve-out have been applied. These carve-out combined financial statements have been extracted from historical accounting records of Regulus with estimates used, when necessary, for certain allocations.

- The carve-out combined statements of financial position reflect the assets and liabilities recorded by Regulus which have been assigned to the Entity on the basis that they are specifically identifiable and attributable to the subsidiaries making up the Entity;
- The carve-out combined statements of comprehensive income (loss) include a pro-rata allocation of Regulus' income and expenses incurred in each of the periods presented based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets, compared to the expenditures incurred on all of Regulus' exploration and evaluation assets, and based on specifically identifiable activities attributable to the subsidiaries. The allocation of income and expenses for each year presented is as follows: 2017 – 9%, 2016 – 9%. These percentages are considered reasonable under the circumstances;
- Income taxes have been calculated as if Carve-out had been a separate legal entity and had filed separate tax returns for the periods presented.

Management cautions readers of these carve-out financial statements that the Carve-out results do not necessarily reflect what the results of operations, financial position, or cash flows would have been had Carve-out been a separate entity. Further, the allocation of income and expenses in these carve-out statements of comprehensive income does not necessarily reflect the nature and level of Carve-out's future income and operating expenses. Regulus' investment in Carve-out, presented as equity in these carve-out financial statements, includes the accumulated total comprehensive income (loss) of Carve-out.

Judgments

In the process of applying the Entity's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognized in the consolidated financial statements:

Functional currencies

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Entity and its subsidiaries was determined by conducting an analysis of the consideration factors identified in IAS 21, the Effects of Changes in Foreign Exchange Rates. The functional currency of each entity is disclosed below under "Foreign Exchange".

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations. Determining whether to test for impairment of exploration and evaluation assets requires management's judgment, and consideration of whether the period for which the Entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Regulus Resources Carve-out
NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS
Expressed in Canadian Dollars
For the Years ended September 30, 2017 and 2016

3. BASIS OF PREPARATION (cont'd...)

Estimates

Significant estimates, made by management, about the future and other sources of estimation uncertainty at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made relate to, but are not limited to, the following:

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of Entity's exploration and evaluation assets does not necessarily represent present or future values and the Entity's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Entity to obtain the necessary financing to complete the development and upon future profitable production or disposition of the mineral properties. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could affect management's assessment of the overall viability of its properties or to the likelihood of generating future cash flows necessary to recover the carrying value of the Entity's exploration and evaluation assets.

To the extent that any of management's assumptions change there could be a significant effect on the Company's future financial position, operating results and cash flows.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Entity's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development or commercialization of mineral reserves. To the extent that management's assessment of the Entity's ability to utilize future tax deductions changes, the Entity would be required to recognize more or fewer deferred tax assets and deferred income tax provisions or recoveries could be affected.

Decommissioning costs

Upon retirement of the Entity's exploration and evaluation assets decommissioning costs will be incurred by the Entity. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The liability, the related asset and the corresponding expense are affected by estimates with respect to the costs and timing of decommissioning.

Basis of combination

These carve-out combined financial statements include the accounts of the following companies:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Regulus Argentina S.A.	Argentina	100%	Mineral exploration
Minera El Toro S.A.	Argentina	100%	Mineral exploration

Subsidiaries are entities controlled by the Entity and are included in the carve-out combined financial statements from the date that control commences until the date that control ceases.

Inter-company balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the carve-out combined financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Entity's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Regulus Resources Carve-out
NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS

Expressed in Canadian Dollars

For the Years ended September 30, 2017 and 2016

3. BASIS OF PREPARATION (cont'd...)

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and is determined for each entity within the Entity. The functional currency for the entities within the Entity is the Argentine peso ("A-Peso") (Regulus Argentina S.A. and Minera El Toro S.A.).

The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the entities' functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of an entity that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statements of operations and comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial assets

The Entity classifies its financial assets into one of the following categories depending on the purpose for which the asset was acquired. The Entity's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in the consolidated statement of operations and comprehensive income.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Entity's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the consolidated statement of operations and comprehensive income.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment the amount of the loss is removed from equity and recognized in the consolidated statement of operations and comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Entity classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Entity's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the consolidated statements of financial position at fair value with changes in fair value recognized in the consolidated statement of operations and comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Other financial liabilities - This category includes amounts due to related parties and accounts payables and accrued liabilities which are recognized at amortized cost.

The Entity has classified its cash as fair value through profit and loss. The Entity's receivables are classified as loans and receivables. The Entity's accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

Exploration and evaluation assets

Costs related to pre-exploration are expensed as incurred while costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property until the commencement of commercial production. Each of the Entity's exploration and evaluation assets is considered to be a cash generating unit. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated economic life of the property, the property is abandoned or management deems there to be an impairment in value the property is written down to its net realizable value.

Any option payments received by the Entity from third parties or tax credits refunded to the Entity are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Entity to obtain the necessary financing to complete the development and future profitable production or proceeds from the disposition thereof.

Cash

Cash is comprised of cash on deposit.

Impairment

At the end of each reporting period the Entity's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but not to an amount that would exceed the original carrying amount in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provision for decommissioning liability

The Entity recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment when those obligations result from the acquisition, construction, development or normal operation of assets. The net present value of future rehabilitation costs is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Pre-tax discount rates that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets.

The Entity's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets and the rehabilitation provision. The Entity's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Entity's estimates of reclamation costs, are charged to the consolidated statement of operations and comprehensive loss for the period.

Income taxes

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 year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded 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; the initial recognition of assets or liabilities which affect neither accounting nor taxable loss as well as differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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 consolidated statement of financial position 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Entity intends to settle its current tax assets and liabilities on a net basis.

Comprehensive income

Comprehensive income is the change in the Entity's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as foreign currency gains or losses related to translation of the financial statements of foreign operations. The Entity's comprehensive income, components of other comprehensive income, and cumulative translation adjustments are presented in the consolidated statements of comprehensive income and the consolidated statements of changes in equity.

Regulus Resources Carve-out
NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS
Expressed in Canadian Dollars
For the Years ended September 30, 2017 and 2016

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Recent accounting pronouncements

Effective October 1, 2016, the following standards were adopted but did not have a material impact on the consolidated financial statements.

- IAS 27 & IFRS 1, Equity Method in Separate Financial Statements - IAS 27 is amended to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. IFRS 1 is amended to permit use of the business combinations exemption for investments in subsidiaries accounted for using the equity method in the separate financial statements of the first-time adopter.

Accounting standards, amendments and interpretations not yet effective:

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after January 1, 2017 or later periods. The following new standards, amendments and interpretations that have not been early adopted in these consolidated financial statements are not expected to have a material effect on the Company's future results and financial position:

- IFRS 9, Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories -- amortized cost and fair value. IASB has tentatively decided to require an entity to apply IFRS 9 for annual periods beginning on or after January 1, 2018.
- IFRS 15, Revenue Recognition - Revenue from Contracts with Customers establishes the principles that an entity shall apply to financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer, effective for annual periods beginning on or after January 1, 2017.
- IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The extent of the impact of adoption has not yet been determined.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's consolidated financial statements.

5. CASH

	September 30, 2017	September 30, 2016
Cash on deposit	\$ 317,658	\$ 137,805

Regulus Resources Carve-out
NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS
Expressed in Canadian Dollars
For the Years ended September 30, 2017 and 2016

6. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Entity has investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to its property is in good standing.

The exploration and evaluation assets in which the Entity has an interest are located in Argentina and the Entity is therefore relying on title opinions by legal counsel who are basing such opinions on the laws of Argentina.

	September 30, 2017	September 30, 2016
Other Argentina properties	\$ 168,419	\$ 172,153
Rio Grande, Argentina	\$ 682,735	\$ 309,264
	\$ 851,154	\$ 481,417

	Rio Grande, Argentina	Other, Argentina	Total
Balance, September 30, 2015	\$ -	\$ 298,874	\$ 298,874
Additions:			
Administrative services	12,430	5,819	18,249
Change in estimates related to decommissioning liability	(53,018)	(60,888)	(113,906)
Field operations	11,206	37,097	48,303
Labour	351,485	-	351,485
Property payments	-	8,322	8,322
Taxes and licences	58,052	-	58,052
Third party services	-	13,317	13,317
	380,155	3,667	383,822
Foreign exchange movement	(70,891)	(130,388)	(201,279)
Balance, September 30, 2016	\$ 309,264	\$ 172,153	\$ 481,417
Additions:			
Administrative services	25,769	292	26,061
Change in estimates related to decommissioning liability	(73,079)	(57,337)	(130,416)
Field operations	43,356	40,668	84,024
Labour	356,516	-	356,516
Recoveries	(55,368)	-	(55,368)
Taxes and licences	24,301	73,257	97,558
Third party services	158,036	66	158,102
	479,531	56,946	536,477
Foreign exchange movement	(106,060)	(60,680)	(166,740)
Balance, September 30, 2017	\$ 682,735	\$ 168,419	\$ 851,154

Regulus Resources Carve-out
NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS
Expressed in Canadian Dollars
For the Years ended September 30, 2017 and 2016

6. EXPLORATION AND EVALUATION ASSETS (cont'd ...)

Rio Grande, Argentina

The Entity holds a 100% interest in the Rio Grande property in Salta Province, Argentina. The Entity also holds a 100% interest in the Aguas Calientes, El Camino Catua, Oscuro, and La Frontera properties in Argentina.

7. DECOMMISSIONING LIABILITY

Although the ultimate amount of the decommissioning liability is uncertain, the best estimate of these obligations is based on information currently available. Significant closure activities include land rehabilitation, demolition of buildings and other costs. The following table presents the aggregate carrying amount of the obligation associated with the retirement of the mineral property interests.

	September 30, 2017	September 30, 2016
Asset retirement obligation – beginning of year	\$ 493,109	\$ 612,732
Change in estimates	(130,416)	(113,906)
Interest expense	39,636	41,627
Foreign exchange movement	(45,973)	(47,344)
Asset retirement obligation – end of year	\$ 356,356	\$ 493,109

The total amount of estimated undiscounted cash flows required to settle the Entity's estimated obligation is \$519,794 as at September 30, 2017 (2016 - \$573,498), which has been discounted using a credit adjusted rate of 10% and an inflation rate of 2%. The present value of the decommissioning liabilities may be subject to change based on management's estimates, changes in remediation technology or changes to applicable laws and regulations. The decommissioning liability relates to the Company's Argentinean properties. The decommissioning liability is expected to be settled at various dates which are currently expected to extend up to 2022.

8. RESERVES

Regulus' investment in the operations of Carve-out is presented as Reserves in the carve-out combined financial statements.

9. RELATED PARTY TRANSACTIONS

The consolidated financial statements include the financial statements of the Entity and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Regulus Argentina S.A.	Argentina	100%	Mineral exploration
Minera El Toro S.A.	Argentina	100%	Mineral exploration

Key Management Personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Entity as a whole. The Entity has determined that key management personnel consist of executive and non-executive members of the Regulus' Board of Directors and corporate officers.

During the year ended September 30, 2017, management fees of \$61,025 (2016 - \$59,059) were allocated from Regulus. These fees were allocated from fees paid to Regulus' CEO, CFO, COO, CGO, and non-executive directors.

As at September 30, 2017, \$12,556,050 (2016 - \$13,917,476) was due to Regulus. This balance does not carry interest and has no terms for repayment.

Regulus Resources Carve-out
NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS
Expressed in Canadian Dollars
For the Years ended September 30, 2017 and 2016

10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the year ended September 30, 2017, \$130,416 (2016 - \$113,906) was reclassified from decommissioning liability to exploration and evaluation assets due to changes in estimates.

There were no other significant non-cash transactions for the years ended September 30, 2017 and 2016.

For the years ended September 30		2017	2016
Cash paid for income taxes	\$	-	-
Cash paid for interest	\$	-	-

11. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial instruments measured at fair value 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 fair value of the Entity's receivables, accounts payable and accrued liabilities, and due to related parties approximate carrying value, which is the amount recorded on the consolidated statements of financial position. The Entity's other financial instrument, cash, under the fair value hierarchy, are based on level one quoted prices in active markets for identical assets or liabilities.

The Entity is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Entity's cash is held at Argentine financial institutions. The Entity has no investment in asset backed commercial paper.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2017, the Entity had a cash balance of \$317,658 to settle current liabilities of \$12,556,050. Management is evaluating opportunities with regards to equity financing (Note 2) in order to meet its obligations.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Entity has cash balances. The interest earned on the cash balances approximates fair value rates, and the Entity is not at a significant risk to fluctuating interest rates.

b) Foreign currency risk

The Entity is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in the A-Peso. A 10% fluctuation in the A-Peso against the Canadian dollar would affect accumulated other comprehensive loss for the year by approximately \$200,000.

c) Price risk

The Entity is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Entity's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Entity closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Entity.

Capital management

The Entity's objectives when managing capital are to safeguard the Entity's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Entity includes components of equity.

The Entity manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Entity may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

The Entity currently is not subject to externally imposed capital requirements. There were no changes in the Entity's approach to capital management.

12. SEGMENTED INFORMATION

The Entity operates in one reportable operating segment, being the acquisition and exploration of mineral resource properties in Argentina. All of the Entity's long-lived assets are located in Argentina.

Regulus Resources Carve-out
NOTES TO THE CARVE-OUT COMBINED FINANCIAL STATEMENTS
Expressed in Canadian Dollars
For the Years ended September 30, 2017 and 2016

13. INCOME TAXES

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	2017	2016
Loss for the year	\$ (112,169)	\$ (429,578)
Expected income recovery	\$ (29,000)	\$ (112,000)
Change in statutory, foreign tax, foreign exchange rates and other	-	(6,000)
Permanent difference	30,000	(83,000)
Change in unrecognized deductible temporary differences	(1,000)	201,000
Income tax recovery	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	2017	Expiry dates	2016	Expiry dates
Temporary differences				
Equipment	\$ 83,000	No expiry date	\$ 83,000	No expiry date
Non-capital losses available for future periods	4,052,000	2027 to 2037	3,940,000	2027 to 2036
	\$ 4,135,000		\$ 4,023,000	

APPENDIX "F"

Condensed carve-out combined financial statements of

Regulus Resources Carve-out

(the “Company”)

FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2018

(Expressed in Canadian Dollars)

Regulus Resources Carve-out
CONDENSED CARVE-OUT COMBINED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)
As at

	June 30, 2018	September 30, 2017
ASSETS		
Current		
Cash (Note 5)	\$ 29,365	\$ 317,658
Receivables	9,997	18,766
Prepaid expenses	33,554	1,034
	<u>72,916</u>	<u>337,458</u>
Equipment	1,403	2,809
Exploration and evaluation assets (Note 6)	<u>812,985</u>	<u>851,154</u>
	<u>\$ 887,304</u>	<u>\$ 1,191,421</u>
LIABILITIES AND DEFICIENCY		
Current		
Due to related parties (Note 9)	\$ 8,659,256	\$ 12,556,050
	<u>8,659,256</u>	<u>12,556,050</u>
Decommissioning liability (Note 7)	<u>414,969</u>	<u>356,356</u>
	<u>9,074,225</u>	<u>12,912,406</u>
Deficiency		
Reserves (Note 8)	27,102,980	27,102,980
Accumulated other comprehensive loss	(565,020)	(4,521,352)
Deficit	<u>(34,724,881)</u>	<u>(34,302,613)</u>
	<u>(8,186,921)</u>	<u>(11,720,985)</u>
	<u>\$ 887,304</u>	<u>\$ 1,191,421</u>

Nature of operations (Note 1)

Approved by the Board:

Director:

“John Black”

John Black

Director and Chairman of the Audit Committee:

“John M. Leask”

John M. Leask

The accompanying notes are an integral part of these unaudited condensed carve-out combined interim financial statements.

Regulus Resources Carve-out**CONDENSED CARVE-OUT COMBINED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**

(Unaudited - Expressed in Canadian Dollars)

	Three months ended June 30, 2018	Three months ended June 30, 2017	Nine months ended June 30, 2018	Nine months ended June 30, 2017
EXPENSES				
Accounting and audit	\$ 6,688	\$ 7,172	\$ 26,135	\$ 31,997
Amortization	309	474	1,066	1,419
Bank charges and interest	7,408	7,260	19,655	19,993
Consulting fees	19,615	14,275	47,829	35,826
Fees and taxes	308	33,205	5,753	59,209
Insurance	10,698	13,278	22,951	27,595
Interest expense (Note 7)	7,384	9,988	21,885	29,727
Investor relations and shareholder information	3,736	927	11,280	3,599
Legal	1,147	3,195	5,244	9,031
Management fees	20,891	18,455	56,064	42,431
Office and administration	26,633	14,226	68,071	33,625
Rent	13,608	12,668	39,849	34,909
Telephone	1,431	1,514	3,512	3,653
Transfer agent and listing fees	343	1,231	3,667	3,126
Travel	565	387	5,307	6,522
Wages and benefits	8,610	3	43,977	1,923
	(129,374)	(138,258)	(382,245)	(344,585)
OTHER ITEMS				
Gain (loss) on foreign exchange	(2,370)	(10,345)	(31,032)	(41,582)
Exploration and evaluation assets expensed	-	(98,285)	-	(249,949)
Write-off of receivables	(3,667)	(4,959)	(8,991)	(6,913)
Recovery of taxes	-	-	-	-
LOSS FOR THE PERIOD	(135,411)	(251,847)	(422,268)	(643,029)
Items that will not be reclassified subsequently to profit and loss:				
Translation adjustment	2,600,152	2,086,939	3,956,332	1,741,753
Comprehensive income (loss) for the period	\$ 2,464,741	\$ 1,835,092	\$ 3,534,064	\$ 1,098,724

The accompanying notes are an integral part of these unaudited condensed carve-out combined interim financial statements.

Regulus Resources Carve-out
CONDENSED CARVE-OUT COMBINED INTERIM STATEMENTS OF DEFICIENCY
(Unaudited - Expressed in Canadian Dollars)

	Reserves	Accumulated Other Comprehensive Loss	Deficit	Total
Balance, September 30, 2016	\$ 27,102,980	\$ (6,698,449)	\$ (34,190,444)	\$ (13,785,913)
Foreign exchange adjustment Loss for the period	-	1,741,753	-	1,741,753
	-	-	(643,029)	(643,029)
Balance, June 30, 2017	\$ 27,102,980	\$ (4,956,696)	\$ (34,833,473)	\$ (12,687,189)
Balance, September 30, 2017	\$ 27,102,980	\$ (4,521,352)	\$ (34,302,613)	\$ (11,720,985)
Foreign exchange adjustment Loss for the period	-	3,956,332	-	3,956,332
	-	-	(422,268)	(422,268)
Balance, June 30, 2018	\$ 27,102,980	\$ (565,020)	\$ (34,724,881)	\$ (8,186,921)

The accompanying notes are an integral part of these unaudited condensed carve-out combined interim financial statements.

Regulus Resources Carve-out
CONDENSED CARVE-OUT COMBINED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine months ended June 30, 2018	Nine months ended June 30, 2017
Cash Flows from Operating Activities		
Net loss for the period	\$ (422,268)	\$ (643,029)
Items not affecting cash:		
Amortization	1,066	1,419
Interest expense	21,885	29,727
Write-off of receivables	8,991	6,913
Changes in non-cash working capital items:		
Receivables	(5,254)	(9,684)
Prepaid expenses	(32,626)	(9,283)
Accounts payable and accrued liabilities	5,402	(15,799)
Due to related parties	291,736	526,162
Net cash provided by (used in) operating activities	<u>(131,068)</u>	<u>(113,574)</u>
Cash Flows from Investing Activities		
Exploration and evaluation assets and decommissioning liability	<u>(363,501)</u>	<u>(660,110)</u>
Net cash used in investing activities	<u>(363,501)</u>	<u>(660,110)</u>
Effect of foreign exchange on cash	<u>206,276</u>	<u>650,787</u>
Change in cash for the period	<u>(288,293)</u>	<u>(122,897)</u>
Cash, beginning of period	<u>317,658</u>	<u>137,805</u>
Cash, end of period	<u>\$ 29,365</u>	<u>\$ 14,908</u>

Supplemental disclosures with respect to cash flows (Note 10)

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1. NATURE OF OPERATIONS

Regulus Resources Carve-out (“Carve-out” or the “Entity”) is an exploration stage entity that is engaged directly in the acquisition and exploration of exploration and evaluation properties in Argentina. To date, the Entity has not generated significant revenues from operations and is considered to be in the exploration stage. The address of the Entity’s registered and records office is Suite 2300 –1177 West Hastings Street, Vancouver, BC, Canada V6E 2L3.

At the date of these condensed carve-out combined interim financial statements, the Entity has not been able to identify a known body of commercial grade ore on any of its exploration and evaluation assets. The ability of the Entity to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Entity being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation assets. To date, the Entity has not earned revenues and is considered to be in the exploration stage.

As at June 30, 2018, the Entity had working capital deficiency of \$8,586,340. Management is currently evaluating a future financing in the Entity including equity raises in order to fund the drilling program proposed to the end of 2018.

These condensed carve-out combined interim financial statements were authorized by the audit committee and by the board of directors of the Entity on October 15, 2018.

2. PLAN OF ARRANGEMENT

On June 29, 2018, Regulus Resources Inc. (“Regulus”) announced that it has entered into an arrangement agreement (the “Arrangement Agreement”) to spin out its Argentine subsidiaries, which hold the Rio Grande, Aguas Calientes, and other projects in Argentina, into a newly formed company, Aldebaran Resources Inc. (“Aldebaran”). Under the terms of the Arrangement Agreement, Aldebaran will enter into a joint venture and option agreement (the “JV Agreement”) with Stillwater Canada LLC, an indirect subsidiary of Sibanye Gold Limited, trading as Sibanye-Stillwater (“Sibanye-Stillwater”), to acquire up to an 80% interest in Peregrine Metals Ltd. (“Peregrine”), a wholly-owned subsidiary of Sibanye-Stillwater, that owns the Altar Copper-Gold project in San Juan Province, Argentina (“Altar” or the “Altar Project”).

The proposed spin out of Regulus’ Argentine assets will be completed pursuant to a plan of arrangement under the Business Corporations Act (Alberta) (the “Arrangement”) subject to the completion of a minimum US\$30 million common share financing in Aldebaran (the “Financing”, as discussed below) and the execution of definitive closing documents, including the JV Agreement, on closing of the Arrangement (collectively the “Transaction”).

Each Regulus shareholder as of the effective date of the Transaction will receive one share of Aldebaran for every three Regulus shares held. Simultaneously, Aldebaran will enter into the JV Agreement, providing it with an option to earn up to 80% of the Altar Project. The requirements to exercise the options to acquire the Altar Project comprises:

- An upfront cash payment of US\$15 million to Sibanye-Stillwater upon the closing of the Arrangement;
- The issuance of 19.9% of the shares of Aldebaran to Sibanye-Stillwater, subject to proration if the financing exceeds US\$30 million;
- Aldebaran must incur US\$30 million of expenditures on Altar over five years (inclusive of 2018 drilling that was conducted between February and May 2018) to earn 60% in the Altar Project;
- An option granted to Aldebaran to earn an additional 20% in the Altar Project by spending an additional US\$25 million over a three year period following the initial earn-in.

In addition to shareholder and court approvals, the Transaction is subject to applicable regulatory approvals and the satisfaction of certain other closing conditions customary for a transaction of this nature. Aldebaran intends to make an application to list its shares on the TSX Venture Exchange.

3. BASIS OF PREPARATION

These condensed carve-out combined interim financial statements (“carve-out financial statements”), including comparatives, have been prepared in accordance and compliance with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

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3. BASIS OF PREPARATION (cont'd...)

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements as at September 30, 2017. The condensed carve-out combined interim consolidated financial statements should be read in conjunction with the Entity's audited carve-out combined financial statements for the year ended September 30, 2017.

These carve-out financial statements are prepared on a going concern basis, which assumes the Entity will continue its operations for a reasonable period of time. The Entity's ability to continue its operations is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

These carve-out financial statements include the accounts of the Entity and its subsidiaries. These interim financial statements do not include all of the information required of annual financial statements and are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Entity since the end of the last annual reporting period.

The purpose of these carve-out combined financial statements is to provide general purpose historical financial information of the Entity for the inclusion in the Listing Application in connection with the Arrangement Agreement. Therefore, these carve-out combined financial statements present the historical financial information of those subsidiaries making up the Entity, and allocations of shared income and expenses of Regulus that are attributable to the Entity.

The basis of preparation for the carve-out combined statements of financial position, comprehensive income, changes in equity and cash flows of Carve-out have been applied. These carve-out combined financial statements have been extracted from historical accounting records of Regulus with estimates used, when necessary, for certain allocations.

- The carve-out combined statements of financial position reflect the assets and liabilities recorded by Regulus which have been assigned to the Entity on the basis that they are specifically identifiable and attributable to the subsidiaries making up the Entity;
- The carve-out combined statements of comprehensive income (loss) include a pro-rata allocation of Regulus' income and expenses incurred in each of the periods presented based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets, compared to the expenditures incurred on all of Regulus' exploration and evaluation assets, and based on specifically identifiable activities attributable to the subsidiaries. The allocation of income and expenses for each period presented is as follows: nine months ended June 30, 2018 – 9% and nine months ended June 30, 2017 – 9%. These percentages are considered reasonable under the circumstances;
- Income taxes have been calculated as if Carve-out had been a separate legal entity and had filed separate tax returns for the periods presented.

Management cautions readers of these carve-out financial statements that the Carve-out results do not necessarily reflect what the results of operations, financial position, or cash flows would have been had Carve-out been a separate entity. Further, the allocation of income and expenses in these carve-out statements of comprehensive income does not necessarily reflect the nature and level of Carve-out's future income and operating expenses. Regulus' investment in Carve-out, presented as equity in these carve-out financial statements, includes the accumulated total comprehensive income (loss) of Carve-out.

Judgments

In the process of applying the Entity's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognized in the consolidated financial statements:

Functional currencies

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Entity and its subsidiaries was determined by conducting an analysis of the consideration factors identified in IAS 21, the Effects of Changes in Foreign Exchange Rates. The functional currency of each entity is disclosed below under "Foreign Exchange".

3. BASIS OF PREPARATION (cont'd...)

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations. Determining whether to test for impairment of exploration and evaluation assets requires management's judgment, and consideration of whether the period for which the Entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Estimates

Significant estimates, made by management, about the future and other sources of estimation uncertainty at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made relate to, but are not limited to, the following:

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of Entity's exploration and evaluation assets does not necessarily represent present or future values and the Entity's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Entity to obtain the necessary financing to complete the development and upon future profitable production or disposition of the mineral properties. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could affect management's assessment of the overall viability of its properties or to the likelihood of generating future cash flows necessary to recover the carrying value of the Entity's exploration and evaluation assets.

To the extent that any of management's assumptions change there could be a significant effect on the Entity's future financial position, operating results and cash flows.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Entity's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development or commercialization of mineral reserves. To the extent that management's assessment of the Entity's ability to utilize future tax deductions changes, the Entity would be required to recognize more or fewer deferred tax assets and deferred income tax provisions or recoveries could be affected.

Decommissioning costs

Upon retirement of the Entity's exploration and evaluation assets decommissioning costs will be incurred by the Entity. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The liability, the related asset and the corresponding expense are affected by estimates with respect to the costs and timing of decommissioning.

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3. BASIS OF PREPARATION (cont'd...)

Basis of combination

These carve-out combined financial statements include the accounts of the following companies:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Regulus Argentina S.A.	Argentina	100%	Mineral exploration
Minera El Toro S.A.	Argentina	100%	Mineral exploration

Subsidiaries are entities controlled by the Entity and are included in the carve-out combined financial statements from the date that control commences until the date that control ceases.

Inter-company balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the carve-out combined financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Entity's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and is determined for each entity within the Entity. The functional currency for the entities within the Entity is the Argentine peso ("A-Peso") (Regulus Argentina S.A. and Minera El Toro S.A.).

The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the entities' functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of an entity that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statements of operations and comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES

These carve-out financial statements have been prepared in accordance with IFRS as issued by the IASB. These carve-out financial statements do not include all note disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation of the Entity's financial position, results of operations and cash flows have been included. Operating results for the nine months ended June 30, 2018 are not necessarily indicative of the results that may be expected for the year ending September 30, 2018.

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4. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Recent accounting pronouncements

Effective October 1, 2016, the following standards were adopted but did not have a material impact on the consolidated financial statements.

- IAS 27 & IFRS 1, Equity Method in Separate Financial Statements - IAS 27 is amended to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. IFRS 1 is amended to permit use of the business combinations exemption for investments in subsidiaries accounted for using the equity method in the separate financial statements of the first-time adopter.

Accounting standards, amendments and interpretations not yet effective:

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after January 1, 2017 or later periods. The following new standards, amendments and interpretations that have not been early adopted in these consolidated financial statements are not expected to have a material effect on the Company's future results and financial position:

- IFRS 9, Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories – amortized cost and fair value. IASB has tentatively decided to require an entity to apply IFRS 9 for annual periods beginning on or after January 1, 2018.
- IFRS 15, Revenue Recognition - Revenue from Contracts with Customers establishes the principles that an entity shall apply to financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer, effective for annual periods beginning on or after January 1, 2017.
- IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The extent of the impact of adoption has not yet been determined.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's consolidated financial statements.

5. CASH

	June 30, 2018	September 30, 2017
Cash on deposit	\$ 29,365	\$ 317,658

Regulus Resources Inc Carve-out

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6. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Entity has investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to its property is in good standing.

The exploration and evaluation assets in which the Entity has an interest are located in Argentina and the Entity is therefore relying on title opinions by legal counsel who are basing such opinions on the laws of Argentina.

	June 30, 2018	September 30, 2017
Other Argentina properties	\$ 78,823	\$ 168,419
Rio Grande, Argentina	\$ 734,162	\$ 682,735
	\$ 812,985	\$ 851,154

	Rio Grande, Argentina	Other, Argentina	Total
Balance, September 30, 2016	\$ 309,264	\$ 172,153	\$ 481,417
Additions:			
Administrative services	25,769	292	26,061
Change in estimates related to decommissioning liability	(73,079)	(57,337)	(130,416)
Field operations	43,356	40,668	84,024
Labour	356,516	-	356,516
Property payments	(55,368)	-	(55,368)
Taxes and licences	24,301	73,257	97,558
Third party services	158,036	66	158,102
	479,531	56,946	536,477
Foreign exchange movement	(106,060)	(60,680)	(166,740)
Balance, September 30, 2017	\$ 682,735	\$ 168,419	\$ 851,154
Additions:			
Administrative services	14,729	14	14,743
Change in estimates related to decommissioning liability	-	5,696	5,696
Field operations	4,991	1,050	6,041
Labour	233,248	-	233,248
Recoveries	(25,995)	-	(25,995)
Taxes and licences	19,146	32,348	51,494
Third party services	83,013	957	83,970
	329,132	40,065	369,197
Foreign exchange movement	(277,705)	(129,661)	(407,366)
Balance, June 30, 2018	\$ 734,162	\$ 78,823	\$ 812,985

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6. EXPLORATION AND EVALUATION ASSETS (cont'd ...)

Rio Grande, Argentina

The Entity holds a 100% interest in the Rio Grande property in Salta Province, Argentina. The Entity also holds a 100% interest in the Aguas Calientes, El Camino Catua, Oscuro, and La Frontera properties in Argentina.

7. DECOMMISSIONING LIABILITY

Although the ultimate amount of the decommissioning liability is uncertain, the best estimate of these obligations is based on information currently available. Significant closure activities include land rehabilitation, demolition of buildings and other costs. The following table presents the aggregate carrying amount of the obligation associated with the retirement of the mineral property interests.

	June 30, 2018	September 30, 2017
Asset retirement obligation – beginning of year/period	\$ 356,356	\$ 493,109
Change in estimates	5,696	(130,416)
Interest expense	21,885	39,636
Foreign exchange movement	31,032	(45,973)
Asset retirement obligation – end of year/period	\$ 414,969	\$ 356,356

The total amount of estimated undiscounted cash flows required to settled the Entity's estimated obligation is \$561,287 as at June 30, 2018, which has been discounted using a credit adjusted rate of 10% and an inflation rate of 2%. The present value of the decommissioning liabilities may be subject to change based on management's estimates, changes in remediation technology or changes to applicable laws and regulations. The decommissioning liability relates to the Company's Argentinean properties. The decommissioning liability is expected to be settled at various dates which are currently expected to extend up to 2022.

8. RESERVES

Regulus' investment in the operations of Carve-out is presented as Reserves in the carve-out combined financial statements.

9. RELATED PARTY TRANSACTIONS

The condensed carve-out combined interim financial statements include the financial statements of the Entity and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Regulus Argentina S.A.	Argentina	100%	Mineral exploration
Minera El Toro S.A.	Argentina	100%	Mineral exploration

Key Management Personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Entity as a whole. The Entity has determined that key management personnel consist of executive and non-executive members of the Entity's Board of Directors and corporate officers.

During the period ended June 30, 2018, management fees of \$56,064 (2017 - \$42,431) were allocated from Regulus. These fees were allocated from fees paid to Regulus' CEO, CFO, COO, CGO, and non-executive directors.

As at June 30, 2018, \$8,659,256 (September 30, 2017 - \$12,556,050) was due to Regulus. This balance does not carry interest and has no terms for repayment.

10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

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During the period ended June 30, 2018, \$5,696 (2017 - \$17,094) was reclassified from decommissioning liability to exploration and evaluation assets due to changes in estimates.

There were no other significant non-cash transactions for the periods ended June 30, 2018 and 2017.

For the periods ended June 30	2018	2017
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -

11. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial instruments measured at fair value 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 fair value of the Entity's receivables, accounts payable and accrued liabilities, and due to related parties approximate carrying value, which is the amount recorded on the consolidated statements of financial position. The Entity's other financial instrument, cash, under the fair value hierarchy, are based on level one quoted prices in active markets for identical assets or liabilities.

The Entity is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Entity's cash is held at Argentine financial institutions. The Entity has no investment in asset backed commercial paper.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2018, the Entity had a cash balance of \$29,365 to settle current liabilities of \$8,659,256. Management is evaluating opportunities with regards to equity financing (Note 2) in order to meet its obligations.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Entity has cash balances. The interest earned on the cash balances approximates fair value rates, and the Entity is not at a significant risk to fluctuating interest rates.

b) Foreign currency risk

The Entity is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in the A-Peso. A 10% fluctuation in the A-Peso against the Canadian dollar would affect accumulated other comprehensive loss for the period by approximately \$32,000.

11. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

c) Price risk

The Entity is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Entity's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Entity closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Entity.

Capital management

The Company's objectives when managing capital are to safeguard the Entity's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Entity includes components of equity.

The Entity manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Entity may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

The Entity currently is not subject to externally imposed capital requirements. There were no changes in the Entity's approach to capital management.

12. SEGMENTED INFORMATION

The Entity operates in one reportable operating segment, being the acquisition and exploration of mineral resource properties in Argentina. All of the Entity's long-lived assets are located in Argentina.

APPENDIX "G"

**ALDEBARAN RESOURCES INC.
SHARE OPTION PLAN**

1. Purpose of Plan

The purpose of this plan (the "**Plan**") is to develop the interest of officers, directors and employees of, and consultants and Service Providers to, Aldebaran Resources Inc. and its subsidiaries (collectively, the "**Corporation**") in the growth and development of the Corporation by providing them with the opportunity through share options to acquire an increased proprietary interest in the Corporation.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation, or if appointed, by a special committee of Directors appointed from time to time by the Board of Directors of the Corporation (such committee, or if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Committee**") pursuant to rules of procedure fixed by the Board of Directors.

3. Granting of Options

Subject to this Section 3, the Committee may from time to time designate directors, officers, employees, consultants and Service Providers of the Corporation (or in each case their personal holding companies) (collectively, the "**Optionees**"), to whom options ("**Options**") to purchase common shares ("**Common Shares**") of the Corporation may be granted, and the number of Common Shares to be optioned to each, provided that:

- (a) the total number of Common Shares issuable pursuant to Options outstanding at any time under the Plan shall not exceed 10% of the aggregate number of Common Shares of the Corporation outstanding, subject to adjustment as set forth herein, and further subject to the applicable rules and regulations of all regulatory authorities to which the Corporation may be subject, including the TSX Venture Exchange (the "**TSX Venture**") or the Toronto Stock Exchange (the "**TSX**") or such other stock exchange as the common shares may be listed for trading;
- (b) the number of Common Shares reserved for issuance on exercise of Options, within a one-year period, to any one Optionee shall not exceed 5% of the Outstanding Securities;
- (c) the maximum number of securities of the Corporation issuable to Insiders at any time pursuant to all Security Based Compensation Arrangements shall not exceed 10% of the number of Outstanding Securities;
- (d) if the Common Shares are listed on the TSX, the maximum number of securities of the Corporation issued to Insiders, within any one year period, under all Security Based Compensation Arrangements, shall not exceed 10% of the number of Outstanding Securities;
- (e) if the Common Shares are listed on the TSX Venture, the aggregate number of Common Shares reserved for issuance to any one Consultant (as such term is defined in the policies of the TSX Venture) in a 12 month period shall not exceed 2% of the number of Outstanding Securities;
- (f) if the Common Shares are listed on the TSX Venture, the aggregate number of Common Shares reserved for issuance to all persons who provide Investor Relations Activities (as such term is defined in the policies of the TSX Venture) in a 12 month period shall not exceed 2% of the number of Outstanding Securities;
- (g) if the Common Shares are listed on the TSX Venture, a grant of Options pursuant to this Plan shall constitute a representation by the Corporation that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in the policies of the TSX Venture) and

- (h) the maximum number of Common Shares issuable at any time pursuant to outstanding Options granted to directors of the Corporation who are not officers or employees of the Corporation shall be limited to 1% of the issued and Outstanding Securities;

provided that for the purposes of paragraphs (c), (d) and (g) above, an entitlement granted prior to the grantee becoming an Insider may be excluded in determining the number of securities issuable to Insiders. The Common Shares that are reserved for issuance on exercise of Options granted pursuant to this Plan that are cancelled, terminated or expired in accordance with terms of the Plan prior to the exercise of all or a portion thereof shall be available for a subsequent grant of Options pursuant to this Plan to the extent of any Common Shares issuable thereunder that are not issued under such cancelled, terminated or expired Options.

4. Vesting

The Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, provided that the Options shall not vest on more favourable terms than one-third of the total number of Options granted on the date of grant and on each of the first and second anniversaries of the date of grant. In the absence of any determination by the Committee as to vesting, vesting shall be as to one third on each of the first, second and third anniversaries of the date of grant. For greater certainty, the Committee may, in its sole discretion, accelerate the vesting of Options following their initial grant.

5. Exercise Price

The exercise price (the "**Exercise Price**") of any Option shall be fixed by the Committee when such Option is granted, provided that such price shall not be less than the Market Price (as such term is defined in the policies of the TSX Venture) of the Common Shares or the closing price of the Common Shares on the TSX (or such other principal stock exchange on which the Common Shares may then trade) on the last trading date immediately prior to the date of grant, or such other price as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation may be subject, including the TSX Venture or the TSX or such other stock exchange as the Common Shares may be listed for trading, provided that if the Common Shares are not then listed and posted for trading on the TSX Venture or TSX or any other principal stock exchange the Exercise Price shall be determined by the Committee in its sole discretion acting reasonably and in good faith.

6. Option Terms

The period during which an Option is exercisable shall, subject to the provisions of the Plan requiring acceleration of rights of exercise, not be in excess of five years. Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee and shall not be assignable or transferable other than in the case of death of the Optionee. In addition, each Option shall provide that:

- (a) upon the death of the Optionee, the Option shall vest immediately and shall terminate on the date that is 90 days following the date of death of the Optionee (the "**Termination Date**");
- (b) upon the termination of the Optionee for cause, the Option shall terminate immediately upon such termination for cause; and
- (c) if the Optionee shall no longer be a director or officer of, be in the employ of, or be providing ongoing management or consulting services to, the Corporation (other than for cause), the Option shall terminate on the earlier of the expiry date of the Option and the expiry of the period (the "**Termination Date**") not in excess of 90 days prescribed by the Committee at the time of grant, following the date that the Optionee ceases to be a director, officer or employee of the Corporation, or ceases to provide ongoing management or consulting services to, the Corporation, as the case may be;

provided that the number of Common Shares that the Optionee (or his heirs or successors) shall be entitled to purchase until the Termination Date shall be the number of Common Shares which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be an officer, director or employee of, or ceased

providing ongoing management or consulting services to, the Corporation, as the case may be. In addition, such Aldebaran Option may, subject to the terms thereof and any other terms of the Aldebaran Stock Option Plan, be extended by the Aldebaran Board of Directors to be exercised up to one year after departure of the participant from Aldebaran (for any reason other than termination for cause), or until the expiry date of the Aldebaran Option, if earlier.

If the normal expiry date of any Option falls within any Blackout Period or within 10 business days (being a day other than a Saturday, Sunday or other than a day when banks in Calgary, Alberta are not generally open for business) following the end of any Blackout Period (the "**Restricted Options**"), then the Expiry Date of such Restricted Options shall, without any further action, be extended to the date that is 10 business days following the end of such Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options as referred to in Section 17 hereof.

7. Exercise of Option

Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its head office, or such other place as may be specified by the Corporation, of a written notice of exercise specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Common Shares then being purchased by cash, certified cheque or bank draft.

8. Mergers, Amalgamation and Sale

If the Corporation shall become merged (whether by plan of arrangement or otherwise) or amalgamated within or with another corporation or shall sell the whole or substantially the whole of its assets and undertakings for shares or securities of another corporation, the Corporation shall, subject to this Section 8, make provision that, upon exercise of an Option during its unexpired period after the effective date of such merger, amalgamation or sale, the Optionee shall receive such number of shares of the continuing successor corporation in such merger or amalgamation or the securities or shares of the purchasing corporation as the Optionee would have received as a result of such merger, amalgamation or sale if the Optionee had purchased the shares of the Corporation immediately prior thereto for the same consideration paid on the exercise of the Option and had held such shares on the effective date of such merger, amalgamation or sale and, upon such provision being made, the obligation of the Corporation to the Optionee in respect of the Common Shares subject to the Option shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof.

9. No Rights as a Shareholder

An Optionee shall not have any of the rights or privileges of a shareholder of the Corporation in respect of any Common Shares issuable upon exercise of an Option until certificates representing such Common Shares have been issued and delivered.

10. Cessation of Employment

For the purposes of this Plan and all option agreements, unless otherwise provided in the applicable option agreement, an Optionee shall be deemed to have ceased to be a Service Provider and an Optionee shall be deemed to have terminated or resigned from employment or consulting arrangement with the Corporation or any of its subsidiaries, as applicable, for the purposes hereof on the first to occur of such termination or resignation or the date (as determined by the Board of Directors) that the Optionee ceases in the active performance of all of the regular duties of the Optionee's job, which includes the carrying on of all of the usual and customary day-to-day duties of the job for the normal and scheduled number of hours in each working day, unless the foregoing is a result in a leave of absence ("**Leave**") approved for this purpose by the Committee or senior officer to whom such Service Provider reports; the foregoing to apply whether or not adequate or proper notice of termination shall have been provided by and to the Corporation or its subsidiaries, as applicable, in respect of such termination of employment or consulting arrangement. If the Optionee shall take a Leave, the Committee may, in its sole discretion, also modify or change the vesting of any Options granted to such Optionee to take into account the period of the Leave.

11. Termination of Option in the Event of Take-Over Bid

In the event a take-over bid (as defined in the *Securities Act* (Alberta)), which is not exempt from the take-over bid requirements of Part 14 of the *Securities Act* (Alberta) (or its replacement or successor provisions) shall be made for the Common Shares of the Corporation, the Corporation may in the agreement providing for the grant of Options herein provide that the Corporation may require the disposition of the Optionee and the termination of any obligations of the Corporation to the Optionee in respect of any Options granted by paying to the Optionee in cash the difference between the exercise price of unexercised Options and the fair market value of the securities to which the Optionee would have been entitled upon exercise of the unexercised Options on such date, which determination of fair market value shall be conclusively made by the Committee, subject to approval by the stock exchanges upon which the Common Shares are then listed, if required by such exchanges. Upon payment as aforesaid, the Options shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof.

12. Alterations in Shares

In the event, at any time or from time to time, that the share capital of the Corporation shall be consolidated or subdivided prior to the exercise by the Optionee, in full, of any Option in respect of all of the shares granted or the Corporation shall pay a dividend upon the Common Shares by way of issuance to the holders thereof of additional Common Shares, Options with respect to any shares which have not been purchased at the time of any such consolidation, subdivision or stock dividend shall be proportionately adjusted so that the Optionee shall from time to time, upon the exercise of an Option, be entitled to receive the number of shares of the Corporation the Optionee would have held following such consolidation, subdivision or stock dividend if the Optionee had purchased the shares and had held such shares immediately prior to such consolidation, subdivision or stock dividend. Upon any such adjustments being made, the Optionee shall be bound by such adjustments and shall accept the terms of such Options in lieu of the Options previously outstanding.

13. Option Agreements

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to Option, the Exercise Price, provisions as to vesting (if applicable) and expiry, and any other terms approved by the Committee, all in accordance with the provisions of this Plan. The agreement will be in such form as the Committee may from time to time approve, or authorize the officers of the Corporation to enter into, and may contain such terms as may be considered necessary in order that the Option will comply with this Plan, any provisions respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen, and the rules of any regulatory body having jurisdiction over the Corporation.

14. Change of Control

The Committee shall have the power, in the event of a Change of Control to make such arrangements as it shall deem appropriate for the exercise of outstanding Option or continuance of outstanding Options, including to accelerate and amend any stock option agreements to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Committee shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Committee prior to the completion of such transaction.

15. Surrender Option

An Optionee may make an offer (the "**Surrender Offer**") to the Corporation, at any time, for the disposition and surrender by the Optionee to the Corporation (and the termination thereof) of any of the Options granted hereunder for an amount (not to exceed fair market value) specified therein by the Optionee and the Corporation may, but is not obligated to, accept the Surrender Offer, subject to any regulatory approval required. If the Surrender Offer, either as made or as renegotiated, is accepted, the Options in respect of which the Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant the Optionee

any further rights thereunder upon payment of the amount of the agreed Surrender Offer by the Corporation to the Optionee.

16. Regulatory Authorities Approvals

The Plan shall be subject to the approval, if required, of any stock exchange on which the Common Shares are listed for trading. Any Options granted prior to such approval shall be conditional upon such approval being given, and no such Options may be exercised unless such approval, if required, is given.

17. Amendment or Discontinuance of the Plan

The Committee may not, without the prior approval of the holders of Common Shares: (i) make any amendment to the Plan to increase the percentage of Common Shares issuable on exercise of outstanding Options at any time pursuant to Section 3(a) hereof; (ii) extend the term of any outstanding Option beyond the original expiry date of such Option; (iii) make any amendment to increase the maximum limit on the number of securities that may be issued to Insiders pursuant to Sections 3(c) or (d) hereof; (iv) make any amendment to Section 3(e) to increase the maximum number of Common Shares issuable on exercise of Options granted to directors who are not officers or employees of the Corporation; (v) make any amendment to the Plan that would permit an Optionee to transfer or assign Options to a new beneficial Optionee other than in the case of death of the Optionee; or (vi) amend this Section 17. The Committee may not, without the prior approval of the disinterested holders of Common Shares, reduce the exercise price of any outstanding Options held by Insiders;

Except as restricted by the foregoing, the Committee may amend or discontinue the Plan or Options granted thereunder at any time without shareholder approval provided that any amendment to the Plan that requires approval of any stock exchange on which the Common Shares are listed for trading may not be made without approval of such stock exchange. In addition, no amendment to the Plan or Options granted pursuant to the Plan may be made without the consent of the Optionee, if it adversely alters or impairs any Option previously granted to such Optionee under the Plan.

18. Hold Period

In addition to any resale restrictions imposed under applicable securities laws, if required by the TSX Venture or the TSX or any other regulatory authority, Options granted under the Plan and Common Shares issued on exercise of such Options may be required to be legended evidencing that the Options and the Common Shares issued upon exercise of the Options are subject to a hold period or restricted period as required by the TSX Venture or the TSX or other applicable regulatory authority and the Optionee by accepting the Option agrees to comply therewith.

19. Common Shares Duly Issued

Common Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefore in accordance with the terms of the Option, and the issuance of Common Shares thereunder will not require a resolution or approval of the Board of Directors of the Corporation.

20. Prior Plans

This Plan shall come into force and effect on ratification approval by shareholders of the Corporation or its predecessor corporations and, if necessary, approval of any stock exchange on which the Common Shares are listed for trading and entirely replaces and supersedes prior share option plans enacted by the Board of Directors of the Corporation, or its predecessor corporations.

21. Definitions

- (a) "**Blackout Period**" means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option.
- (b) "**Change of Control**" means
- (i) The acquisition of:
 - (A) Shares of the Corporation; and/or
 - (B) Securities convertible into, exercisable for or carrying the right to purchase shares of the Corporation ("**Convertible Securities**"),

as a result of which a person, group of persons or persons acting jointly or in concert, or persons that are associates or affiliates with any such person, group of persons or any of such persons (collectively "**Acquirors**"), beneficially own shares of the Corporation or Convertible Securities such that, assuming only the conversion or exercise of Convertible Securities beneficially owned by the Acquirors, the Acquirors would beneficially own shares which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of the Corporation which may be cast to elect directors of the Corporation;
 - (ii) Approval by the shareholders of the Corporation of:
 - (A) an amalgamation, arrangement, merger or other consolidation of the Corporation with another corporation pursuant to which the shareholders of the Corporation immediately prior thereto do not immediately thereafter own shares of the successor continuing corporation which entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation which may be cast to elect directors of that corporation; or
 - (B) a liquidation, dissolution or winding-up of the Corporation; or
 - (C) a sale, lease or other disposition of all or substantially all of the assets of the Corporation; or
 - (iii) such other transaction or event as the Committee deems, in its sole discretion, to constitute a Change of Control.
- (c) "**insider**", "**associate**", "**affiliate**" have the meanings ascribed thereto in the *Securities Act* (Alberta).
- (d) "**Insider**" means an insider of the Corporation and any person who is an associate or an affiliate of an insider of the Corporation.
- (e) "**Outstanding Securities**" at the time of any share issuance or grant of Options means the aggregate number of Common Shares that are outstanding immediately prior to the share issuance or grant of Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation may be subject, including the TSX Venture, the TSX or such other stock exchange as the Common Shares may be listed for trading.
- (f) "**Security Based Compensation Arrangements**" means (i) stock option plans for the benefit of employees, Insiders, Service Providers or any one of such groups; (ii) individual stock options granted to employees, Service Providers or Insiders if not granted pursuant to a plan previously approved by the Corporation's shareholders; (iii) stock purchase plans where the Corporation provides financial assistance

or where the Corporation matches the whole or a portion of the securities being purchased; (iv) stock appreciation rights involving issuances by the Corporation of securities from treasury; (v) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the Corporation; and (vi) security purchases from treasury by an employee, Insider or Service Provider which is financially assisted by the Corporation by any means whatsoever; provided that Security Based Compensation Agreements shall not include any warrants of the Corporation outstanding on the effective date of this Plan.

- (g) "**Service Provider**" means a person or company engaged by the Corporation to provide services for an initial, renewable or extended period of twelve months or more.

22. Effective Date

This Plan is effective on August 17, 2018.

APPENDIX "H"

The following information is excerpted from the technical report dated effective August 16, 2018 titled "Mineral Resources, Altar Project, San Juan Province, Argentina" prepared by John M. Marek of Independent Mining Consultants, Inc. of Tuscon, AZ and Stanford T. Foy, CPG and Qualified Person for Sibanye-Stillwater.

Property Description and Location

The Altar property description and location was originally described in the report titled "Preliminary Economic Assessment of the Altar Project, San Juan Province, Argentina, 11 May 2012, by KD Engineering and republished with updates on January 31, 2014 in the report "Estimated Mineral Resources Altar Project, San Juan Province, Argentina , This section is based on information that was published in the aforementioned reports and on revised property tenure information provided by Stillwater and Peregrine personnel.

Stanford Foy, and John Marek are not aware of any significant factors or risks that may affect access, title, or the right or ability to perform work on the property.

4.1 Location

The Altar Project is located in Argentina, within the Province of San Juan, about 10 km from the Argentina–Chile border, and approximately 180 km in direct line west of the city of San Juan. The Project is centered on approximate coordinates 6,817,190 mN and 2,359,830 mE with datum set to Campo Inchauspe and projection to Gauss Kruger, Zone 2. Elevations within the Project area range between 3,100 masl and 4,000 masl. The center(s) of the deposit is at an elevation of about 3,400 masl.

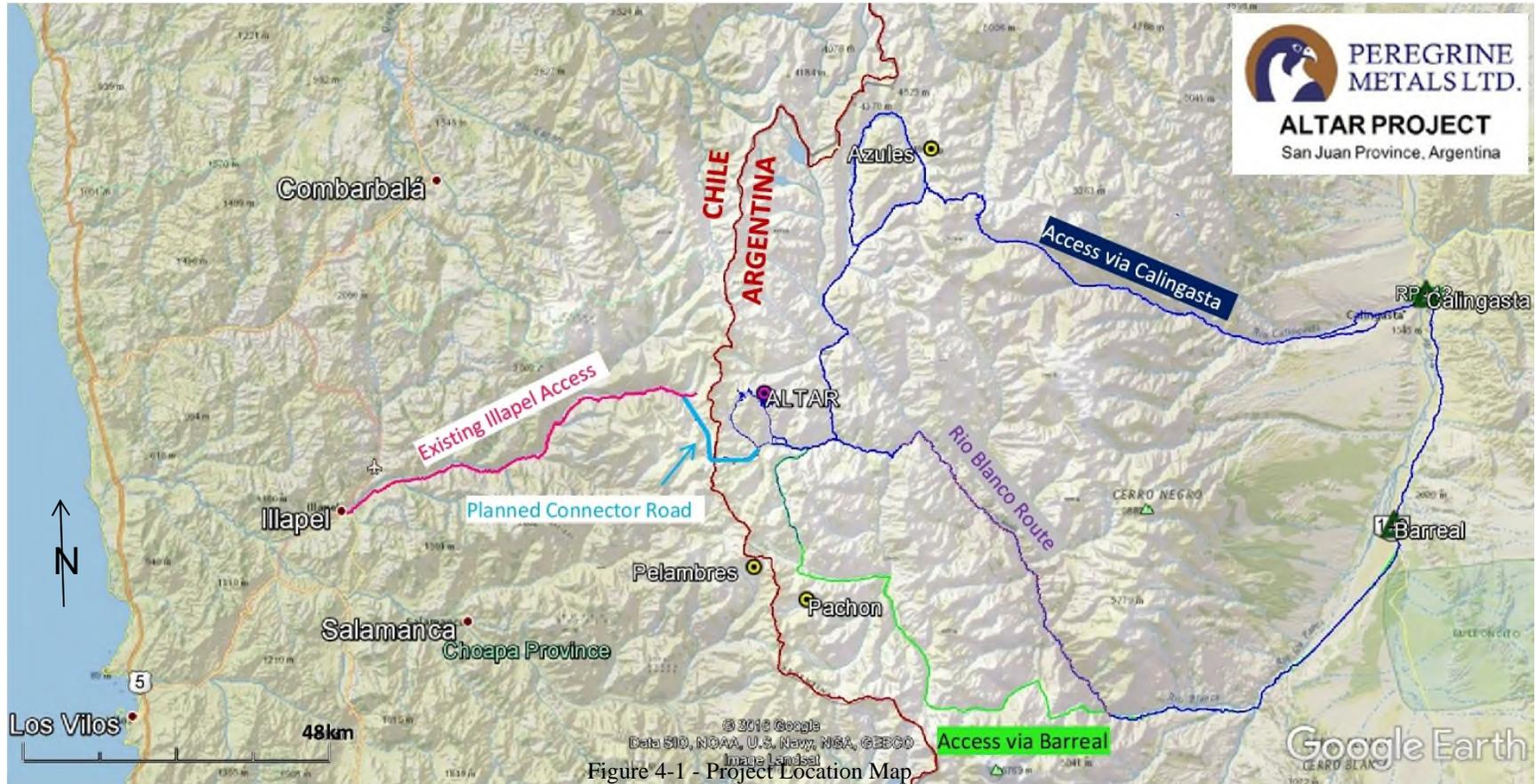


Figure 4-1 - Project Location Map

4.2 Overview of Argentina

The Republic of Argentina is located in the southeastern portion of South America. Argentina is bordered to the south and west by Chile and to the north by Bolivia and Paraguay. The east side of Argentina is bordered by Brazil, Uruguay and the Atlantic Ocean (Figure 4-1).

Argentina is the second largest country in South America after Brazil and the eighth largest in the world. The population of the country is about 44 million; approximately 16 million live in the capital city, Buenos Aires and its suburbs.

4.2.1 Metal Mining in Argentina

Historically metal mining has not played a dominant role in Argentina's economy, but this situation has changed during the last fifteen years. While industrial minerals and building materials accounted in the past for nearly two thirds of the total mining production, Argentina's gold production increased to 1.9 Moz of gold in 2010, becoming the twelfth largest world producer (third in Latin America, with 12 percent of the gold output of the region). Argentina is the fifth silver producer in Latin America.

Argentina is one of three producers of primary aluminum in Latin America, accounting approximately for 16 percent of production. The country is Latin America's third steel producer (after Brazil and Mexico), fifth copper producer (after Chile, Peru, Mexico and Brazil), fifth lead producer (after Peru, Mexico, Brazil and Bolivia) and sixth zinc producer (after Peru, Bolivia, Mexico, Brazil and Honduras).

The important operating mines in Argentina are Minera Aguilar and Pirquitas (Province of Jujuy), Alumbrera (Province of Catamarca), Gualcamayo, Veladero and Casposo (Province of San Juan) and Vanguardia, Mina Santa Cruz and Manantial Espejo (Province of Santa Cruz). Cerro Negro (Province of Santa Cruz) is in construction. The Projects Cerro Morro and Agua Rica are in final phases of Engineering. Pascua-Lama and El Pachon are currently on hold.

4.2.2 Mining Industry and Legislation

The Argentine Mining Code, which dates back to 1886, is the legislation which deals with mining in the country. Special regimes exist for hydrocarbons and nuclear minerals. In the case of most minerals, the Mining Code dictates that the owner of the surface is not the owner of the mineral rights; these are held by the State. The State is also bound by the Code to grant to whoever discovers a new mine the rights to obtain a "mining concession".

Owners must comply with three conditions: payment of an annual fee, investment of a minimum amount of capital, and the carrying out of a reasonable level of exploitation. Failure to do so could lead to forfeiture of the property back to the State.

The administrative organization for mining specific regulation, at the Federal level, is the Federal Ministry of Planning, Public Works and Investment, which has a Mining Department headed by the Secretary of Mines. At the Provincial level, there are mining departments, or mineral courts, depending on the jurisdictions, that deal with the granting of exploration permits, mining concessions and have jurisdiction on mining permitting, in general. The Argentine Mining Code is a federally drafted law implemented by all Provincial governments under the National Constitution of Argentina. Argentine Provinces retain sole jurisdiction on matters of procedural regulations, but cannot change the Mining Code.

In 1980, an amendment recognized the need for modernizing the production and classification of minerals, size of individual mining areas (to encourage development of low-grade deposits) and elimination of miners' rights to encourage foreign companies to engage in mining operations through public tenders.

Between 1993 and 1995, Argentina implemented a new Mining Investment Law, a Mining Reorganization Law, a Mining Modernization Law, a Mining Federal Agreement, and Financing and Refund of IVA. Decree 456/97 implemented a unified text of the Mining Code with all amendments made by the aforementioned legislation. These amendments offered attractive incentives for exploration and mining to foreigners, and include both financial and tax guarantees, such as import duty exemptions, unrestricted repatriation of capital and profits and a 3 percent cap on Provincial royalties. This group of laws also creates the basis for federal-provincial harmonization of the procedural regulations.

In 2001, Law 25.429 "Update of the Mining Investment Law" was passed, and in March 2004 approval was reached for a key provision of the Law allowing refund of the IVA (or value added tax) for exploration related expenses incurred by companies registered under the Mining Investment Law.

In 1995, Law No 24.585 Environmental Protection (Mining Code) was passed and provides regulation for operations and environmental reporting at the exploration and exploitation levels. During February of 2016, Argentine President Macri made a number of changes including the elimination of the export tax on concentrates and final products (dore).

In summary, the major changes to the Mining Code encompass:

- Exploration areas have been increased to a maximum of 200,000 ha per company and per Province.
- Exclusive aerial prospecting areas of 20,000 km² (that can be extended to 40,000 km² in Provinces whose territory is more than 200,000 km²), are also permitted.
- A guarantee of tax stability for 30 years has been granted.
- Expenditures made in prospecting, exploring and construction of mining installations are tax deductible and value added taxes are recoverable.
- Imports of capital goods, equipment and certain raw materials are exempt from import duties.
- Provincial royalties will not exceed 3 percent of the ex-mine value of the extracted mineral.

- Environmental funds to correct damage are required and are deductible from income taxes; a National system of permanent mining environmental monitoring is set up. Implementation at the provincial level has been variable and in 2004-2005 San Juan Province began to increase staffing for monitoring purposes.
- Municipalities are encouraged to eliminate taxes on mining.
- Systemization and digital conversion of mining property registers has been implemented to varying degrees of success in each Province and the definition by geographic coordinates now establishes mining rights.

A number of changes were made during February of 2016 with the election of President Macri. The Department of Energy and Mining was formed which has a Secretary of Mines.

At that same time, the export tax on concentrates and final products (dore) were eliminated, plus increased freedom of capital inflows/outflows and simplified import of capital goods has been put into place.

A provincial Secretary of Mines has been in place in San Juan Province in early 2004. The Secretariats are also commissioned to foster mining investment, participate in cooperation between international and inter-jurisdictional departments, and to oversee environmental, labor and hygiene issues related to mining. They respond to and govern initiatives of the National Mining Commission (which supervises the country's mining

policy) and oversee the National Geological Service Board (SEGEMAR, which functions as a national Geological Survey). In the Province of San Juan the Mining Ministry was created at the end of 2010 and a Mine Minister is appointed to lead this Ministry.

4.2.3 Mineral Property Title

Among other functions, the Mining Code constitutes the system to obtain exploration rights or concessions. Characteristics of an exploration concession, referred to as a *cateo*, include:

- Exclusivity - the holder of the cateo has rights to any mineral discoveries, including those made by a third party within the boundaries of the cateo.
- Extent - cateos are measured in 500 ha units, or fractions thereof. No single cateo may exceed 10,000 ha (20 units), and no person may hold more than 200,000 ha (20 cateos) in a single Province.
- Time - the holder of a cateo must assess the mineral potential within its exploration boundary within a time period based on the size of the cateo. The exploration term is 150 days for the first 500 ha (1 unit) or fraction thereof, and an additional 50 days for each additional unit (or fraction thereof) within the cateo. As an example, a cateo with the maximum size (20,000 ha) has a 1,100 day term. After 300 days, 50 percent of the exploration area over 2,000 ha (4 units) within the cateo must be relinquished. At 700 days, 50 percent of the remaining area over 2,000 ha (4 units) must be dropped. Time extensions may be granted to allow for inclement weather, difficult access, etc.
- Work - the holder of a cateo must present to the mining authority a minimum exploration work program and schedule. The cateo may be revoked if the requirements of the work program and schedule are not met.

A one-time fee of ARS \$400 (400 Argentine Pesos) per 500 ha (one unit) must be paid upon application for a cateo.

The Mining Code also regulates exploitation rights (mining concessions). Priority for receiving a mining concession is given to the registered discoverer of the mine, i.e. the holder of the cateo. A mining concession unit area, or *pertenencia*, is 6 ha for some types of minerals (mainly, gold, silver, copper, and, generally, hard rock minerals), in common deposits, and 100 ha for the mentioned type of minerals if found in disseminated mineral bodies; each mining concession may consist of one or more units. The application to the mining authority must include official cartographic coordinates of the mine location and of the reconnaissance area, and a sample of the mineral discovered. The reconnaissance area, which may be as much as twice the surface area projection of the mine, is intended to allow for the geological extent of the ore body and for site layout and development. Excess area is released once the survey plans are approved by the mining authority.

Once the application for a mine has been submitted and the Environmental Impact Assessment has been approved, the applicant may commence works on the reconnaissance area of the application. Any person, or company, opposed to the application for title to the new mine, whether a holder of an overlapping cateo, a mining title holder with conflicting claims, a partner in the discovery that claims to have been neglected, among others, may submit his opposition, following publication of the application in the *Boletín Oficial* or official publication of the Provincial jurisdiction. The person, or company, opposed to the mining concession application must present evidence of his claim to the Provincial mining authority. The Provincial mining authority resolves on the opposition, and such a resolution can be appealed to the Provincial mining law courts.

Within 30 days after the term to file certain statutory exploration works on the reconnaissance area of the mining concession application, the applicant must submit a legal survey of the units (*pertenencias*) requested for the new mine, within the maximum property limits allowed by the Mining Code. The request is published in the *Boletín Oficial* and may also be subject to opposition by third parties, (on different grounds than the disputes

mentioned above), to be resolved under similar rules as mentioned with regard to opposition to the application for mining concessions. Approval and registration of the legal survey request by the Provincial mining authority constitutes formal title to the mining property.

4.2.4 Royalties

On October 1, 2014, Rio Tinto sold its 1 percent NSR royalty on the Altar Concession to Vaaldiam Mining Inc. a wholly owned subsidiary of Orion Resource Partners LP. Osisko Gold Royalties subsequently acquired the Altar Concession one percent NSR royalty when it acquired Orion. Osisko Gold Royalties currently holds the one percent NSR royalty on the Altar Concession.

The original underlying concession owners Juan Carlos Robledo and Otto Wilko Simon (“Robledo and Simon”) also hold the Robledo Royalty, being an NSR royalty of 1 percent on all mineral products from the mining concessions known as Loba, Santa Rita, RCA II and RCA VII. The Corporation has the right to purchase the Robledo Royalty at any time for a payment of US\$ 1,000,000. As stipulated in the contract, as there was no mine in production by April 21, 2010 payments of US\$ 80,000 per annum until commercial production is achieved started to apply and payments were made to Robledo and Simon. On the date of commencement of commercial production, the annual payments cease and the Robledo Royalty becomes due. The annual payments are in addition to, and not an advance on, the Robledo Royalty.

According to the Mining Investment Law, mining royalties imposed by the Provinces cannot be more than 3 percent of the mineral’s mouth-of-mine value.

Mining royalties are paid to the provincial government in the territory of which the exploitation concession is registered, and are paid in equal installments twice yearly. A mining operation that has not paid its royalty within two months of the due date will be served a notice by the mining authority.

In the Province of San Juan, the law stipulates that the Provincial Royalty is 3 percent of the mineral mouth-of-mine value, defined as the value obtained in the first instance of commercialization minus all direct costs necessary to bring the mineral to commercialization at the exception of the extraction costs.

Canon and Other Conditions to Keep Title in Good Standing

Apart from payments indicated above, a mining concession is subject to pay certain special type of charges that are called, in Spanish, “Canon”. Canon is set by Mining Code according to the special class or category of the minerals found in a deposit. In general, Canon due per year is ARS \$80 per 6 ha of pertenencia for common ore bodies held by the exploitation concession, or ARS \$800 per 100 ha of pertenencia for disseminated ore bodies. The discoverer of the mine is exempt from paying Canon for 3 years from the date on which application of title to the mine is registered.

In addition, the holder of the exploitation concession must also commit to investing in the property fixed assets of at least three hundred times the value of the annual Canon, over a period of five years. In the first two years, 20 percent of the total required investment value must be made each year. For the final three years, the remaining 60 percent of the total required investment may be distributed in another manner. The exploitation concession can be terminated if the minimum required investment schedule is not met.

Finally, the mining company has to keep a sustainable mining program in the mining concession. If a mining concession remains abandoned for more than 4 years, the mining authority will give notice to the title holder to direct it to file a plan to reactivate mining works over a five year term. Failure of the title holder to file the plan

or, if filed to comply with its terms and conditions will cause the mining concession to terminate and title goes back to the provincial authorities.

A new mining operation is entitled to national, provincial, and municipal tax exemptions for five years. The exemptions commence with the registration of application of the mining concession.

4.2.5 Surface and Private Property Rights

Access over surface property rights, mainly in the forms of rights of way and occupancy rights (“Land Easements”), in Argentina, is obtained through the provincial mining authorities which will require title holders to give a guarantee to cover damages, if any, that may be inflicted on the surface land owner. Usually, surface owners and mining companies negotiate the terms of an adequate settlement on payments due to the surface owners for Land Easements, which are filed with the Mining Department in the Province concerned for approval. In the absence of such a settlement, the provincial mining authorities resolve under the principle that mining activities are of public interest.

Private property rights are secure rights in Argentina, and the likelihood of expropriation is considered low. The Argentine legal and constitutional system grants mining properties all the guarantees conferred on property rights, which are absolute, exclusive and perpetual. Mining property may be freely transferred and acquired by foreign companies.

4.2.6 Environmental Regulations

The Environmental Protection Act (EPA) of Argentina, enacted in 1996, establishes the guidelines for preparing environmental impact assessment studies for mining projects. The federal nature of the Argentine government leaves the application of the EPA to each Province. Initially the Provinces adhered to the mining law, and established the provincial mining secretary as the application authority. However, starting in 2002 several of the Provinces have re-evaluated their approach to mining and have shifted the environmental criteria and authority to the environmental secretary.

A party wishing to commence or modify any mining-related activity as defined by the EPA, including prospecting, exploration, exploitation, development, preparation, extraction, and storage of mineral substances, as well as property abandonment or mine closure activity, must prepare and submit to the Provincial Mining and Environmental Authorities an Informe de Impacto Ambiental or Environmental Impact Assessment (EIA) prior to commencing the work. Each EIA must describe the nature of the proposed work, its potential risk to the environment, and the measures that will be taken to mitigate that risk. The provincial authorities have a sixty-day period to review and either approve or reject the EIA; however, the EIA is not considered to be automatically approved if the provincial authorities have not responded within that period. Normally, provincial authorities have questions, comments or require additional information or studies granting a thirty-day period to the applicant in which to answer the questions or file additional information or documents.

If accepted by the provincial authorities, the EIA is used as the basis to issue a Declaración de Impacto Ambiental or Declaration of Environmental Impact (DEI) to which the applicant must agree to uphold during the mining-related activity in question. The DEI must be updated at least once every two years. Sanctions and penalties for non-compliance to the DEI are outlined in the EPA, and may include warnings, fines, suspension of Environmental permits, restoration of the environment, temporary or permanent closure of activities, and removal of authorization to conduct mining-related activities.

In 2010, the Federal Government approved a law to establish the minimum standards for the protection of glaciers and peri-glacial environment. A regulation was successively approved in 2011. Law 26.639 establishes minimum budgets for the protection of glaciers and the periglacial environment in order to preserve them as strategic reserves of water resources for human consumption; for agriculture and as water suppliers for the recharge of watersheds; for the protection of biodiversity; as a source of scientific information and as a tourist attraction. According to this Law, glaciers constitute public assets

San Juan Province Environmental Regulations

Under Argentine Mining Law, the State Mining Ministry (SMM) of the San Juan Province manages the environmental approval system for new mining projects. The applicable evaluation process of the EIA is handled by the Secretary of Environmental Management and Mining Control.

The new Decree of the Provincial Law 1679 SMM, dated October 2006, states that for small and medium mining projects in San Juan Province, the EIA must be presented together with a feasibility study. This allows the SMM to determine the size of the deposit in order to select the members of the Evaluation Commission, as well as defining the corresponding terms of reference.

After obtaining an EIA, the applicant must apply and obtain various permits and authorizations from the Province of San Juan to proceed with Project development. The permits and authorizations demonstrate compliance with current legislation for the construction and operation of mining operations.

The Province of San Juan passed in 2011, a law aiming at the protection of the Glaciers and approved the regulations of such law in 2011 and 2012. The Government of the Province of San Juan presented a claim to the Supreme Court of Argentina stating that the Glaciers Protection was of Provincial jurisdiction. The Supreme Court had not rendered a decision at the moment of writing this report. Provincial Law N ° 8144, unlike the national law, involves the protection of glaciers discovered and covered within the glacial environment, and within the periglacial environment, including rock glaciers. The national law includes the entire periglacial environment including permafrost where the provincial law excludes permafrost.

4.3 Property Description - Argentina

4.3.1 General

The Altar Concession consists of eight mining concessions, two exploration permits and nine land easements comprising rights of way or occupancy as shown on Table 4-1 and Figure 4-2. It also includes an option on the five Rio Cenicero mining concessions, four of which are adjacent to the Altar property and one of which is located to the southwest of the Altar property. The Altar mining concessions and exploration permits collectively cover an area of approximately 8,443.7 ha and the Rio Cenicero mining concessions cover an additional 3,716.6 ha.

Exploration permit 1124-444-M-08 (the “Leon Norte Permit”) was acquired from MIM Argentina Exploraciones S.A. (now Xstrata) (Pachon Project). A Mine was staked by Peregrine Argentina in the Leon Norte Permit area on September 5th, 2016 and a request was sent to the mining authorities to include this concession within the Altar Concession Package.

The Altar deposit is situated mainly on the RCA VII tenement as illustrated in Figure 4-2. The exploration camp is located seven kilometers south of the Altar deposit in the Pampa mining concession.

Table 4-1 Tenure Details			
Concession Number	Concession Name	Concession Type	Area (ha)
Mining Tenure			
Altar			
1597-C-95	Leona	Mine	200.0
1598-C-95	Loba	Mine	300.0
1042-F28-C-96	Santa Rita	Mine	3.9
1118-F28-R-96	Pampa	Mine	2,740.0
338.641-I-92	RCA II	Mine	549.0
338.646-I-92	RCA VII	Mine	809.3
1124-168-M-13	Romina I	Mine	1,373.3
1124-169-M-13	Romina II	Mine	1,475.9
1124-444-M-08	Leon Norte	Exploration	900.0
1124-548-M-08	No name	Exploration	92.3
Subtotal Area Altar			8,443.7
Rio Cenicero Concession			
338.644-I-92	RCA V	Mine	965.7
338-649-I-92	RCA X	Mine	709.1
338-651-I-92	RCA XII	Mine	942.1
338-654-I-92	RCA XV	Mine	464.6
338-637-I-92	RCB I	Mine	635.1
Sub-total Area Rio Cenicero			3,716.6
Rights of Way			
0116-F-28-C-96	Rio Tinto	Occupancy Easement	30Ha
98-B-96	No name	Access Road Easement	22.6 km
1124-75-M-2010	No name	Access Road Easement	13.6 km
1124-76-M-2010	No name	Access Road Easement	6.1 km
124-77-M-2010	No name	Access Road Easement	4.0. km
124-78-M-2010	No name	Access Road Easement	9.2. km
1124.106-M-2010	La Pampa	Occupancy Easement	1,990 Ha
1124.107-M-2010	Ore Body	Occupancy Easement	2,740 Ha
1124-161-M-2010 ¹	No name	Access Road Easement	6.8.km

¹ Overlaps with Access Road easement 98-B-96.

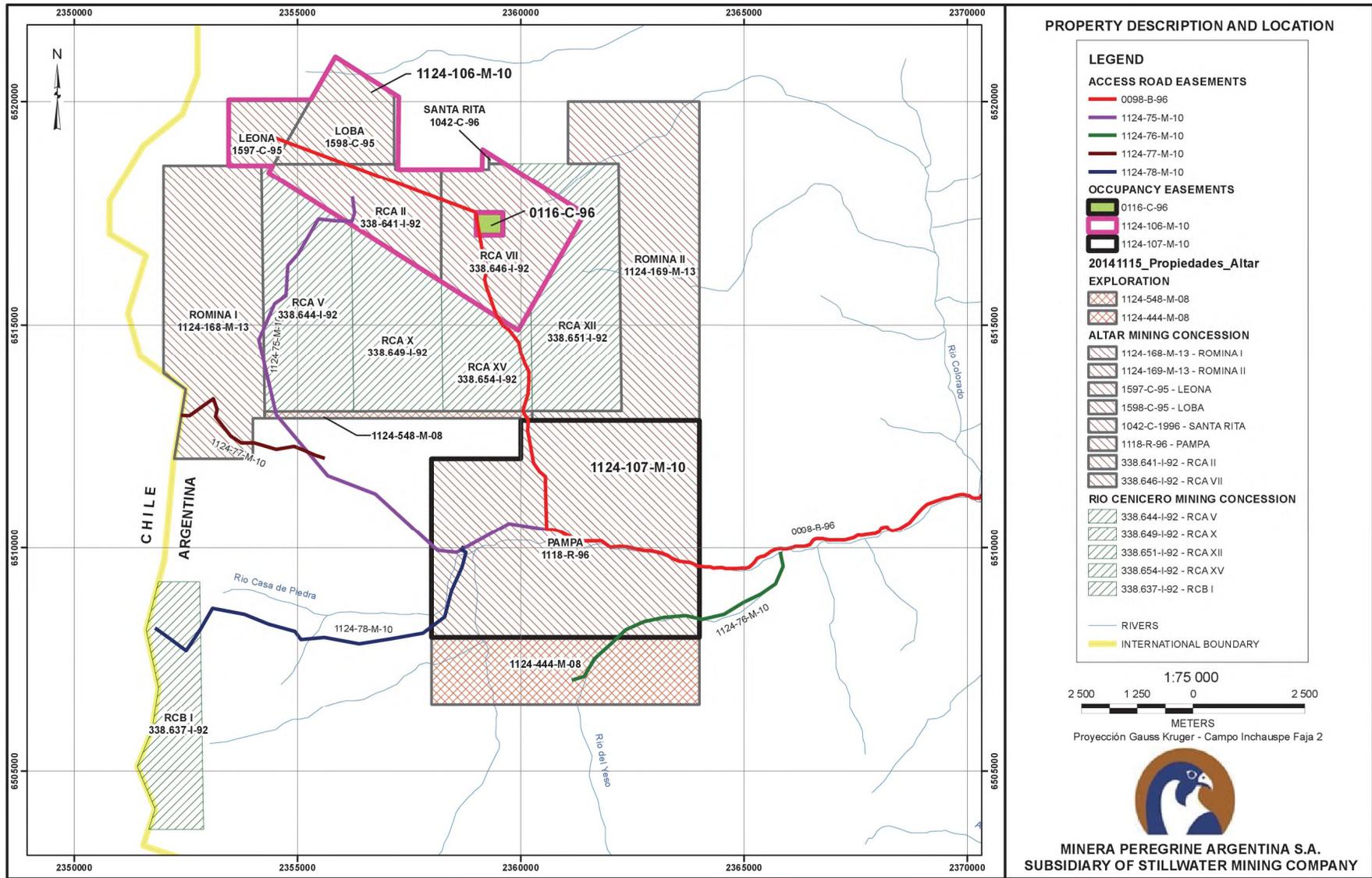


Figure 4-2, Surface Rights Map

Rio Cenicero Option

The five mining concessions cover a total of approximately 3,716 ha. These concessions are collectively referred to as the “Rio Cenicero concessions”.

The option agreement was signed on 14 August 2008 between Minera Peregrine Argentina S.A. (Minera Peregrine) and the Exploration and Mining Institute of the Province of San Juan (IPEEM). The conditions are presented below:

Stage 1 - Exploration (August 2008 through 14 August 2013)

Initially a 5 year exploration period is granted to Minera Peregrine and the following conditions are included in the contract:

- The total exploration expenditures for the 5 year period have to total US\$ 1.7 million. The time frame for expenditures is as follows:
 - Minimum US\$ 100,000 on or before first anniversary date of signing of option agreement
 - Minimum additional US\$ 100,000 on or before second anniversary date of signing of option agreement
 - Minimum additional US\$ 500,000 on or before third anniversary date of signing of option agreement
 - Minimum additional US\$ 1,000,000 on or before fifth anniversary date of signing of option agreement

The contract stipulates that Minera Peregrine must pay to IPEEM US\$ 2,500 option payment each month to maintain the Option payment and pay the mining rights corresponding to the Rio Cenicero concessions. Minera Peregrine is also responsible to obtain all permits related to the execution of the different activities realized on the Rio Cenicero concessions. The contract also contains clauses related to provisions to extend the exploration period, force majeure and transferability of the contract, subject to IPEEM approval. At the end of Year 4, Peregrine Metals reported expenses registered in Argentina on the Rio Cenicero Concessions of US\$ 3,127,005, excluding Value Added Tax.

Additional 2-year exploration period extensions were requested by Peregrine and approved by IPEEM resolution. The previous exploration extension was for the period from August 2015 to August 2017 and includes a minimum spending/investment of US\$ 912,000 for year 1 and US\$ 608,000 for year 2 and commits to a minimum of 2,000 meter of drilling. The current exploration extension was granted from August 2017 to August 2019 and includes minimum spending/investment of US\$ 750,000 for year 1 and US\$ 850,000 for year 2, with a commitment to a minimum of 2,000 meters of drilling.

Stage 2 - Exploitation

At the end of the Exploration Period, Minera Peregrine can exercise the Exploitation option by signing an exploitation agreement under the following conditions:

- Fulfillment of the conditions stipulated in the Exploration Contract.
- Presentation of a detailed Technical/Economical Feasibility Study at the latest 60 days after completion of the exploration period.
- Option payments to IPEEM of US\$ 7,500 each month up until commencement of commercial production.
- If the exploration period is extended, as allowed in the agreement, the above conditions will be renegotiated.
- Upon commencement of commercial production payment of a fee calculated as 1 percent of all product sales invoiced by Peregrine (option payments cease).

4.3.2 Tenure History

CRA and Rio Tinto

From 1988 to 2003 the original underlying “Altar” mineral exploration concession (cateo) was the subject of litigation between its owner Robledo, and IPEEM. On 21 April 2003, the conflict was resolved by resolution in favor of the Robledo and the property passed to CRA, who held rights under an option agreement signed with the owners in 1995. The Altar cateo has subsequently expired.

Rio Tinto is the successor company to CRA. In 1995, Rio Tinto staked the “Leona” and “Loba” concessions and, in 1996, the “Santa Rita” concession.

Rio Tinto also staked the “Pampa” concession in 1996 to cover a potential exotic copper target and to protect the broad valley area for possible future plant and tailings disposal sites.

On August 1, 2003, CRA Exploration Argentina SA (“CRA”) assigned its rights in an option agreement with the Altar exploration permit (cateo) owner Juan Carlos Robledo (“Robledo”) to Rio Tinto.

Rio Tinto and Peregrine Metals

Under the terms of an option agreement signed April 20, 2005 between Peregrine Diamonds and Rio Tinto, Peregrine Diamonds had the right to acquire a 100 percent interest in the Altar Property from Rio Tinto subject to, among other things, taking over the Robledo Royalty. The agreement was amended on October 18, 2006, to transfer Peregrine Diamond’s rights to Peregrine Metals, Ltd.

To exercise the option, Peregrine Diamonds agreed to assume all of Rio Tinto’s obligations to Robledo, and to undertake a series of option payments on a prescribed schedule.

Peregrine Metals and Peregrine Diamonds

In January, 2006 Peregrine Diamonds transferred its metals assets, including its interest in the Altar Property option, to a new private company, Peregrine Metals Ltd. subsequent to an Option Agreement signed in September 2005 between the two companies.

The Altar Option Agreement has been subsequently assigned to the Peregrine Metals Ltd. subsidiary company Minera Peregrine Argentina SA under Argentine law.

Robledo - Rio Tinto Agreement

The obligations to the original owner, Robledo, comprised:

- A payment of US\$ 70,000 on or before 21 July 2005.
- A payment of US\$ 800,000 on or before 21 April 2007.
- The Robledo Royalty, a net smelter return of 1 percent on all mineral products from the Altar Property is payable to Robledo. If the mine is not in production by April, 21, 2010, then payments of US\$ 80,000 per annum in lieu of the Robledo Royalty must be made until commercial production is achieved. On the date of commencement of commercial production, the annual payments cease, and the Robledo Royalty becomes fully due. The annual payments are in addition to, and not an advance on, the Robledo Royalty.

Under the terms of the agreement between Rio Tinto and Robledo, Rio Tinto had the right to purchase the Robledo Royalty at any time, for a payment of US\$ 1 million. On exercise of the option between Peregrine Diamonds and Rio Tinto, Peregrine Diamonds acquired the Robledo Royalty.

On May 23, 2006 Robledo transferred 50 percent of his rights to the Robledo Royalty (inclusive of the US\$ 80,000 annual payments commencing in April 2010) to Mr. Otto Wilko Simon.

Peregrine has confirmed that the original owner obligation payments of US\$ 70,000 due 21 July 2005, and US\$ 800,000 due 21 April 2007, were made by Rio Tinto on behalf of Peregrine Diamonds. In addition, Peregrine Argentina started to pay the annual payments of US\$ 55,890 (partial year starting on April 22, 2010) and paid the US\$ 80,000/year for the years 2011 to year 2016.

Rio Tinto Agreement

The obligations to Rio Tinto under the Altar Option Agreement prior to the amendment on October 18, 2006 were:

- Payment of US\$ 50,000 on completion of a due diligence period.
- Payment of US\$ 50,000 on or before three months following 20 April 2005.
- Payment of US\$ 50,000 on or before the first anniversary of the 20 April 2005 date.
- Expenditures of not less than US\$ 350,000 on or before the first anniversary of the 20 April 2005 date.
- Payment of US\$ 825,000 on or before the second anniversary of the 20 April 2005 date.
- Issue of a number of common shares of Peregrine Diamonds on or before the second anniversary of the 20 April 2005 date. The number of shares is fixed by a formula relating to division of US\$ 825,000 by the market price per common share of Peregrine Diamonds, discounted by 10 percent.

- A net smelter return, the Rio Tinto Royalty, of 1 percent on all mineral products from the Altar Property.

Peregrine completed the US\$ 50,000 due diligence, US\$ 50,000 20 April 2005, and US\$ 50,000 20 April 2006 payments as per the schedule above. Peregrine also completed the US\$ 350,000 expenditure requirement for the first anniversary period.

Unlike the Robledo Royalty, there is no agreement to purchase the 1 percent Rio Tinto Royalty.

Amendments to Rio Tinto Agreement

On October 18, 2006, Peregrine amended the agreement with Rio Tinto as follows:

- To exercise the option, Peregrine was required to complete a cash payment to Rio Tinto of US\$ 1,650,000 due on or before 20 July 2008.
- Notification of assignment of Peregrine Diamonds' interest in the option to Peregrine Metals Ltd.

The US\$ 1.65 million payment due 20 July 2008 replaced two clauses in the original agreement, the requirement to pay US\$ 825,000 on or before the second anniversary of the 20 April 2005 signing date and requirement to issue common shares in Peregrine Diamonds on or before the second anniversary of the 20 April 2005 signing date.

Peregrine confirmed that the original owner obligation payment of US\$ 800,000 due 21 April 2007 was made by Rio Tinto on behalf of Peregrine Metals.

On 9 July 2008 Peregrine Metals completed the final US\$ 1,650,000 payment that was due to Rio Tinto by 20 July 2008, thereby exercising the option to acquire a 100 percent interest in the Altar Property.

On 25 November 2008 Peregrine Metals amended the 20 April 2005 agreement with Rio Tinto assigning Peregrine Metals' interests, rights and obligations with respect to the Altar Property to its Argentinean subsidiary Minera Peregrine Argentina S.A. This amendment also established that Rio Tinto Mining and Exploration Ltd. Mendoza Branch ("Rio Tinto Exploration Argentina") was the Argentinean Branch of Rio Tinto and was bound by the terms and conditions of the 20 April 2005 agreement between Peregrine Diamonds and Rio Tinto.

On 6 March 2009, Minera Peregrine Argentina S.A. signed a title transfer agreement with Rio Tinto Exploration Argentina, in accordance with Argentinean law, that transferred the rights and obligations with respect to the Altar Property from Rio Tinto Exploration Argentina to Minera Peregrine Argentina S.A. This agreement also established that the price of the transfer was US\$ 2,670,000 and that this amount was received by Rio Tinto Exploration Argentina previous to the execution of the title transfer agreement.

Stillwater Mining Company acquires Peregrine Metals Ltd.

On October 4, 2011, Stillwater Mining Company acquired the Canadian public company, Peregrine Metals LTD that included subsidiaries Peregrine Argentina SA and Peregrine Chile SCM. Stillwater paid Peregrine Metals Ltd. US\$ 166.4 million (net of cash acquired) in cash and issued 12.03 million SWC shares for the acquisition on October 4th 2011 closing price (approximate total cost of US\$ 262.9 million).

From 2011 through 2013 Stillwater completed drilling 80 core holes and four hole extensions for 38,379m of drilling and generated a NI 43-101 compliant resource update dated January 31, 2014. Drilling at Altar greatly increased the copper and gold resource at Altar East and provided the initial gold resource for the shallow portion of Quebrada de La Mina to the West. This report was made public on the US based Stillwater Mining Co. website, but was never filed on SEDAR since the company was prohibited from reporting resources under SEC Industry Guide 7.

Following completion of the 2014 technical report, Stillwater performed a more regional grass-roots exploration approach instead of offsetting known mineralization. No drilling occurred in years 2014 and 2015 where prospecting, geophysics and geochemical surveys were performed that outlined a number of drill-ready targets not associated with the existing resource base.

From 2016 through 2017 Stillwater completed 15 core holes and one hole extension for 10,562m of drilling, which resulted in discovery of a new copper-gold porphyry East of QDM named Radio Porphyry. Drilling is currently too sparse to perform any type of resource update in this new discovery.

Sibanye Gold Acquires Stillwater Mining Company.

On December 9, 2016 Sibanye announced a proposed acquisition of Stillwater Mining Co. as an all cash transaction valued at US\$ 18 per share of SWC stock (US\$ 2.2 billion transaction). Following various shareholder and regulatory approvals, the deal was finalized on May 4, 2017. In addition, on August 30, 2017 Sibanye Gold changed its name to Sibanye-Stillwater. However, the structure of the Altar Project subsidiaries (Peregrine Argentina SA and Peregrine Chile SCM) remained unchanged following this transaction.

Following acquisition of Stillwater Mining by Sibanye, exploration has continued, and a modest drilling program is planned for the 2018 season.

4.3.3 Surface Rights

The Figure 4-3 presents the Occupancy and Road Easements.

Camp Easement 0116-F-28-C-96

CRA (presently Rio Tinto) applied on 2 February 1996 (# 0116-F-28-C-96) for an area of about 30 ha that could be used as an exploration camp and equipment storage area. On 8 October 2004, Rio Tinto requested the publication of a notice of the easement claim against the corresponding landowner (M.L. Correa G. de Errázuriz), holding surface rights on the area.

The Camp Easement has been granted on an interim basis by the Mining Department of the Province of San Juan and permanent constitution of the Camp Easement will call for payment of indemnification to the landowners to cover damages to areas covered with surface rights.

Access Road Easement 98-B-96

A 123 km access road easement was applied for by CRA (currently Rio Tinto) on February 9, 1996 (98-B-96). Statutory notices were made and the permit is currently pending grant.

Pachon SA Minera (Pachon) objected to the application, and a later objection was filed by IPEEM.

The Pachon objection was a formal objection, but as a copy of an agreement between Pachon and Rio Tinto to share easement rights was filed, it is not considered a material objection. The IPEEM objection has to be resolved; however there is a report from the Legal Department within the Mining Directorate that is favorable to Rio Tinto.

Certain landowners have been identified as being affected by the right of way application. The San Juan mining authority informed that only the last 22.6 km of the original request would be considered because the first part of the easement was already awarded to Pachon SA Minera. The easement corresponds to the access road from the intersection of the rivers Pantanosa and Colorado to the Altar Mining Rights.

The Access Road Easement has been granted on an interim basis by the Mining Department of the Province of San Juan and permanent granting of the Access Road Easement will call for payment of indemnification to the landowners to cover damages to areas covered with surface rights.

New Easements

In 2010 Peregrine applied for an additional six rights of way, two of which are occupancy Easement and five of which are access road Easements. The easements 1124-75-M-10 and 1124-76-M-10 have been granted on an interim basis by the Mining Department of the Province of San Juan and permanent granting of the Road Easements will call for payments of indemnification to the landowners to cover damages to areas covered by the road easements.

The additional four rights of way are under review by the Provincial Mining Department of San Juan. It is expected that these will be approved by the authorities in due course and time.

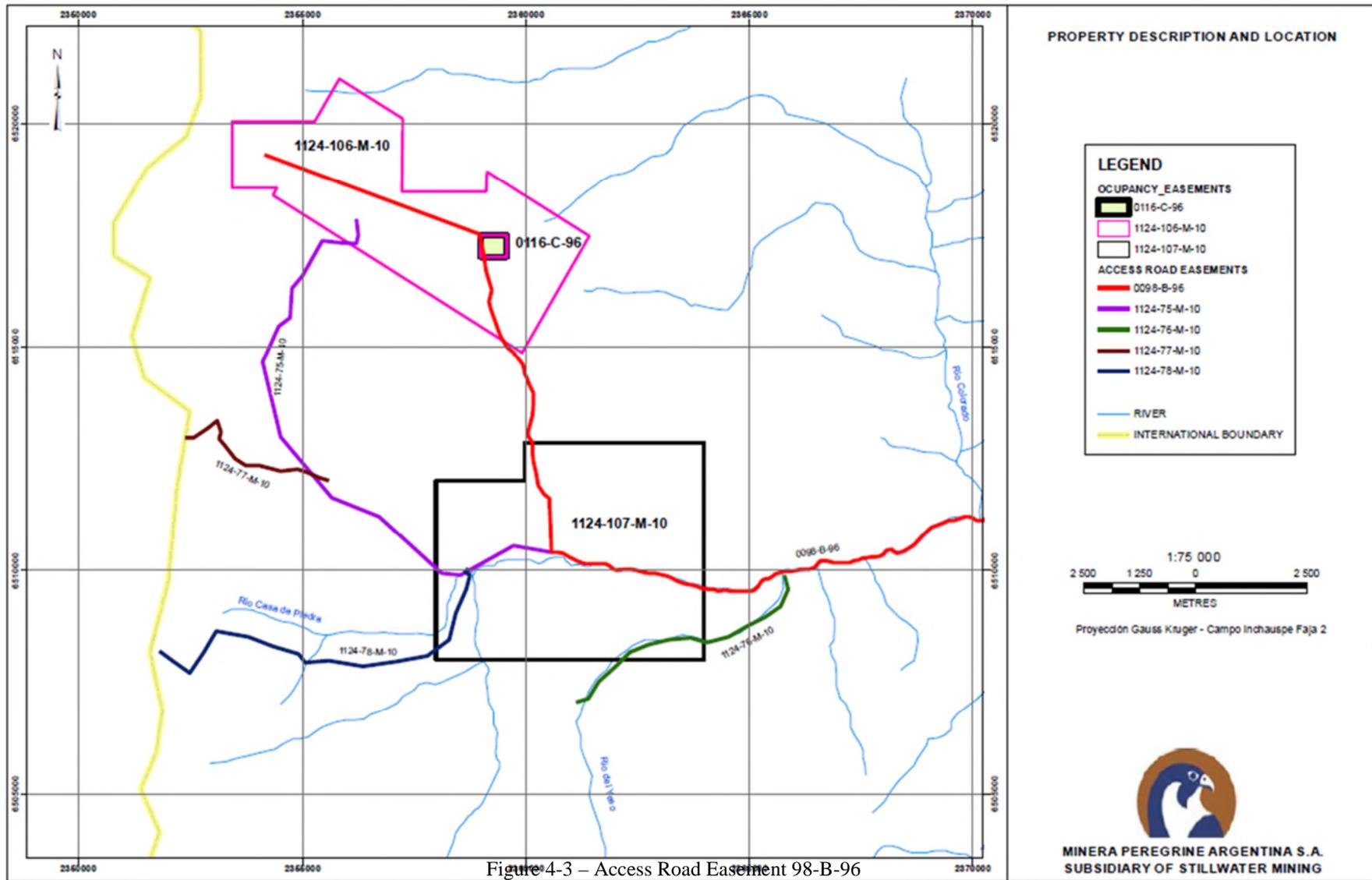


Figure 4-3 – Access Road Easement 98-B-96

4.4 Property Description – Chile

Minera Peregrine Chile S.C.M., (Peregrine Chile) subsidiary of Peregrine Metals Ltd, acquired at the end of 2011 a Rights of Way Easement (ROW) for the access road from the National Road D-801 to the Border of Chile and Argentina.

The Easement was granted by the Society of Parceleros de la Hacienda Illapel (Parceleros Illapel), allowing Peregrine Argentina and Peregrine Chile the use of all roads located on the land owned by the Parceleros Illapel and for the specific ROW for a distance of approximately 50 km which covers the actual exploration road and the proposed access road presented in the Conceptual Study prepared by BGC Engineering.

The negotiations with the representatives of the Parceleros Illapel were conducted on the base that the ROW would be used during the exploration period. Peregrine Chile in exchange for the ROW agreed to an initial payment, annual payments, construction of some infrastructure and re-opening of the old exploration road.

At the end of 2012 a correspondence from the Farming Community indicated their desire to renegotiate the ROW agreement.

The Peregrine Chile lawyers confirmed that the agreement signed previously was valid however it was recommended to maintain the good relation with the Parceleros Illapel and to see how Peregrine Chile could accommodate their request, as Parceleros Illapel could request the termination of the ROW for legal or commercial reasons (e.g. the non-use of the ROW).

During year 2016, Peregrine Chile lawyers held negotiations with Parceleros Illapel resulting in a new right-of-way authorization agreement during November 2016 (“ROW authorization”). The Agreement will remain valid by paying an annual fee of approximately \$3,100 US/year at the start of each year.

Peregrine Chile has also covered the area of the ROW available with 2 staked mining concessions and 5 mining concessions in process of being approved, as shown in Figure 4-4. All 7 concessions do have priority rights.

List of 7 Pertenencias:

NACHO 1A, 1 AL 40
NACHO 2A, 1 AL 40
NACHO 3A, 1 AL 40
NACHO 4A, 1 AL 60
NACHO 5A, 1 AL 48
TOTO 1, 1 AL 20
TOTO 2, 1 AL 20

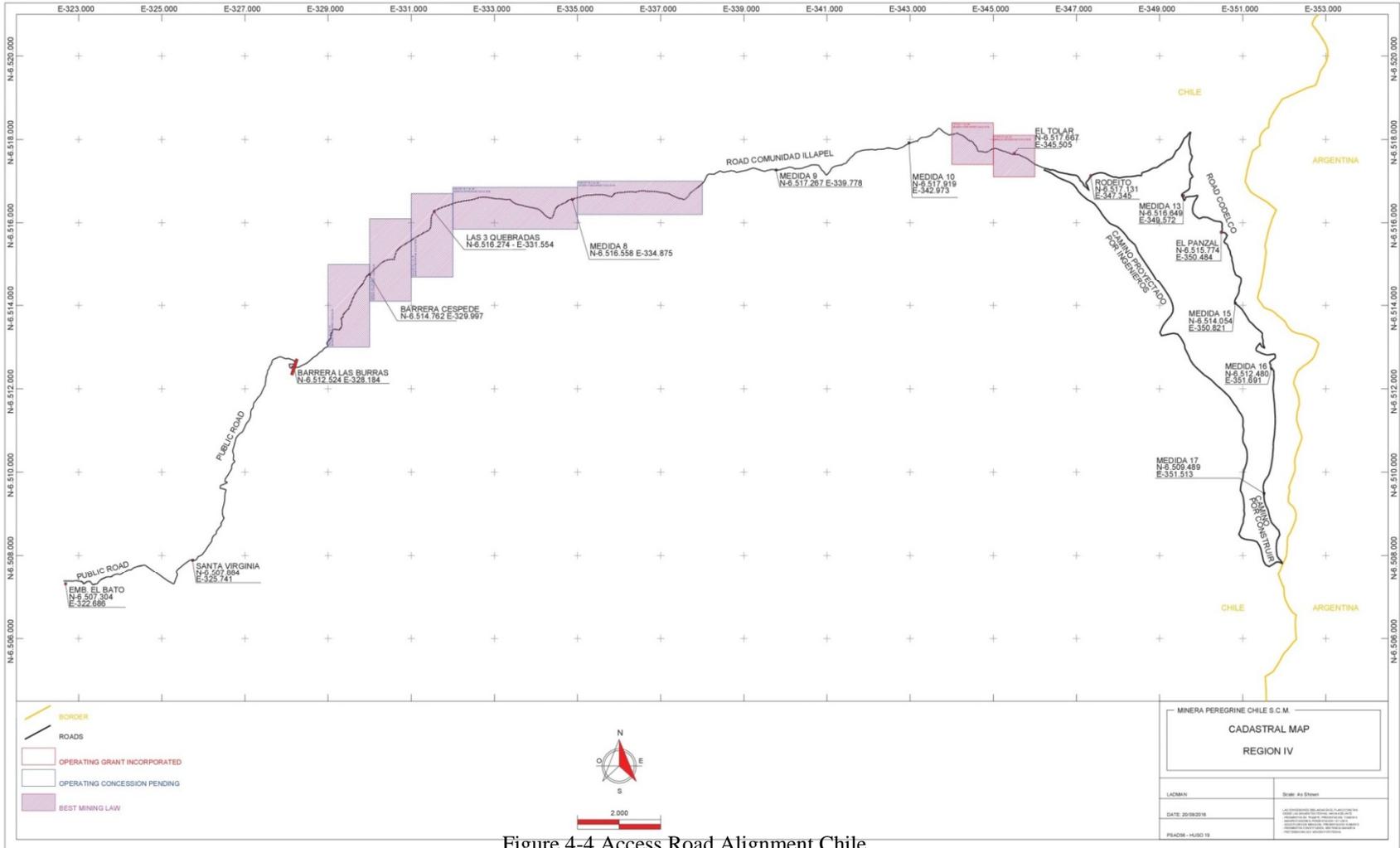


Figure 4-4 Access Road Alignment Chile

4.5 Permits - Argentina

Rio Tinto provided an initial exploration-stage Environmental Impact Assessment (EIA) report on 23 April 2003 and an updated exploration-stage EIA in 2005. The 2005 assessment was completed by Vector Argentina S.A. The report covers all claims and concessions that were held by Rio Tinto in the Altar area, and incorporate the easement claims in process at that time.

Rio Tinto continued to administer the environmental permitting aspects for the project until 2007 year end. As the Altar Option Agreement has been fully exercised as of July 2008, Minera Peregrine Argentina took the responsibility for any future updates.

In May, 2009, Vector Argentina S.A. completed the first phase of the baseline environmental study on the Altar Project that was begun during the field season of 2008. This report was submitted to the environmental authorities of the Province of San Juan in November, 2009.

Further studies of flora, fauna, limnology, archaeology, and water quality were carried out on the Rio Cenicero concessions in 2009.

The baseline environmental study has continued through 2010 to 2016 on both the Altar and Rio Cenicero properties. Comprehensive ongoing environmental work includes water quality, air quality, fauna, flora, geomorphology, glaciology, geological hazard, seismicity, hydrology, hydrogeology, limnology, ichthyology, scenic landscape, traffic, noise and vibration, acid rock drainage, archaeology, and community relations studies. An extensive team of individual environmental consultants have been contracted to carry out this work and provide reports and interpretation of the results.

The Altar Project currently has an approved exploration-stage EIA in place (Approved 26/08/2008). An EIA update has to be presented every 2 years. The first EIA update was filed in March 2010 and was approved in December 2011. The second Altar EIA update was presented to the Authorities in October 2012 and was approved in April 2014. The third Altar EIA update was presented in August 2014 and approved May 2017. The fourth Altar EIA update was submitted August 2016 but not yet approved.

An exploration EIA for Rio Cenicero was filed in October 2011 and was approved in February 2012. The first Rio Cenicero EIA update was presented in October 2013 and was approved by corresponding Authorities in November 2015. The second Rio Cenicero EIA update was presented in October 2015. The third update of the Rio Cenicero EIA was presented in October 2017. At the moment of preparing the documents, authorities were still reviewing the second and third Rio Cenicero EIA update

The water permits for the exploration work (drilling and camp) will be requested on an annually basis before each field season and are associated to a payment of 10 Argentine Pesos/ m³ of water. The last payment and request was made in December 2016 for a drilling campaign of 6,000 m. The same permits were also obtained for the previous campaigns. The last permit was established in February 2018 for a 6000 m campaign.

Minera Peregrine also obtained all specific permits required for the execution of the drilling campaigns and other related work. The last permit was established in February 2018 for a 6000 m campaign.

In order to provide the primary access to the Altar project, Peregrine enters on an annual basis into an agreement with Glencore to share the use and maintenance of the access road leading from the town of Barreal to the El Pachon project.

Peregrine can also use, subject to authorisation granted by Los Azules Project Management, the secondary and emergency access road from the town of Calingasta to the project via Los Azules and others exploration projects in the area.

A Bailey Bridge was installed at La Junta by the Argentine Army January of 2017 to provide access to Altar via the Glencore right of way. An agreement is made at the end of each year with the Army to maintain the bridge. Glencore originally controlled the bridge, but had it removed in 2015. Access via Los Azules is not preferred due to it being a more primitive route and propensity of the access being snowed-in during early April each year

4.6 Mining Integration and Complementary Treaty

The Alter Project is located within the Application Zone of The Mining Integration and Complementary Treaty between Argentina and Chile (The Treaty) the Treaty has been the result of a long historical process of collaboration between the two countries.

In 1991, Argentina and Chile signed an Economical Complementary Agreement (ACE –16) within the Latin American Integration Association structure (ALADI). They also adopted an additional protocol (Protocolo # 3) on the cooperation and integration of mining activities.

In 1997, both countries subscribed an additional protocol (Protocolo # 19) under ACE – 16 to facilitate the execution of the El Pachon Project and in 1998 an additional protocol (Protocolo # 20) was signed to regulate Protocol # 19.

Both countries signed the Treaty in 1997 and a Complementary Protocol was signed in 1999 leading to the publication of the Treaty and the Complementary Protocol in the official gazettes of Argentina and Chile in 2001, the Treaty and Complementary Protocol had been previously approved by the National Congresses of Chile and Argentina.

4.6.1 Treaty Aspects

The Treaty and the Complementary Protocol covers the following aspects, which have been summarized below:

- Scope and battery limits of the Treaty
- Definitions of the terms used in the Treaty
- Corridor along the borderline covered by the Treaty
- Definition of the principle that investors will be subject at least, in the respective countries, to the conditions prevailing in the country where the activity takes place
- Need to establish Additional Specific Protocol for specific projects
- Border Facilitation
- Taxes and Customs issues
- Definition of the application of the Promotion Programs that might be offered in Argentina and Chile
- Social Security for the employees involved in trans-border projects and operations
- Labor aspects
- Investment and operating costs required for the application of the Treaty
- Environmental aspects
- Health of workers involved in trans-border projects and operations
- Shared water resources
- Respect of the Territory Limits and Borders Monuments
- Provisions for termination or suspension of mining activities

- General exceptions that stipulate that the Article 50 of the 1980 Montevideo Treaty and the General Agreement on Import Duties and Commerce of 1994 will always prevail
- Management and evaluation of the Treaty
- Solution of divergence between the Parties
- Solution of divergence between an investor and the other country
- Incorporation of existing Protocols
- Effective date and indefinite duration
- After thirty years of application of the Treaty, both countries will have the faculty of requesting, by diplomatic procedures, the termination of the Treaty. Termination will only apply three years after such notification
- The Complementary Protocol to the Treaty clarifies the following aspects of the Treaty:
 - Mining rights acquisition in the other country.
 - Definition of the solution to solve divergence between one investor and the other country.
 - Possibility of using resources that are not shared from one country to the other one.
 - Clarification of the trans-border rights of way.
 - Application of the Treaty at the national, provincial and regional organizations.

The Treaty brings the general rules and specific Protocols which were established by the authorities of the two countries, with regard to each mining project that is eligible, in order to establish the special rules and regulations that will be applicable to such eligible projects.

Pascua-Lama has obtained a specific Protocol to govern the project and it appears that the Pachon Project will consider using the Treaty to support the activities taking place in the two countries.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

This Section was originally presented in a previous Technical Report “Estimated Mineral Resources, Altar Project, San Juan Province, Argentina”, by Independent Mining Consultants, Inc., 31 January 2014. That text was based upon information provided in the “Technical Report, Altar Project, San Juan Province, Argentina” by Ronald Simpson P.Geol, John Nilsson P.Eng., W. Joseph Schlitt, P.Eng amended March 21, 2011.

5.1 Accessibility

The Altar Project is currently accessed via two routes in Argentina. The primary access route is shared with the El Pachon project and leads southwestward from the town of Barreal before swinging northwards toward El Pachon and continuing an additional 25 km to the Altar Camp. It is a gravel road approximately 170 km in length that is suitable for exploration support.

Secondary access is provided by 180 km of exploration gravel road leading westward from the town of Calingasta along the Rio Calingasta. The route crosses the Cordillera de La Titora at the headwaters of the Rio Calingasta, turns southward along the upper tributaries of the Rio Blanco and then westward again along the Rio Pantanosa to the Property.

Both routes take about six hours by 4x4 pick-ups and involve crossing several rivers and high mountain passes. Figure 4-1 in the previous section illustrates the current routes to the Altar property. Access to the site from Illapel, Chile would require the upgrading of 64 km of existing unpaved public road and the construction of 23.5 km of new road.

5.2 Climate

The climate is continental semi-arid, characteristic of elevations above 2,500 masl in the Central Andes. Temperatures are low during the entire year ranging from -3°C to 15°C in summer and from -25°C to 7°C in winter. Precipitation ranges from 600 mm/year to 1,000 mm/year with frequent storms bringing rain and snowfall, along with strong winds, mainly in the winter (May through August). In contrast, the summers are generally dry. Net evaporation rates are high, and exceed annual rainfall by a significant margin.

The Pacific Ocean has a strong effect on the climate of the region. Low pressure centers forming in the eastern Andes cause the movement of air masses from the Pacific eastward through the mountain passes. Storm fronts coming from the west may bring snowfall as early as mid-March. Snowstorms in the region can last for several days.

The exploration field season is normally restricted to the six-month period from November through April. Because of lighter winter snowfalls in more recent years it has been possible to mobilize in October and work in the field well into May. The plan is for year round mining operations.

In 2008, Peregrine installed a remote solar-powered weather station at the camp site. Prior to that time, there was no site-specific weather data collected. The National Meteorological Service has in the past recorded data in the Rio de Los Patos valley, and some weather data has been recorded at the El Pachon exploration camp in the Rio Pachon valley, 25 km due southwest of the Project.

In May 2011, Peregrine commissioned two new Campbell solar-powered weather stations, one at the Altar Camp and one along the high ridge to the north of the Altar deposit. The data from these weather stations have been collected since they have been put in service.

5.3 Local Resources

The nearest centers of population to the Project are Barreal and Calingasta, both located on the Provincial highway connecting Uspallata and San Juan. These towns offer basic supplies and simple accommodation. Barreal is 170 km and Calingasta is 180 km by road to the Project.

The closest major population center to the Project is the city of San Juan (population about 450,000) in San Juan Province, some 180 km to the east. The city is a major center providing full hospital services and educational facilities to university level. The Universidad Nacional de San Juan has a century old mining engineering and geology facility, as well as diverse science and humanities programs and a medical school.

5.4 Infrastructure

5.4.1 Regional Infrastructure

The closest international airports in Argentina are in the cities of San Juan and Mendoza, located 180 km due east, and 220 km southeast of the Project respectively. In Chile, the closest international airport is in Santiago, about 250 km to the southwest.

There is no rail or air access to the Project. The closest ports are on the Chilean coast, at Los Vilos (120 km due west) and Coquimbo (170 km to the northwest). Los Vilos is the deep water port currently used by the Los Pelambres mine located 25 km south of the Altar Project, which pumps concentrate via a slurry pipeline from the mine to the coast. On the Argentinean coast, the closest port is at Bahia Blanca, about 700 km south-southeast of the project.

The Project falls within the Treaty area designated by the Chilean and Argentinean governments (Section 4.6) for facilitation of cross-border mining activities. Peregrine has investigated but not pursued the potential for a border crossing if a road to Chile is required. Altar is an advanced exploration project and is not at the stage where final access requirements have been established.

There is no existing power infrastructure at the site.

5.4.2 Local Infrastructure

The site is very remote, and has no local infrastructure apart from the gravel roads constructed into the Project, which provide access to drill sites and ridge tops. There are no settlements closer than Barreal and Calingasta.

There is sufficient area within the Altar Project boundaries for future construction of a plant, related infrastructure, tailings disposal and waste disposal.

5.5 Physiography

The Altar and Rio Cenicero areas are located in the western fringe of Argentina occupied by the Cordillera de Los Andes. The Cordillera in this area is characterized by the presence of two major mountain ranges respectively named from East to West as Cordillera Frontal and Main Cordillera. The exploration area is included within the Main Cordillera where the border with Chile is also located.

The relief in the project area is characterized by long mountain ranges generally oriented North to South, which are cut by narrow valleys that generally drain the water from West to East. In this area, dominated by glacial and periglacial landforms the glaciers movement have shaped the important flat areas at the bottom of the valleys.

The University of San Juan compiled the seismic information available in Argentina and Chile. The report estimates that the area of the project is exposed to important seismic events of magnitude between 7.0 to 7.5 Mw.

The subsidence of the Nazca plate originating in the Pacific Ocean is considered the main potential source of seismic activities, although some active cortical regional structures at the West and East of the Main Cordillera can also induce seismic events of an estimated maximum magnitude of 7.0 Mw.

Flora and Fauna

The project area is characterized by a High-Andean ecosystem dominated by subshrubs of the genus *Adesmia* and the presence of poposas, llaretas and plants generally associated with steppes and wetlands. The area is also characterized by the long time tradition for the Chilean herdsmen and their livestock to cross the border and graze their animals in Argentine territory during the summer time. The border crossing is informal and almost impossible for the Authorities to control.

The three campaigns conducted in the field have identified important vegetation diversity between the different patches of vegetation located in the steppe areas. Effects on the vegetation in particular to the isolated vegetation patches and also to the wetlands due to animal grazing have been observed on the lower part of the Project area. It is also interesting to note that by diverting or blocking some creeks the herdsmen have been able to create or extend some wetland areas to feed their animals. The Project Area is considered rich in animal biodiversity in particular in the wetland sectors.

History

The Altar deposit was discovered in the mid-1990s by CRA. CRA completed access road construction, surface sampling (rock chip, talus fines and stream sediment), and geological mapping in the period 1995 to 1996. Geophysical data from a helicopter borne aeromagnetic and radiometric survey over the property was acquired and interpreted.

In 1999, Rio Tinto completed geological mapping of the greater Altar area including Quebrada de la Mina (QDM), and did alteration studies, a ground magnetic survey, and completed seven diamond drill holes totaling 2,841 m.

Peregrine Metals optioned the property in 2005, and carried out a 23.4 line-km induced polarization (IP) survey followed by eight DDH totalling 3,302 m during the 2005-2006 summer field season. In the first quarter of 2007, Peregrine carried out a second drilling campaign comprising 25 drill holes (10,408 m).

Peregrine carried out a third drilling campaign in the first quarter of 2008 comprising 24 core holes and deepening of one pre-existing hole (12,741 m). Peregrine continued drilling during 2010 adding about 25,000 m of core.

In October 2011, Stillwater Mining Company (SMC) completed the acquisition of all outstanding shares of Peregrine Metals Inc. Since the acquisition, Peregrine Metals has been maintained as a subsidiary as have Peregrine's operating companies Minera Peregrine Argentina S.A. and Minera Peregrine Chile S.C.M. SMC has been actively engaged in the 2012 through 2017 Altar project activities subject to this Technical Report update as well as related Altar project developments since the time of the acquisition.

In May 2017, Sibanye Gold of South Africa acquired all shares of Stillwater Mining Company, the owner of the Altar Project. However, the structure of the Altar Project subsidiaries (Peregrine Argentina S.A. and Peregrine Chile SCM) remain unchanged.

In August 2017, Sibanye changed its name from Sibanye Gold to Sibanye-Stillwater. The company names and structure for Peregrine remained unchanged.

Following the Sibanye-Stillwater acquisition, exploration has continued at Altar and a modest drilling program is planned for the 2018 field season.

A discussion of the Stillwater exploration progress is summarized in Section 9.0

Geology Setting

The following text reports information published in the previous Technical Report "Estimated Mineral Resources, Altar Project, San Juan Province, Argentina", by Independent Mining Consultants, Inc. 31 January 2014. Roger Rey of Peregrine-Stillwater mining has authored this section which has been reviewed by John Marek who has acted as the qualified person for this section.

7.1 Geology

7.1.1 Regional Geology

The Andean Cordillera extends for about 5,000 km along the western coast of South America, attaining a maximum width of about 700 km in the Central Andes of Bolivia. Tectonism in the Cordillera varies both along strike and across the range; along-strike variations reflect changing plate geometry along the Pacific margin, whereas across-strike variations generally assigned to four sub-domains reflect the generally eastward migration of Andean arc magmatism and deformation through time. In general terms, there are three units within each sub-domain, from west to east: a fore-arc zone, a magmatic arc, and a back-arc region.

In the southern flat-slab sub-domain of the Central Andes (from 28°S to 33°30'S), the fore-arc zone is a steady rise to the crest of the Andes, which is formed by an inactive magmatic arc and thrust belt (Frontal Cordillera and Cordillera Principal). The Triassic magmatic (rift) arc has a general northwest–southeast trend. The foreland consists of an active, thin-skinned fold-thrust belt (Pre-cordillera) and zone of basement uplifts (Sierras Pampeanas, with altitudes ranging from 2,000 to 6,000 m). The Altar Project is located in the Cordillera Principal.

Basement rocks in the Altar region have been assigned to the Choiyoi Group, of Permo-Triassic age; the Choiyoi Group covers about 500,000 km² in Argentina. It comprises an upper and lower volcanic sequence, intruded by shallow-level plutons, stocks, and dyke-like bodies. The lower volcanic sequence comprises calc-alkaline andesite-dacites that represent the products of a subduction-related magmatic arc, which is overlain by an upper sequence of peraluminous rhyolites, related to a period of post-orogenic extensional collapse. Composition of the volcanics trends from mafic to acidic through time. Both sequences are propylitically-altered and contain fracture-controlled epidote, chlorite, albite, and calcite veining. The volcanic sequence was intruded by peraluminous A-type and S-type granites that are considered coeval with the rhyolitic volcanics and likewise typically exhibit low-grade propylitic alteration.

Generally, Jurassic marine sediments that consist of red-bed sandstones and claystones infill the Triassic rift, and unconformably overlie the Choiyoi Group; however Jurassic sediments are not known in the immediate surroundings of the Altar Project. Within the Project area, rhyolitic ignimbrites and andesitic volcanics of the Pachon Formation overlie the Choiyoi basement sequence with age dates of 20 to 22 Ma (Miocene).

The wider area of what comprises the Altar and Río Cenicero concessions is flanked by two significant regional north-south striking faults, referred to as the Pelambres Fault to the west, and the Río Teatinos Fault to the east of the concession area. The Pelambres fault limits the rocks of the Pachón formation against the paleogene Pelambres formation to the west. The Río Teatinos fault juxtaposes the Pachón formation against paleozoic to lower mesozoic metasedimentary and intrusive basement rocks to the east.

7.2 Property Geology

The Altar porphyry Cu-(Au) deposit is associated with Middle-Late Miocene intermediate composition subvolcanic porphyries that intrude Early Miocene rhyolitic ignimbrites and fine-grained andesite flows of the Pachon Formation. Elevated gold, silver and molybdenum values are associated with the copper mineralization.

The QDM deposit is located approximately 2 km to the northwest of the Altar porphyry system. QDM is hosted by the same andesite volcanic sequence that forms the country rock sequence at Altar. The QDM deposit is primarily gold and silver mineralization that is hosted in the Pachon Andesite and the Dacite Porphyry.

7.2.1 Early Miocene Pachon Formation – Andesites, Andesite Breccia and Rhyolites

Uncomfortably overlying the Choiyoi basement sequence is an assemblage of andesites and rhyolites of Early Miocene age, (20 to 22 Ma) which is interpreted to be part of the Pachon Formation. This formation was previously believed to be Cretaceous in age. Recent regional mapping and age dating studies have established an Early Miocene age for the Pachon Formation volcanics and time-stratigraphic equivalents in Chile, which form the country rocks to the subvolcanic porphyries responsible for the porphyry copper mineralization at Altar, El Pachon and Los Pelambres.

At Altar, the Pachon Formation comprises a volcanic-volcaniclastic sequence made up of intercalated aphanitic basaltic andesite and porphyritic andesite-dacite lava flows, andesitic-dacitic lapilli tuff and pyroclastic breccia grading upwards into an upper unit of compacted and thick rhyolitic tuffs. The most extensive outcrops of andesitic units occur on the ridges fringing the western side of the Altar mineralizing system. Outcrops of the rhyolitic unit are more widespread and rhyolites constitute the most abundant country rocks to the intrusive porphyries related to the alteration and mineralization. The contacts between andesitic and rhyolitic units of the Pachon Formation are concordant and mostly transitional. The unconformity that separates the Pachon Formation from the underlying Choiyoi basement sequence is not exposed on the Altar Project and has not been intersected in drilling.

Pachon Andesite and Pachon Andesite Breccia

The basaltic andesite is very dark in color with fine grained phenocrysts of plagioclase, ferromagnesian silicates and magnetite in an aphanitic groundmass dominantly comprised of plagioclase and ferromagnesian minerals.

The porphyritic andesite-dacite flows have phenocrysts of plagioclase, ferromagnesian silicates and opaque minerals in a pilotaxitic groundmass of fine-grained plagioclase and disseminated opaque minerals. The pyroclastic units are green lapilli tuffs and clast- to matrix-supported polymictic breccias. The clasts are angular and comprised of aphanitic to porphyritic andesite and fragments of crystals set in a devitrified matrix.

Pachon Rhyolite

The rhyolitic unit of the Pachon Formation is dominated by compact tuffs most of which can be grouped into two lithofacies: massive and eutaxitic tuffs. Massive tuff crops out abundantly at Altar Central. It has tabular fragments of plagioclase and rounded fragments of quartz in a silicified microgranular matrix. Pyroclastic features such as glass shards, fiamme and pumice fragments are obliterated by hydrothermal alteration in the vicinity of the Altar deposit.

Eutaxitic tuff crops out in the ridges that surround the deposit and it comprises an ignimbrite with crystals and crystal fragments, fiamme and glass shards, and lithic fragments in a partially devitrified matrix. Crystals are generally euhedral and consist of plagioclase, quartz, biotite and opaque minerals. Lithic fragments are rounded and andesitic in composition with plagioclase phenocrysts in a pilotaxitic groundmass.

On the ridges to the north of the deposit there are small outcrops of rheomorphic and parallel-laminated tuffs. These are highly welded tuffs characterized by flow foliations and containing crystals and crystal fragments of plagioclase, ferromagnesian silicates and quartz, and fiamme in a partially devitrified groundmass.

Samples of Pachon Formation rhyolitic tuff from Altar have returned U-Pb dates of 21.2 Ma, 21.9 Ma, and 20.0 Ma.

7.2.2 Middle-Late Miocene Subvolcanic Porphyry Suite

A suite of subvolcanic porphyritic stocks and dykes, and associated magmatic and hydrothermal breccias intruded the Pachon Formation volcanic complex during the Middle-Late Miocene (12 to 10 Ma). The subvolcanic stocks that produced the porphyry Cu-(Au) mineralization at Altar crop out in the central and eastern portions of the Altar cirque and the alteration and mineralization surrounding these porphyry outcrops was given the field names Altar Central and Altar East (or Central Zone and East Zone respectively) during the

earliest stages of exploration drilling. Based on interpretation of recent in-fill drilling, along with petrographic analyses and geophysical IP- and CSAMT data, it is believed that a single composite stock underlies the Central and East Zones and is the source of the alteration and mineralization at Altar.

The modal composition of less altered samples of the subvolcanic porphyries ranges from dacite to andesite, comprising phenocrysts of plagioclase, amphibole, biotite and quartz, along with accessory rutile, ilmenite, magnetite and apatite, in an aphanitic groundmass.

Quartz Diorite Porphyry

Porphyry stocks cropping out at Altar Central and Altar East show well developed quartz vein stockworks along with intense sericitic alteration and associated strong mineralization. These have been given the field name Early Quartz Diorite Porphyry. Though the areas where these porphyries crop out are widely separated they are petrographically indistinguishable and are believed to be derived from a single stock at depth.

A sample of hydrothermal sericite from mineralized porphyry from the Central Zone gave an Ar-Ar date of 10.38 Ma, which is close to a K-Ar date of 9.8 Ma obtained from hydrothermal biotite at Los Pelambres. More recently obtained ages for the Early Quartz Diorite Porphyry from the Central and East Zones include two U-Pb dates of 9.9 Ma and 10.35 Ma from Early Quartz Diorite Porphyry from Altar Central and a U-Pb date of 10.68 Ma from the Early Quartz Diorite Porphyry stock from Altar East (Maydagan et al. in press). A Re-Os date of 10.18 Ma was obtained from molybdenite from Altar Central.

A second phase of Quartz Diorite Porphyry exposed in the northern part of the Central Zone and at depth at Altar East has been given the field name Inter-mineral Quartz Diorite Porphyry. It contains less abundant quartz vein stockworks, is moderately mineralized, and is less intensely altered in comparison to the slightly older Early Quartz Diorite Porphyry. The two porphyry phases are often difficult to distinguish and clear cross-cutting relationships are scarcely seen in outcrop or drill core. Inter-mineral Quartz Diorite Porphyry was found to host medium to coarse grained, Carlsbad-twinned feldspar phenocrysts. The complex twinned phenocrysts appear to be diagnostic, as they are always present within Inter-mineral Quartz Diorite Porphyry, but less common within Early Quartz Diorite Porphyry. When this distinction is unclear the general field name Quartz Diorite Porphyry has been applied.

The andesitic-dacitic subvolcanic porphyry stocks with strong hydrothermal alteration in the Central and East Zones are cut by quartz-tourmaline veins that locally form monomictic hydrothermal breccias, which are matrix-supported with clasts of subvolcanic porphyry within a quartz-tourmaline matrix.

As no sharp lithological contacts and grade boundaries between the different Quartz Diorite Porphyry stocks could be determined, the different quartz diorite porphyry stocks were summarized in the 3D lithologic model under Quartz Diorite Porphyry.

Plagioclase Hornblende Porphyry

On the eastern most ridges of the Altar cirque, a distinctly different subvolcanic porphyry stock is outcropping over a large area. It is characterized by conspicuous plagioclase and hornblende phenocrysts and has been given the field name Plagioclase Hornblende Porphyry. It hosts silica ledges related to a high-sulfidation epithermal Au-Ag system and is affected by propylitic and advanced argillic alteration. This porphyry has a heterogeneous texture with plagioclase phenocrysts of variable size along with amphibole phenocrysts in a green submicroscopic groundmass. It can be distinguished from the other subvolcanic porphyries by the variable size of its plagioclase phenocrysts and its finer-grained groundmass that also contains a higher proportion of plagioclase. A U-Pb date of 11.75 Ma has been obtained for this porphyry.

Altar North Porphyry

During the 2011 field season, float of a new porphyry stock was discovered about 1,200 meters north of the Altar Central porphyries. The distinct subvolcanic intrusion has been given the field name Porphyry Altar North. The lithology is characterized by an equi-granular crowded texture with over all smaller plagioclase and amphibole crystals than found in the Quartz Diorite Porphyry stocks. Chemistry of the Altar North Porphyry seems to be similar to the Quartz Diorite Porphyry stocks. This porphyry was first drill-tested during the 2012 drilling campaign.

QDM

The Quebrada de la Mina (“QDM”) Au-Cu prospect is located on the Altar property approximately 2 kilometers to the west of the Altar Central porphyry Cu system. QDM is underlain by the same andesitic volcanic sequence that forms the country rock sequence at Altar. The volcanics are intruded by a circular and funnel shaped Dacite Porphyry stock, approximately 700m in diameter.

The Dacite Porphyry belongs to the Middle-Late Miocene Subvolcanic Porphyry Suite and is characterized by is matrix-supported porphyric texture with plagioclase, biotite-bubbles, minor amphibols and the characteristic and abundant quartz phenocrysts. Texture and chemistry of the Dacite Porphyry clearly differs from all the other intrusions described at Altar Central, Altar East and Altar North

7.2.3 Colluvium and Alluvium

The Altar area was subjected to regional alpine glaciations which resulted in several moraines and significant glacial sediments that cover most low-lying areas. There is little outcrop within the altered and mineralized area due to scree and talus cover on steep slopes and glacial sediments in the valley bottoms (Figure 7-1). Glacial sediments in the Arroyo Altar area can reach up to 30 m in thickness, as demonstrated from core drilling in ALD 05.



Figure 7-1 - Surface Exposure, Altar Project, Looking East

7.3 Alteration

All of the lithological units described in Section 7.2 have undergone varying degrees of hydrothermal alteration. The strongest alteration is found within Early Quartz Diorite Porphyry which underwent early potassic alteration (K-feldspar–secondary biotite–quartz) overprinted by intense pervasive sericitic alteration (quartz–sericite–pyrite–tourmaline).

Using the vein terminology for porphyry deposits of Gustafson and Hunt (1975) at least three generations of A-veins and locally B-veins, related to potassic alteration are seen in drill core. These veins constitute typically between 10 and 30 volume% of the rock mass, but can locally reach > 50 volume%.

The Inter-mineral Quartz Diorite Porphyry locally underwent potassic alteration within the core of the altered area, and is also found to have undergone weak to moderate propylitic alteration (chlorite–specularite–quartz–hematite) peripheral to the center of the system.

A-type quartz veining and K-feldspar replacement within Inter-mineral Quartz Diorite Porphyry is weak to moderate, with quartz veins generally constituting less than 20 percent of the resulting rock mass. Potassic alteration of the Quartz Diorite Porphyry phases is only preserved at depth in several of the deeper drill holes, and except in the deepest intersections has at least a weak sericitic alteration overprint.

The Plagioclase Hornblende Porphyry underwent weak to moderate propylitic alteration where outcropping and moderate to strong silic and potassic alteration at depth with a weak phyllic overprint. Phyllic alteration is not as pervasive as found in the Quartz Diorite Porphyries, and is typically related with late sulfide-rich veins.

Pachon Rhyolite and Pachon Andesite also underwent potassic alteration where these units occur in proximity to Quartz Diorite Porphyry intrusions, but in all cases the resulting A-vein density was substantially less than that found in the nearby intrusions. This potassic alteration has been strongly overprinted by sericitic alteration in the shallower parts of the deposit. Drill holes of depths >500m drilled at Altar Central intercepted Pachon Rhyolite and Pachon Andesite affected by moderate to strong potassic alteration with its characteristic brown alteration color due to is abundant fine-grained hydrothermal biotite in the matrix.

The sericitic alteration passes outwards into little-altered rhyolitic or chloritized andesitic volcanics, both of which were subjected to varied degrees of supergene kaolinization as a result of acid attack during pyrite oxidation. The outer limit of jarositic limonite after pyrite was mapped and defines the Altar hydrothermal system to be at least 3.5 km by 3 km in outcropping surface area.

Although specular hematite is ubiquitous as a late, fracture-controlled mineral in the Altar system, it is particularly abundant in the peripheral chloritized rocks and appears to constitute a halo to the sericitic core. Epidote is apparently absent from the peripheral alteration zone, except in the northern aphanitic andesites.

Intense pervasive silicic alteration is observed in drill holes at Altar East. This silicification does not appear to be related to D-vein density, and is likely associated at shallow depths with the advanced argillic alteration that affected the lithocap. Strong silicification found at Altar East at depth is associated with intense quartz veining and porphyry-style copper and gold mineralization (area of drill hole ALD 148). Pervasive sericitic alteration as found at Altar Central is not present in this part of the deposit.

Stockworks

Stockwork quartz veining was initially identified in surface mapping. It comprises grey to pinkish-grey, translucent A-type quartz veins as well as a lesser number of more laterally extensive B-type quartz veinlets characterized by central sutures. The A-type veinlets attain 3 cm in width. The stockwork zones are cut by generally minor D-type veinlets with prominent sericitic haloes; the most extensive observed examples from surface exposures in the western stockwork zone strike north–northeasterly, parallel to the zone itself.

Silica Ledges

The 3 km long arcuate ridge along the eastern side of the Altar cirque is characterized by the basal part of an advanced argillic lithocap. The lithocap remnant is defined by numerous structurally-controlled silica ledges separated by chloritized Plagioclase Hornblende Porphyry. In 2008 approximately 50 principal ledges were mapped to define a broadly radial pattern centered on the eastern stockwork zone. Mapping by Peregrine in 2009 defined over 200 ledges. Ledges are confined to the ridge top, at elevations above 3,600 m and do not continue far down the talus-covered slopes.

Most ledges are steep and contain main zones, ranging in width from 10 cm to 2 m, of quartz–alunite alteration flanked outwards by quartz–kaolinite. Locally, pyrophyllite is observed as a transitional zone. A few ledges contain pods of vuggy residual quartz along their center(s) lines in which enargite and, less commonly, barite and native sulphur occur. Stringers of massive enargite are also present in places in quartz-rich quartz–alunite ledges lacking vuggy quartz. The hypogene quartz–kaolinite haloes to the ledges are transitional outwards to supergene kaolinization developed at the expense of chlorite–smectite alteration. The most extensive ledge, 500 m long, terminates in a small hydrothermal breccia pipe displaying intense quartz–alunite alteration.

7.4 Structure

Outcrop mapping in the northern part of the Altar cirque has identified an inferred north-northeast-striking fault projected to cut through the center(s) of the mineralized system between Altar Central and Altar East. Grey fault gouge exposed in a road cut at Gauss Kruger coordinates 2,359,750E/6,516,830N provides further evidence for the continuity and importance of this fault zone. This may also be reflected by zones of intense fracturing intersected in drill holes ALD 01, ALD-03, ALD 08 and ALD 09. The CSAMT geophysical survey done in 2011 possibly indicates a structure between Altar Central and Altar East. Geostatistical studies done for the resource calculation support the assumption of the north-northeast-striking fault.

The silica ledges which define the basal part of the advanced argillic lithocap are much more numerous on the ridge crests on the east side of the inferred fault than on the west side, where only a few silica ledges occur at the highest elevations. This suggests west side up displacement across the fault system. Deeper levels of the stratigraphic succession are exposed on the west side of the fault, again implying west-side up displacement.

7.5 Lithology Codes

The geological model was updated in 2013 based upon the drilling to the end of the 2013 field season. The current interpretation of the lithology distribution is illustrated in the plan view in Figure 7-2 and cross section in Figure 7-3. Primary lithologic codes are shown in Table 7-1 (Tdap and Tpan described under Section 9).

Table 7-1 Lithology Codes		
Code	Symbol	Lithology
1	Ovbn	Overburden
2	Tpr	Tertiary Pachon Rhyolite
3	Tpa	Tertiary Pachon Andesite
4	Tdp	Tertiary Diorite Porphyry
5	Tpvb	Tertiary Pachon Volcanic Breccia
6	Tphp	Tertiary Plagioclase Hornblende Porphyry
7	Tdap	Tertiary Dacite Porphyry (QDM)
8	Tpan	Tertiary Porphyry Altar North
9	Tinbx	Tertiary Intrusive Breccia

The few drill holes completed since the 2013 drill program were checked by IMC during 2018 to confirm that the interpreted geology described above would not be altered within the resource volume by the recent drilling.

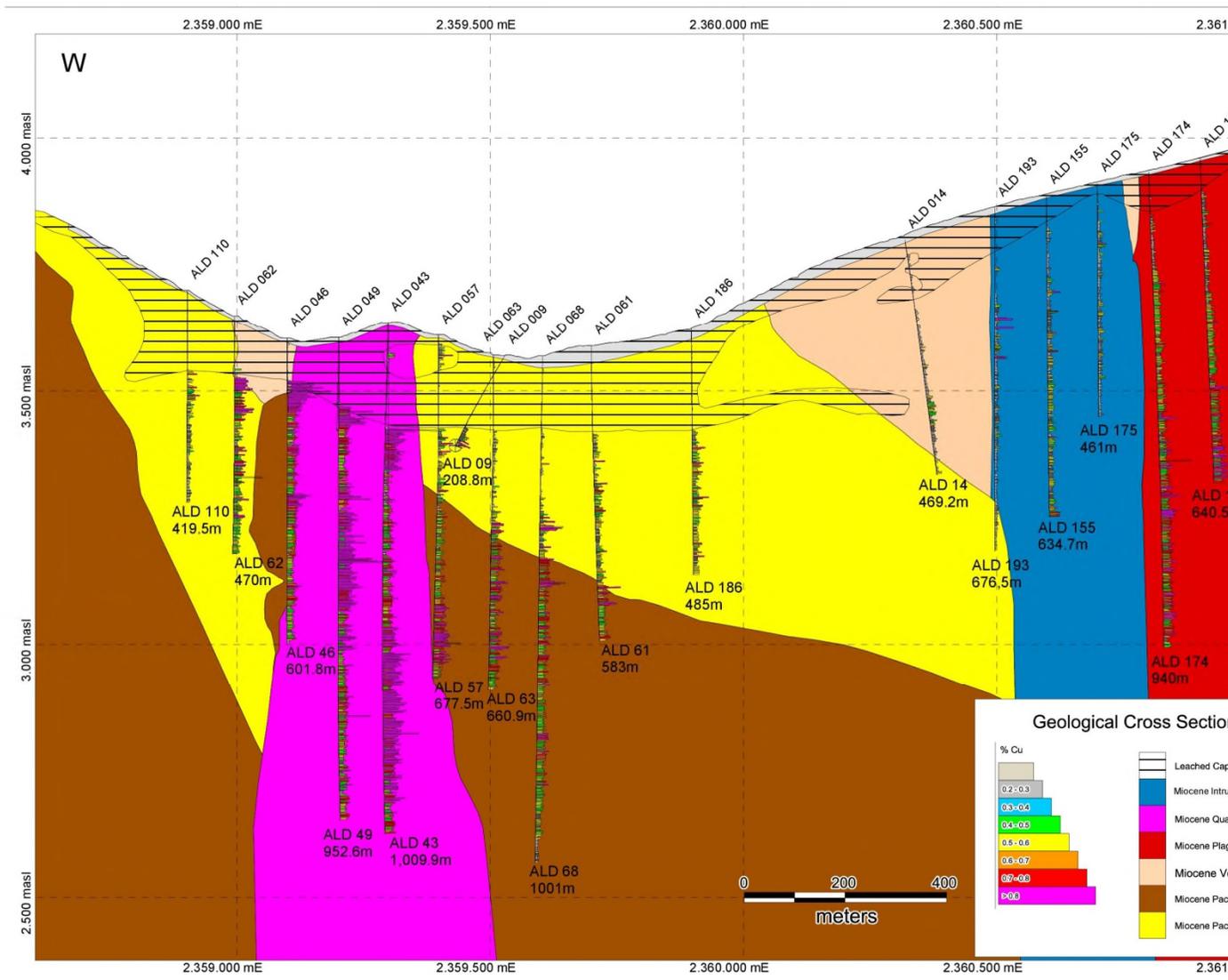


Figure 7-2 - Lithology Plan
 Source: Peregrine Metals Ltd.

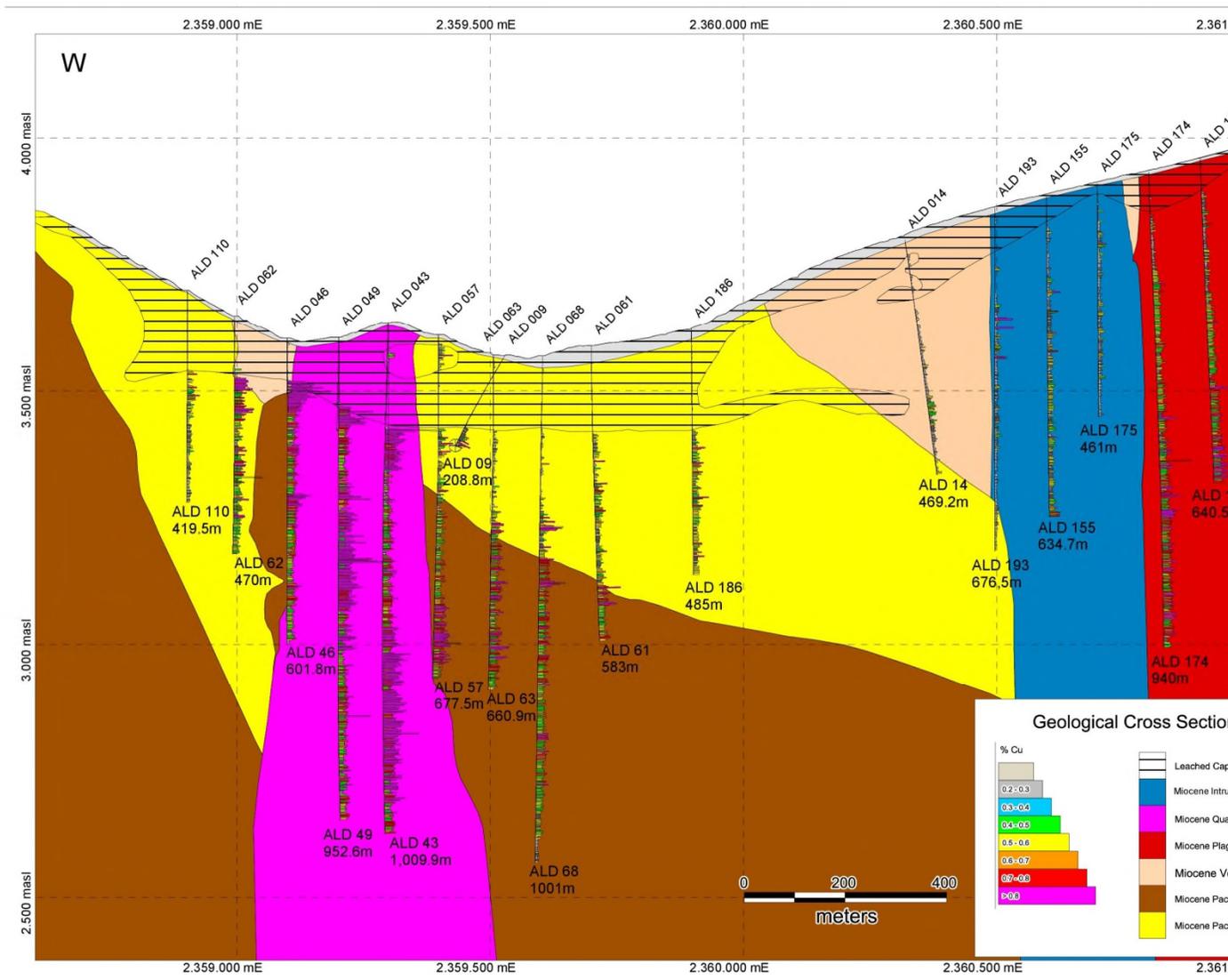


Figure 7-3 - Geological Section 6,516,700 mN, Looking North
 Source: Peregrine Metals Ltd.

Exploration

This section was originally written and published in 2014. It has been updated and summarizes the exploration work at Altar from 2005 through 2017. Refer to Section 10 for drill results. The company is exploring a gold deposit located two kilometers west of the Altar porphyry system on property they control called Quebrada de la Mina (QDM). Substantial exploration effort has been applied to QDM over the last few years which is also summarized in this section.

The following text reports information published in the previous Technical Report “Estimated Mineral Resources, Altar Project, San Juan Province, Argentina”, by Independent Mining Consultants, Inc. 31 January 2014. Roger Rey of Peregrine-Stillwater mining originally authored this section which has been updated during 2018 by S. Foy and reviewed by John Marek who has acted as the qualified person for this section.

2005 - 2008

Peregrine optioned the Altar property from Rio Tinto in 2005, and completed a 23.4 line-km induced polarization (IP) survey followed by eight core holes totalling 3,302 m during the 2005-2006 summer field seasons. In the first quarter of 2007, Peregrine carried out a second diamond drilling campaign comprising 25 core holes totalling 10,408 m.

Peregrine completed a third drilling campaign in the first quarter of 2008 comprised of 24 additional core holes and the deepening of one pre-existing hole for a total of 12,741 m.

2009 Field Season

During January and February 2009, a follow up geologic and geochemical program was completed to refine understanding of the copper and gold mineralization and alteration zoning at Altar East. The previously identified silica ledges of the high sulfidation epithermal system at Altar East were mapped and sampled in detail. A total of 441 grab-style rock chip samples were collected in the area.

Further reconnaissance-scale geologic mapping and geochemical sampling was conducted at the QDM prospect where an additional 27 rock chip samples were collected from outcrops in the area. Results of the 2009 reconnaissance work established QDM as a potentially significant porphyry-style gold target which warranted continued evaluation.

Also during 2009, a stream sediment survey was conducted which included the collection of 15 stream sediment samples and 15 panned concentrate samples from principal streams and drainage courses in the area.

2010 Field Season

Between January and May 2010, Peregrine completed an additional 76 core holes and deepened 2 prior core holes for a total of 26,348.55 m. The 2010 drilling also included 8 twinned holes to provide metallurgical samples. The company also conducted additional surface geochemical sampling and completed a total of 22.9 line-km of induced polarization (IP) geophysical surveys over the Altar project and the QDM target areas.

The company constructed 24 km of additional access and exploration roads on the Altar and Rio Cenicero properties to facilitate planned drilling, trenching, geochemical sampling, and geophysical surveys. A new road was constructed to establish vehicle and drill rig access to the QDM target area. A 6.4 km road providing an alternative access route was also constructed to connect the Altar Camp with the network of existing well maintained roads serving Xstrata's neighbouring El Pachon project.

Peregrine's 2010 exploration activities included a total of 4,360 meters of excavator trenching in the epithermal Au-Ag target at Altar East. Continuous 2-meter rock chip samples were collected from these trenches totalling 2,679 samples.

At the QDM target area, the company collected a 169 additional grab-style rock chip samples.

2011 Field Season

The December 2010 to April 2011 field campaign consisted of drilling 6 large diameter PQ-size Metallurgical drill holes in the central part of the Altar deposit (2,056 m), three exploration drill holes at Altar East and 4 initial exploration drill holes in the QDM area. A preliminary groundwater survey was also conducted at four select sites each with an array including a test well and monitoring hole for determining local ground water characteristics, aquifer depths, basic water chemistry and recharge characteristics. A total of 3,962 m of core drilling and 1,133.0 m of rotary drilling were completed.

During January, three step-out exploration drill holes provided further insights regarding the Altar East epithermal Au-Ag target and porphyry mineralization. A total of 900 m were drilled in the 3 angle holes. Significant porphyry-style Cu-Au mineralization was intercepted in drill hole ALD 148.

A down-hole geophysical survey applying "Mise a la Masse" technology was conducted in April 2011 to estimate the potential extent of sulfide mineralization encountered at depth in ALD 148 (from a patterned 3.6 line-km surface array). An additional 3 pole-dipole IP geophysical survey lines were completed over the Altar East target totalling 1.7 line-km.

Four initial reconnaissance diamond drill holes were collared in the QDM Porphyry Au-Cu target. A total of 1,005.5 metres were drilled in 2 angle and 2 vertical holes. Significant drill intervals of Au mineralization was intercepted in 3 of the 4 drill holes. The QDM drilling confirmed the discovery of anomalous Au mineralization in the oxidized leached cap and also associated with deeper disseminated pyrite mineralization in the non-oxidized hypogene portions of a Dacite Porphyry stock. In March and April of 2011, two additional pole-dipole IP lines were completed across the northern part of the QDM target area to better define the northern extent of the IP anomaly identified by a prior 2010 geophysical survey.

An 11.9 line-km Controlled Source Audio-frequency Magnetotelluric (CSAMT) survey was conducted in the Altar Central and Altar East areas in combination with resistivity measurements on existing drill core intervals from the deeper holes at Altar Central.

Further rock chip sampling was conducted in the QDM target area collecting a total of 460 rock chip samples. Forty-three trench and road cut samples were collected on 2 meter intervals at the Altar North prospect and 438 trench samples were collected from new road cuts and drill platforms at Altar East. A total of 272 talus fines samples were collected in the QDM and Altar North areas.

Stillwater Mining and Peregrine Business Combination

In November 2011, Stillwater Mining Company (SMC) completed the acquisition of all outstanding shares of Peregrine Metals Inc. Since the acquisition, Peregrine Metals has been maintained as a subsidiary as have Peregrine's operating companies Minera Peregrine Argentina S.A. and Minera Peregrine Chile S.C.M. SMC has been actively engaged in the 2012 and 2013 Altar project activities subject to this Technical Report update as well as related Altar project developments since the time of the acquisition.

2012 Field Season Exploration

QDM

Exploration work continued both at QDM and the Altar Central deposits. Twenty four exploration holes totaling 6080.6 m were drilled at QDM. The company collected 111 grab samples for rock chips. A 15m deep water monitoring well was installed adjacent to drill hole QDM 19.

Altar North, Central, and East

Seven exploration holes were drilled in the Altar North Porphyry target located north of the Altar main zone. Additional exploration roads and platforms were excavated allowing for the collection of 36 rock chip grab samples at Altar North. In total, there were 36 holes drilled at Altar North, Central, and East during 2012 as summarized in Section 10.

Eleven rock chip grab samples were collected along the eastern extensions of Altar East and a water monitoring well was drilled in the central-northern part of the project to a depth of 21 meters.

2013 Field Season Exploration

Exploration work continued at Altar East and Altar North between December 2012 and April 2013. Two diamond drill holes were drilled at the Altar North Porphyry target and 18 holes were drilled at Altar East (including 4 drill hole extensions).

Between December 2012 and February 2013, the company collected 263 rock chip samples in road cuts and platform outcrops for better delineation of the geochem anomalies at Altar North and Altar East. A total of 60 rock chip samples were collected during first prospecting work on the two peripheral concessions 414.1458-R-05 and 414.1487-R-05. A tested color anomaly in the south-western sector of concession 414.1487-R-05 revealed anomalous Au and highly anomalous As grades.

2014 Field Season Exploration

Exploration work continued at Altar East, Altar North, La Esquina and QDM between January and March 2014. No diamond drilling was carried out during the 2014 field season. Between January and March 2014, 38 rock chip samples were collected and a 13-line talus fines sampling program was carried out collecting a total of 136 talus fines at the before mentioned targets.

2015 Field Season Exploration

Exploration work continued at Altar East, Altar North, La Esquina, QDM and new a new target called Chinchimoye between January and April 2015. No diamond drilling was carried out during the 2015 field season. Chinchimoye is 1.5 km north of QDM.

Between January and March 2015 a total of 110 rock chip samples were collected. Native Cu nuggets of >40% Cu and grab samples of >1 % Ag were collected at the Chinchimoye prospect. A 3-line talus fines sampling program was carried out at the Chinchimoye prospect located 1.5 km north of the QDM project. A total of 51 talus fines samples were collected.

In addition to the prospecting, mapping and sampling work, a Titan 24 magneto-teluric (MT) survey was carried out by Quantec Geosciences. A total of 3 lines each with a minimum length of 4.8 km were surveyed, 2 crossing lines at Altar East and 1 W-E running line from QDM to Altar North. This sophisticated survey provided a deep IP response down to >1,000 m depth. The magneto-teluric (MT) component of the survey provided resistivity to depths greater than 2,000 m. Several high quality low resistivity – high chargeability targets were identified.

2016 Field Season Exploration

Exploration work continued at Altar East, Altar North, La Esquina, QDM and the Chinchimoye target between January and April 2016. Between January and March 2016, a total of 52 rock chip samples were collected.

A diamond drilling program was carried out with a total of 4,931 m drilled in 8 drill holes and drill hole extensions. Two drill holes were collared at Altar East, 1 drill hole was extended at Altar North, 1 drill hole was collared at La Esquina, 2 drill holes at Chinchimoye, and 2 drill holes were collared at QDM. Drilling work started on January 30th and was terminated on April 16th due to adverse weather conditions. New drill roads and drill platforms were constructed at Altar East, La Esquina, Chinchimoye and QDM.

A new discovery was made and first economic Cu mineralization at QDM was found by drilling QDM-029. The discovery hole intercepted a new Cu-Au porphyry stock named Radio Porphyry consisting of multiple porphyry pulses. QDM-029 intercepted 311 m of mineralization averaging 0.36 % Cu and 0.16 gm/t Au including higher grade intervals of: 32 m of 0.50 % Cu and 0.13 gm/t Au, and 46 meters of 0.50 % Cu and 0.31 gm/t Au. The Radio Porphyry target area coincides with multiple surface geochemistry anomalies and a former Rio Tinto airborne mag anomaly. The Radio Porphyry is considered as high priority target to be further drill-tested.

2017 Field Season Exploration

Exploration work continued at the QDM Radio Porphyry discovery between January and April 2017 that included a ground magnetic survey, drilling program, and collection of 12 rock chip samples.

The QDM Radio Porphyry discovery hole QDM-029 displayed an abundance of magnetite alteration, which has not been associated with the previously known mineralization. Therefore, a small 11-line ground magnetic survey was completed by Quantec Geosciences prior to commencement of drilling. It is noted the previous magnetic survey performed by Rio Tinto did not contain sufficient resolution for detailed drill target definition. The magnetic reduced-to-pole and vertical derivative maps from the Quantec were utilized in targeting the diamond drilling since the new discovery is predominately covered by Quaternary landslide material.

A total of seven diamond drill holes were completed at QDM Radio Porphyry, all with HQ diameter core, between January to April 2017. Total meters drilled was 5630.5m. The drilling focused on the QDM Radio Porphyry discovery made in 2016 to further define and understand this new and important discovery. In general, the drilling defined an approximate area of 300m by 600m of quartz stockwork with associated sericite/potassic alteration within multiple pulses of porphyry intrusive that is currently open at depth and in all directions.

Diamond drill hole QDM-034 intercepted 372m of mineralization averaging 0.59% Cu and 0.46 ppm Au from 634m, which includes the following higher grade intervals:

100m of 1.07% Cu and 0.96 ppm Au from 840m

66m of 1.32% Cu and 1.22 ppm Au from 852m

36m of 1.72% Cu and 1.62ppm Au from 882m

It is noted that drill spacing for QDM Radio Porphyry is currently not sufficient to complete a resource estimate, where future additional drilling is required. In addition, no drilling occurred in the area defined by the shallow QDM gold mineralization currently in the resource category due West of QDM Radio Porphyry.

Mineralization

7.6.1 General

Surface geological and alteration mapping, IP geophysical surveys and drilling have identified porphyry-and high-sulfidation-related alteration and sulfide mineralization at Altar, extending over an area of 2.9 km by 1.7 km within a 3.5 km by 3 km zone of hydrothermal alteration.

Mineralization at the Altar deposits is closely associated with the different porphyry stocks and related hydrothermal breccias, but is also found in Pachon Rhyolite, Pachon Andesite and Pachon Volcanic Breccia. The well-developed copper mineralization shows a strong relationship to the distribution and intensity of sericitic and potassic alteration.

Peregrine geologists have interpreted the mineralization paragenesis as follows.

- Stage 1: Potassic alteration, accompanied by deposition of pyrite-chalcocopyrite-bornite and pyrite-molybdenite mineralization.
- Stage 2: Sericitic alteration overprint, accompanied by reconstitution of the Stage 1 mineralization as assemblages of pyrite, chalcocite, and bornite.
- Stage 3: Deposition of pyrite–enargite vein systems.
- Stage 4: Supergene digenite and covellite overprinting hypogene pyrite, chalcocopyrite, and bornite and chalcocite mineralization.

Acidic high sulfidation conditions prevalent in an advanced argillic lithocap were superimposed on an underlying potassic alteration zone as a result of telescoping. Hypogene sulphides generally exhibit a consistent vertical zonation pattern: pyrite–enargite at the higher levels; pyrite–chalcocite–bornite assemblages at intermediate levels; and pyrite–chalcocopyrite–bornite and pyrite–molybdenite assemblages at deeper levels. Recent petrographic work has also identified tennantite-tetrahedrite from intermediate level samples. Supergene covellite and digenite occur as an overprint on hypogene sulphides within sericitic alteration, descending from the base of oxidation beneath the leached capping at high levels to intermediate depths.

The copper mineralization associated with the potassic alteration, mainly porphyry style chalcocopyrite–bornite mineralization, was reconstituted as hypogene assemblages of pyrite, chalcocite and bornite within the sericitic alteration zone. Magnetite originally present in the potassic alteration zone was pyritized during the high sulfidation overprint. Sulfide minerals found within sericitic alteration include hypogene pyrite, chalcocopyrite, chalcocite, enargite, bornite, and molybdenite along with supergene covellite and digenite. Latest stage pyrite

enargite veins related to a high sulfidation epithermal system cut through the Stage 1 and 2 mineralization, but contribute a minor proportion of the copper mineralization.

Pyrite is ubiquitous with contents ranging from 2 to 15 percent but generally falling between 3 percent and 6 percent. It occurs as disseminations in wall rock, as quartz–pyrite veins, in late pyrite–enargite veins and occasionally as massive pyrite veins up to 2 cm thick.

The main style of hydrothermal alteration observed at the arcuate ridge at Altar East on the Rio Cenicero property corresponds to a potential high sulfidation epithermal gold system that is located in the northern half of the RCA XII concession. Advanced argillic alteration is associated with the epithermal mineralization and is accompanied by widespread silicification in the form of silica ledges, which are steeply dipping structures filled with epithermal quartz.

Peregrine mapped a large number of silica ledges within the zone of advanced argillic alteration in the RCA XII concession. The silica ledges are characterized by vuggy silica, multi-stage episodic hydrothermal breccias (crackle breccias and rotational breccias, and breccias with well-rounded clasts that indicate forceful expulsion of high-pressure fluids), colloform and crustiform banded quartz, deposition of native sulphur, alunite, barite, enargite and tennantite, limonite and boxworks after sulfides. These are indicators of the high level acid sulfate environment that overlies high sulfidation epithermal gold deposits.

In 2011 Peregrine discovered with drill hole ALD 148 at Altar East a new zone of primary chalcocopyrite-bornite mineralization associated with a strong quartz vein stockwork. Millimeter thick sheeted dark quartz veinlets, the radial orientation of the previously mapped and sampled silica ledges and a Cu-Mo-Au surface geochemistry anomaly were the only surface evidences for potential Cu-Au mineralization at depth. The 2012 and 2013 follow-up exploration drilling confirmed an extensive zone of quartz vein stockwork and associated chalcocopyrite and bornite mineralization at depth. Best mineralized intercepts correspond to a strong quartz vein stockwork with distinctively fragmented quartz veins in strongly silicified Plagioclase Hornblende Porphyry. Higher copper and gold grades correlate with the bornite/chalcocopyrite ratio – the more bornite observed, the higher are copper and gold grades.

QDM

The Quebrada del la Mina (QDM) deposit is primarily a gold deposit with minor associated copper. The Pachon Andesite volcanics were intruded by a circular dacite porphyry stock approximately 700 m in diameter and host a large alteration footprint centered on the porphyry stock. Surface rock exposures at QDM are characterized by pervasive quartz-sericite-tourmaline alteration with disseminations and veinlet stockworks of jarosite after pyrite and less-abundant fine quartz veinlets. The area affected by the alteration is coincident with the center of an induced polarization (“IP”) geophysical anomaly that measures 300 meters by 900 meters, as defined by the 20 millivolt per volt chargeability contour on the 3,500 meter elevation level plan.

Visible oxide copper mineralization occurs in the alteration zone at QDM and includes malachite, chalcantite, neotosite and azurite impregnating fractures. Sphalerite mineralization of up to a few percent in volume was observed in several surface exposures in the northern and eastern part of the alteration footprint.

Well-defined hydrothermal breccias occur at the eastern contact between the dacite intrusion and the andesitic host rocks. Three campaigns of geochemical rock chip sampling have consistently returned gold grades ≥ 0.5 g/t along with low copper grades reflecting the fact that the rocks at surface are leached of more mobile copper while leaving behind the immobile gold. The 2011 and 2012 exploration drilling at QDM confirmed significant

Au mineralization in the leached capping and the underlying sulfide zone, where Au mineralization is associated with abundant pyrite dissemination.

Figures 7-4, 7-5, and 7-6 illustrate the QDM mineralization on plan, EW section and NS section. Gold grades above 0.20 gm/t are shown on the figures.

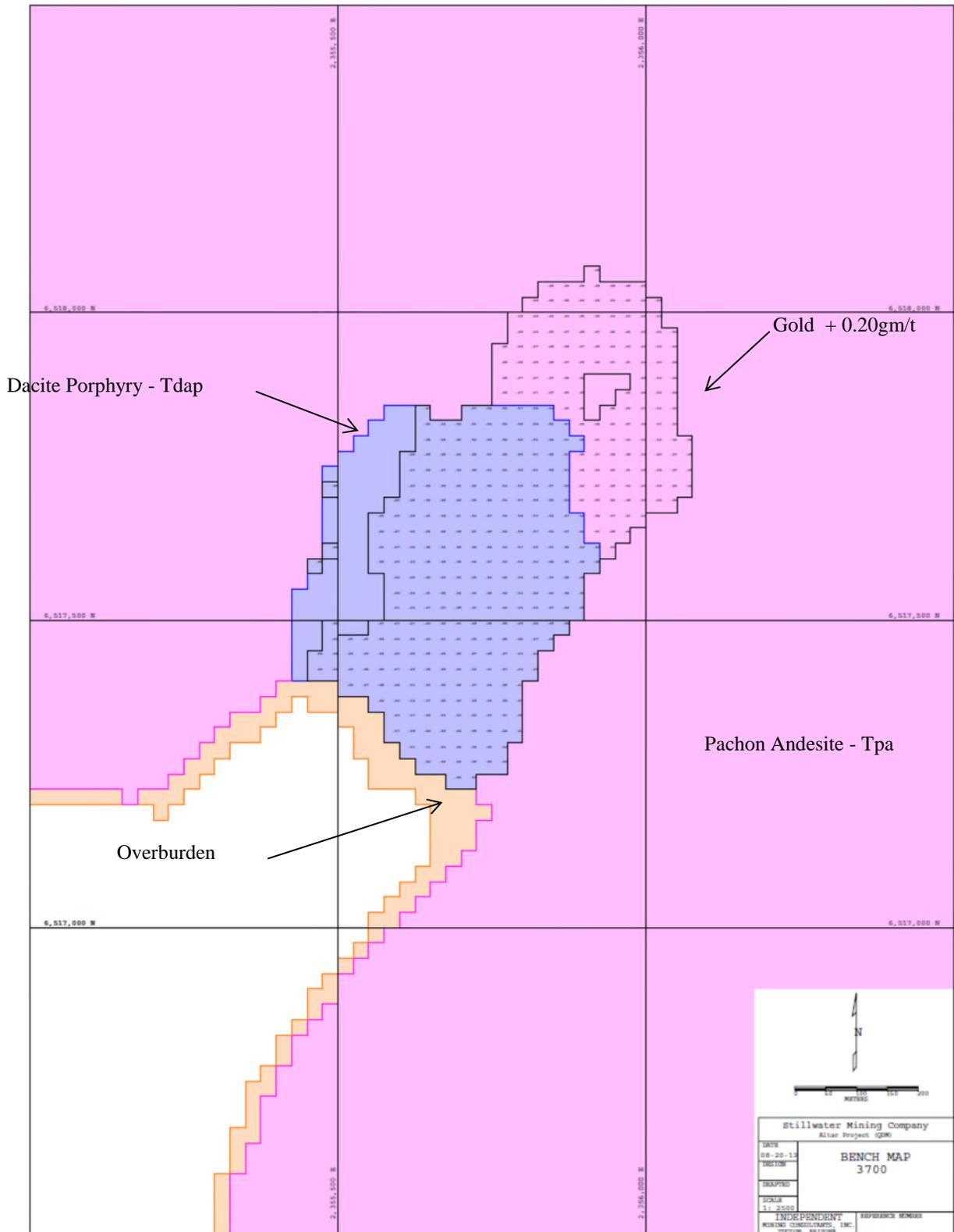


Figure 7-4, QDM Lithology and Mineralization on the 3700 Bench, Source: IMC 2014

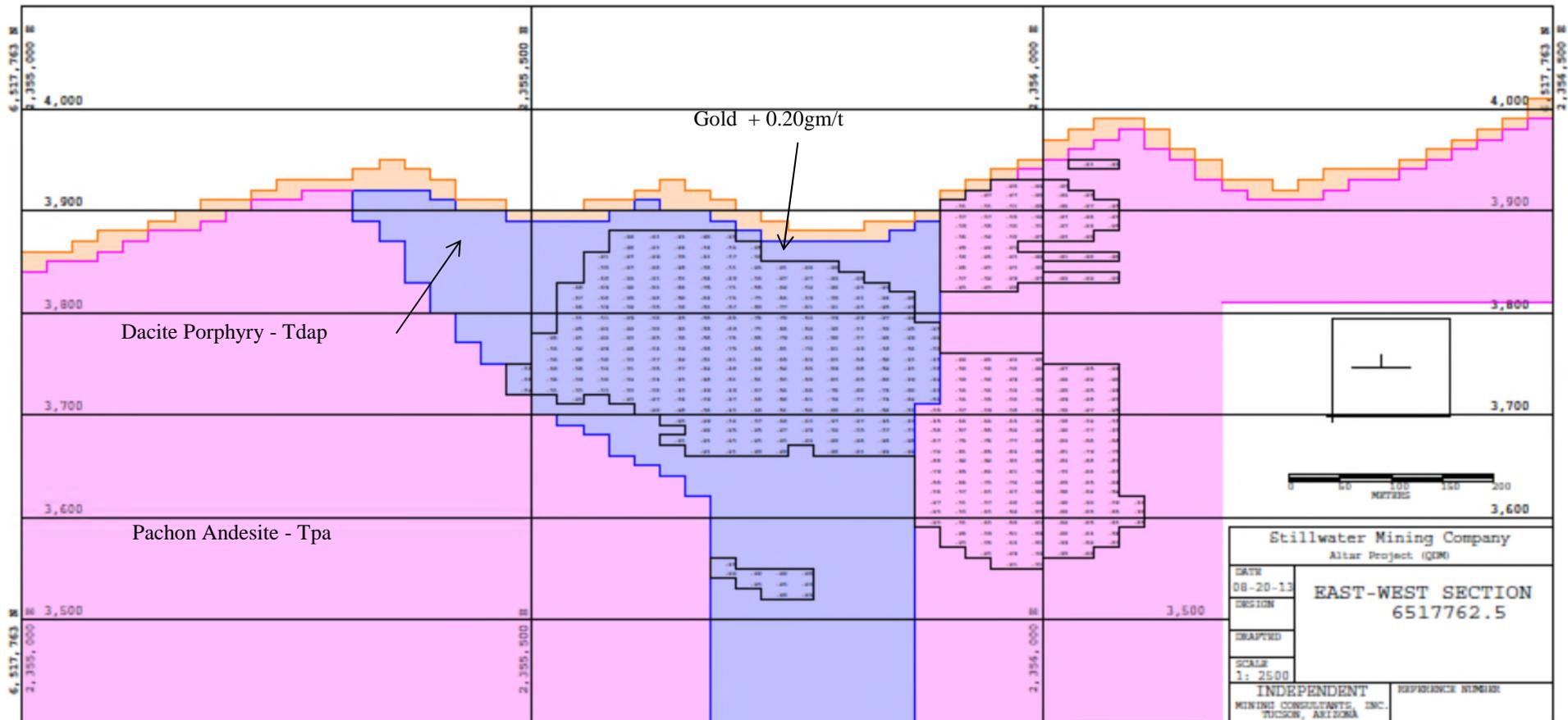


Figure 7-5
 East – West Cross Section
 Showing QDM Lithology and Mineralization
 Source: IMC 2014

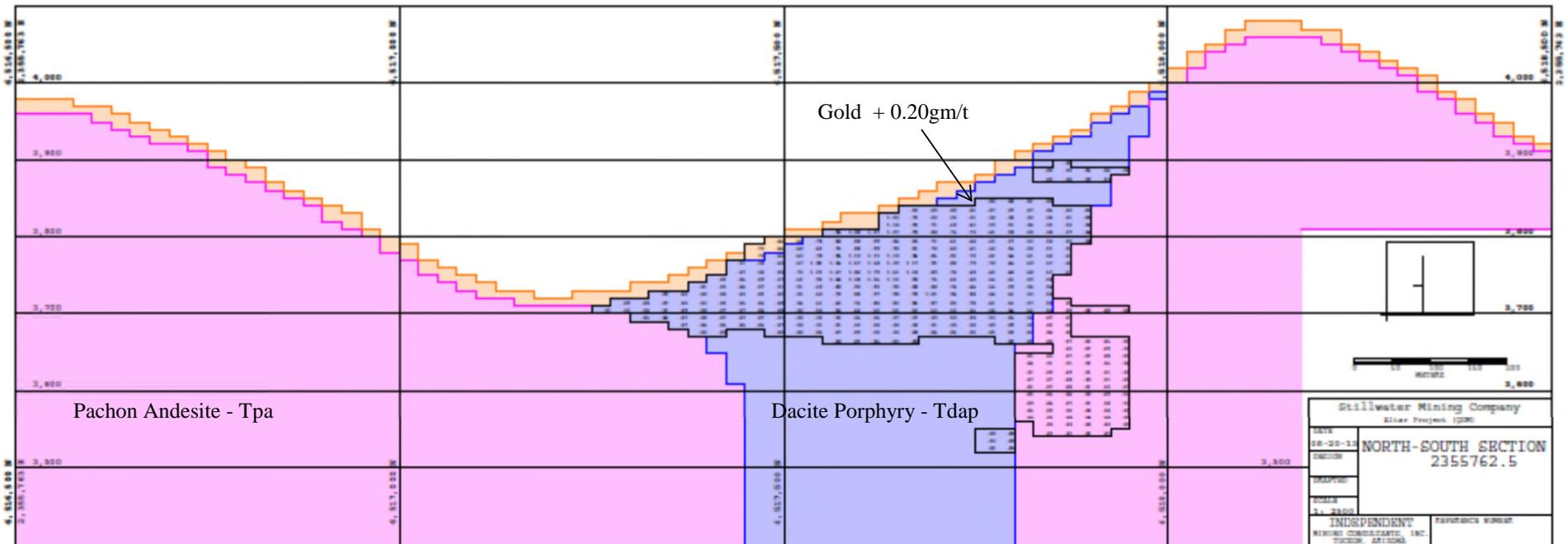


Figure 7-6
 North - South Cross Section
 Showing QDM Lithology and Mineralization
 Source: IMC 2014

7.6.2 Mineralization Thickness

At Altar, a leached cap zone has been intersected by drilling at depths ranging from zero to 258 m. Below the leached capping is a zone of primarily sulfide mineralization that is variably affected by weathering, mainly in the form of oxidation developed along narrow joints and fractures. This transitional zone, usually referred to as mixed zone, ranges from 4 to a maximum of 86 m and has an average thickness of about 11 m. In most drill holes at Altar Central the transition between the leached cap zone to the sulfide zone is a well-defined boundary. Leached capping at Altar East in the area of ALD 148 is very shallow and typically does not exceed 30 meters depth.

Sulfide mineralization at Altar has been logged at depths ranging from 9 to 1166 m. Drilled thicknesses range from about 110 m in drill hole ALD 09, to 1140 m in ALD 179. All but 4 holes completed to date that have reached target depth have ended in sulphide mineralization, and the mineralization remains open at depth, including the deepest hole to date ALD 179.

QDM

Mineralization thickness at QDM is approximately 220m for mineralization with grade above 0.20 gm/t.

Drilling

This section summarizes the drilling completed to date at the Altar project. Previous technical reports presented much of this same information. Peregrine or Rio have drilled a combined total of 248 holes totally 108,543 meters of drilling through 2017. Drilling that occurred between 2016 and 2017 was geared towards regional exploration of isolated targets and the results display no material impact on the previous grade estimates in the 2014 resource block models.

10.1 Introduction

Ten phases of diamond drilling have been completed to date on the Altar Project:

- 1) Rio Tinto, in 2003,
- 2) Peregrine during 2005–2006,
- 3) Peregrine during 2006-2007
- 4) Peregrine during 2007-2008
- 5) Peregrine during 2009-2010
- 6) Peregrine during 2010-2011
- 7) Peregrine/SWC during 2011-2012,
- 8) Peregrine/SWC December 2012 and April 2013
- 9) Peregrine/SWC, 8 holes in 2016.
- 10) Peregrine/SWC, 7 Holes 2017, further define Radio Porphyry discovery

Table 10-1
Altar Drill Program Summary

Year	Company	Deposit	Holes Drilled	Total Meters	Comments
2003	Rio Tinto		7	2,841.13	
2006	Peregrine		8	3,302.20	
2007	Peregrine		25	10,408.15	
2008	Peregrine		24	12,740.60	+ 1 Holes Extended
2010	Peregrine		76	26,348.55	+ 2 Holes Extended
2011	Peregrine		13	3,961.50	Includes 4 Water Monitor Holes
2012	Peregrine / SMC		64	27,277.70	+ 6 Holes Extended
2012 Drilling was divided between QDM and Altar Main as follows:					
		Altar	36	20,191.60	
		QDM	28	7,086.10	
2013	Peregrine / SMC	Altar	16	11,101.40	+ 4 Holes Extended
2016	Peregrine / SMC	Altar	8	4,931.00	2 Altar, 3 QDM, 3 Outside Expl.
2017	Peregrine / SMC	Radio Porphyry	7	5,630.50	Define Radio Porphyry
Total			248	108,542.73	

The 2016 program added 2 holes on the east side of the Altar East deposit which were intended to test geophysical targets adjacent Altar East. Neither drill hole was successful in finding the targeted offset mineralization or the geophysical target. These two holes ALD-206 and ALD-207 do intercept the open pit geometry that defines the mineral resource. Their impact on the estimated mineral resource is less than 1% and as a result they are not material. Details of the impact check are provided in Section 14.

Additional holes in 2016 were drilled in Altar North (not in the resource).

The remaining 2016 and the new 2017 drill holes were primarily targeting a deep porphyry deposit that is immediately east of the QDM deposit and called the Radio Porphyry. The Radio porphyry mineralization is described elsewhere in text and is not sufficiently well understood to define a mineral resource at this time. None of the 2017 drill holes intercept the QDM resource pit or the Altar resource pits and so have no impact on the stated mineral resource in this document.

All Drill hole locations including metallurgical twin holes and drilling are illustrated on Figure 10-1.

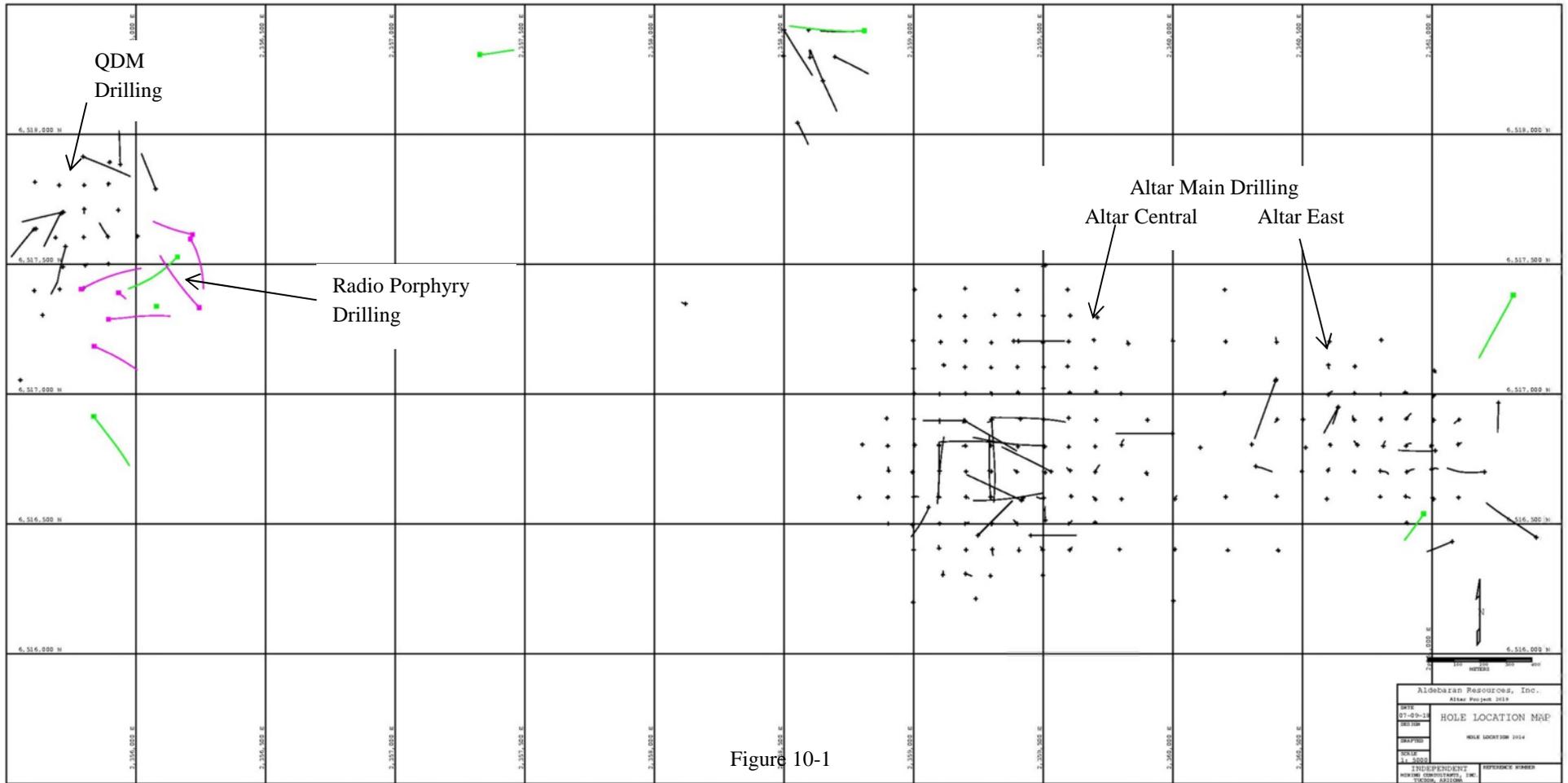


Figure 10-1

Drill Hole Locations, All Deposit Areas, 2003-2014 = Black, 2016 = Green, 2017 = Magenta
500m Grid

10.2 2011 Drill Program

Mendoza-based Boart Longyear Argentina S.A. was contracted to provide drilling services during the 2010-2011 field season. They provided one wheel skid mounted LF-90 diamond drill rig and one wheel skid mounted LF-230 diamond drill rig, both with hydrostatic drives. The drilling commenced on November 30, 2010 with drill hole ALD-141 and finished with drill hole QDM-04 on January 24, 2011. A total of 3,961.50 m were drilled. Eight vertical holes were collared with depths up to 434 meters. Five angle holes were drilled with dips ranging from -50° to -70° and depths up to 450 m. Six holes were metallurgical twins of pre-existing core holes completed in prior years. These were collared and completed with PQ diameter. They are shown on Figure 10-2 as blue triangles.

All of the remaining holes were exploration holes collared and completed with HQ equipment.

Between February and May 2011 Boart Longyear Argentina S.A. was contracted to drill within the Pampa concession a total of 4 water monitoring wells and 4 corresponding observation drill holes totalling 1,133.0 meters (Figure 10-2). A Drilltech D40KX truck mounted rotary drill rig was used for drilling the monitoring holes and installing the corresponding equipment and PVC filter piping.

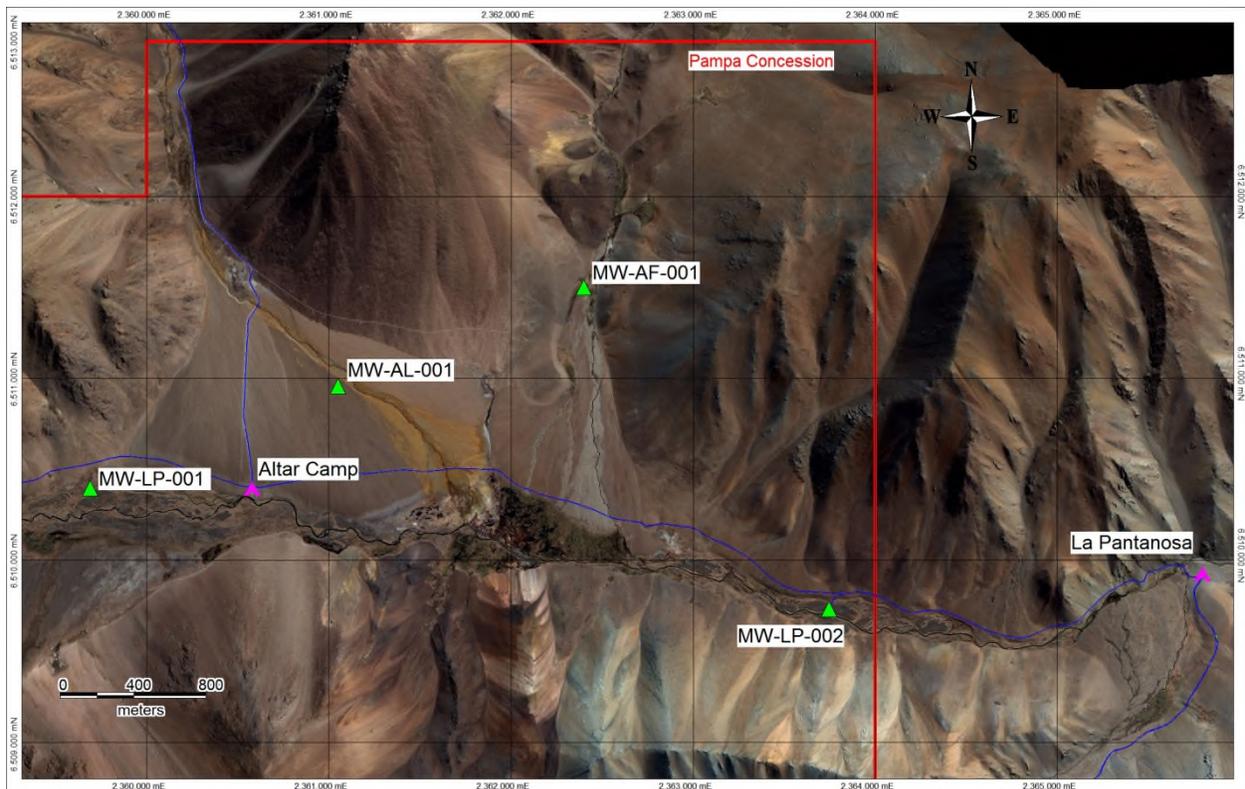


Figure 10-2, Water Monitoring Holes, Drilled in 2011

10.3 2012 Drill Program

Mendoza-based Boart Longyear Argentina S.A. was contracted to provide drilling services during the 2011-2012 field season. They provided four wheel-skid mounted Boyles BBS37A or BBS56A class wireline-

equipped core rigs modified to reliably perform at high elevations and capable of drilling with HQ and NQ rods to depths in excess of the Company's planned targeted drill depths.

All drill holes are initially collared with HQ diameter rods (96.1 mm dia. hole & 63.5 mm dia. core) and depending on hole conditions, are extended as deep as prudent, typically around 550 meters, before reducing to NQ size core (75.7 mm dia. hole & 45.1 mm dia. core).

The drilling commenced on December 12, 2011 with drill hole QDM-05 and finished with drill hole ALD-189 on April 13, 2012. A total of 27,277.70 meters were drilled in 64 drill holes and 6 drill hole extensions in the four exploration areas: 1) Altar Central Deep, 2) Altar East, 3) Altar North and 4) Quebrada de la Mina.

10.4 2013 Drilling Season

Mendoza-based Boart Longyear Argentina S.A. was contracted to provide drilling services during both the 2011-2012 and 2012-2013 field seasons. They provided two wheel-skid mounted Boyles BBS37A or BBS56A class wireline-equipped core rigs modified to reliably perform at high elevations and capable of drilling with HQ and NQ rods to depths in excess of the Company's planned targeted drill depths.

All drill holes are initially collared with HQ diameter rods (96.1 mm dia. hole & 63.5 mm dia. core) and depending on hole conditions, are extended as deep as prudent, before reducing to NQ size core (75.7 mm dia. hole & 45.1 mm dia. core).

The drilling commenced on January 5, 2013 with drill hole ALD-190 and finished with drill hole ALD-205 on March 31, 2013. A total of 11,101.40 meters were drilled in 16 drill holes and 4 drill hole extensions. 16 vertical holes and drill hole extensions were drilled with depths up to 1,166.5 meters. Four angle holes were collared with dips ranging from -70° to -86° and depths up to 949.5 m.

10.5 2014 and 2015 Field Seasons

During the 2014 and 2015 field seasons no drilling occurred, but Peregrine opened the Altar exploration camp both seasons and performed regional mapping, prospecting, rock-chip and talus-fine geochemical sampling to better assess under-explored portions of the land package. In 2014 the company also completed three Titan 4.8km long DCIP and MT geophysical lines and completed ground magnetic surveys both years. Several isolated drill targets were identified mostly away from existing resource areas and these targets were prioritized for the next season.

10.6 2016 and 2017 Drilling Season

The 2016 program tested nine isolated targets generated from the 2014-2015 field seasons and resulted in discovery of the QDM Radio Porphyry in hole QDM-029 with additional mineralization discovered in Altar North in hole ALD-195 (extension). The 2017 program focused entirely on further definition of the discovery at QDM Radio Porphyry.

10.7 Collar and Down Hole Surveys

Collar locations for Peregrine's drilling were surveyed by a professional topographer, using a Trimble R6 GPS system with real time and static differential correction providing accuracy to within +/- 5 mm.

Prior to 2016, the following methods were used for down hole survey. Downhole surveys to establish deviations in azimuth and dip angles are carried out by a third party company using a Reflex EZ-TRAC multi-shot magnetic borehole surveying system. The instrument is highly accurate in all directions including vertical holes and has magnetic and gravimetric sensors that allow for surveys free of cumulative azimuth and dip errors. The survey data are stored electronically and transferred directly to a computer without the need to record or transfer written data. Downhole measurements are routinely taken at 6 meter intervals.

The 2016 and 2017 drill holes were surveyed by a third party company using a North-Seeking Gyroscope.

10.8 Drill Hole Monuments

After determining that a drill hole will not be re-entered and extended to a greater depth, any remaining steel casing is extracted and replaced with a length of standard PVC pipe to preserve physical evidence of the drill hole's general dip and azimuth. A concrete slab is prepared at each completed drill hole collar to preserve its location and identification. The concrete is inscribed with the drill hole ID, azimuth, dip, total depth and the drill hole's completion date.

For drill holes being considered as potential candidates for subsequent re-entry, the HWT metal casing is left in the hole to both mark its location and temporarily preserve the physical collar conditions of the drill hole. A cement slab is prepared at the drill hole collar to preserve its location and identification. The slab is engraved with the drill hole ID, azimuth, dip, total depth and the drill hole's completion date.

Sampling, Analysis and Security

This section was originally prepared by Roger Rey, a previous Altar project geologist, and John Marek, of IMC acting as the qualified person for this section. This section describes the procedures utilized up to 2014 and also describes the changes that occurred during the drill program in 2016 and 2017. Section 10 indicates that the drilling completed in 2016 and 2017 do not have a material impact on the open pit statement of mineral reserves. However, the methods that were applied to those programs are summarized here.

11.1 Drill Core Preparation

At the drill rig on site, drill cores are placed inside 1-meter wooden core boxes. Each drill run is marked at the end with a wooden block labeling the drill depth in permanent waterproof marker. Drill site core boxes are checked routinely for errors and if there are inconsistencies, they are resolved by the drill crew's supervisor and the geologist assigned to the core rig. Finished boxes are sealed with tight fitting wooden slide lids and placed a safe location at the drill site. Geologists and/or their assistants routinely transport the core from the drill site to the Altar exploration camp with 4-wheel drive utility pickup trucks. The camp is located about 7km south of the Altar Main area.

At camp, the trucks unload at the outdoor core staging area. The boxes are placed on tables and their lids are removed for preliminary geological, geotechnical, and drill core logging, checking, and labeling. The

preliminary geologic logging is a simplified geologic description that is later amended when the split drill core is logged in detail at the sample preparation facility in Mendoza during the winter months.

Geotechnical logging is completed at the camp including core recovery, RQD, fracture count, fracture fill characteristics, intact rock strength, etc. The data is recorded on Panasonic Toughbook portable computers. During initial logging, drill core intervals are rotated to appropriate uniform core axis configuration and a “cut line” is scribed by the geologist on the core segments to minimize any sample bias that might be introduced by misrepresentation of host rock layering, vein or fracture orientation, mineralization clusters, etc. when the core is sawed. The geologists are also responsible for laying out, measuring and marking the core sample intervals and for designating the positions for reference standards, blanks and core duplicates to be inserted into the sample stream in the core splitting facility in Mendoza.

Prior to transport, the tops of the wooden core boxes are re-secured and labeled with aluminum Dymo-tape strips imprinted with the Drill Hole ID, the box number and the end depth of that box. Core boxes are then stacked on pallets, each containing 40 core boxes, and secured with strapping and plastic “shrink-wrap” prior to being loaded for transport to Peregrine’s core splitting and storage facility in Mendoza. Pallets are prepared so that one pallet contains only core boxes of one drill hole.

Up to 2014, Peregrine contracted a full-time transporter to move the Altar drill core from the core logging facility at the exploration camp to the core splitting facility in Mendoza. During 2016, the transporter vehicle was used for core transport and other tasks. The truck is fitted with a specially constructed sealed steel box into which the palletized core boxes are placed and carefully packed to avoid shifting. The tight fitting doors are securely closed and locked with padlocks following inspection and final inventory by a geologist. Numbered and tamper-proof strap locks are also attached to the doors alongside each padlock and the corresponding strap lock numbers are included in the core shipment transmittal form signed by the Project Manager that accompanies each core shipment. Keys for the padlocks sealing the door to the core transportation truck are only held by the Project Manager at the exploration site and by the Company’s supervisor at the core splitting facility in Mendoza. The trip from Altar to Mendoza is approximately 430 km taking an average of 17 continuous hours.

Upon arrival of a core shipment at the Peregrine core splitting facility in Mendoza, the supervisor first examines the physical condition and numbers on each of the strap locks on the truck’s cargo door. The supervisor confirms the serial number of each strap lock against those recorded on the core shipment Transmittal Form accompanying the shipment by signing the original shipment Transmittal Form. After opening the locks, the core boxes are inspected and inventoried against the shipment transmittal list. Any damaged or missing boxes or numbering discrepancies are immediately communicated to and reconciled with the Project Manager at Altar.

11.2 Core Handling and Splitting by Altar Personnel

At the core facility, the pallets containing boxed cores are first checked and inventoried by the core facility supervisor against the shipment transmittal form. The Project Manager at Altar is immediately notified if the shipment has numbering discrepancies or damaged or missing boxes. Otherwise, the core boxes are unloaded and opened for core photographs.

Prior to sawing, boxes containing the whole core are photographed at the Company’s core facility under natural light condition. Up to 2014 a Canon digital single-lens reflex camera with a 10.1 megapixel imaging sensor was used. For the 2017 drill core a Nikon D5300 with a 24.2 megapixel imaging sensor was used. Each photograph includes 3 core boxes laid out in sequential order in a specially-constructed stationary photographic stage. The photographs are stored on a company computer and external hard drives and are further backed up digitally on the company’s server.

The core splitting staff at the core splitting facility is well-trained and experienced. Cores are split with industry standard circular rotary rock saws using diamond saw blades. Drill core samples are routinely taken at 2.00-meter intervals supervised by core facility geologists and assistants. Only cores determined at site to be containing material below overburden are split and sampled. Overburden cores remain in the boxes. Cores previously marked with cutting lines by exploration camp geologists are split down the line.

One half of the drill core is designated for core sampling and the other half is placed back into the core boxes for storage and future reference and analysis. The insides of each core box are stapled with water proof labels of sample numbers indicating the start of sampling interval.

Prepared high strength, clean, and clear plastic bags are marked on the outside in permanent marker with a unique sample number and also with a water-proof paper printed label displaying the same sample number for the corresponding sample interval. The core sample halves are placed in corresponding sample bags and top-tied with 2 sets of plastic straps. The first set is strapped-tied as low as possible above the core samples. After the first strap set, another waterproof label of the sample number is placed in the neck of the bag. The second set is specially-made with the sample number imprinted on the strap and is tied so the neck of the bag is also pierced.

The double sealed sample bags are stacked sequentially in new rice bags. The rice bags are then strap sealed and clearly labeled with Peregrine's company name, contained sample bags, and sample batch number. Awaiting shipment, large, top-open wooden boxes are loaded with the rice bags. Up through 2014, samples were transported to the nearby ACME analytical laboratory. During 2016 samples were transported via pick-up truck to the ALS Analytical Laboratories preparation lab located nearby. For each box of batch sample rice bags, a Sample Dispatch Transmittal Form is prepared and signed by the core facility supervisor. When received, the ACME or ALS prep laboratory representative signs the form when all samples have been inventoried and all seals and bags in the process of unpacking were checked for intact seals and good condition.

For security purposes, the top sample labeled strap must be removed first in order to remove the preceding strap and due to the way the first strap pierces the neck the sample bag will remain intact if the straps were removed. The sample preparation lab is to report to Peregrine if any core sample bag does not come in good condition and with both straps intact. A separate assay sample ticket booklet is kept with records of sample numbers and corresponding core intervals the sample was taken from on top of an electronic database.

11.3 Sample Preparation

The previous Technical Report published on 31 January 2014 described the sample preparation and assay procedures at the ACME lab. Until 2014, ACME Analytical Laboratories was used for the primary assays. Since 2016, ALS Patagonia S.A. is the primary laboratory for sample preparation and assay of Altar samples. This section describes the 2016-2017 methods applied by ALS. The pre-2014 procedures are similar and were previously documented.

ALS Minerals Division operates a sample preparation laboratory in Mendoza. The Mendoza prep lab is located a short distance away from the core facility. Mendoza ALS Patagonia S.A. is accredited under ISO 9001. The ALS laboratory in Lima, Peru is since 2016 the primary lab for assay analysis for the Altar Project. Lima ALS laboratory is accredited under ISO 9001:2008 and ISO 17025. Until 2015 Acme Analytical Laboratories in Santiago, Chile was used for the assay analysis. The Acme Labs became Bureau Veritas in 2015 and are arms length contractors. Their certifications prior to 2015 are not known by the author.

Check samples for the secondary analytical laboratory are also prepared at the Mendoza prep lab. Altar has had two different historical secondary laboratories. From 2007-2011, Alex Stewart (Assayers) Argentina S.A. accredited under ISO 9001, 14001, and 17025 served as the secondary laboratory. From 2010-2013, ALS Chemex, La Serena, Chile, accredited under ISO 17025:2005 and ISO 9001:2008. For the 2016 and 2017 field season Alex Stewart (Assayers) Argentina S.A. was used again as secondary laboratory.

ALS Preparation Laboratory, Mendoza, SA

Split core samples are logged into the LIMS ALS tracking system and a bar code label is attached to each sample bag on arrival from the Peregrine core storage and splitting facility. Security checks for intact seals and bags are completed, and the waterproof label that was inserted in the neck of each sample bag is removed and placed underneath a drying sheet. The core sample remaining in the bag is emptied onto the drying sheet, and drying is done for 7-8 hours at 110 degrees Celsius.

After weighing and drying the sample preparation procedures are as follows:

- 1) Crushing the samples to 70% passing a Tylor 9 mesh (2 mm) screen.
- 2) The crusher is cleaned with compressed air between each sample and with an inert rock at the beginning and at the end of each batch. Cleaning may occur more often as considered necessary.
- 3) A quality control sieve check at 9-mesh (2 mm) is tested as indicated by the LIMS. The sieve is cleaned with compressed air before samples are checked for mesh size.
- 4) The first stage crush product is homogenized and then placed into a Jones style riffle splitter to obtain a 1,000 gm sample.
- 5) The 1,000 gm sample is placed in a plastic bag, and the coarse reject is stored in plastic bags for return to the Peregrine core storage facility.
- 6) The 1,000 gm sample is pulverized to a nominal 85% passing 200 mesh (75 microns) using an LM-2 pulverizer.
- 7) The pulverizer is cleaned at the beginning of every sample with compressed air and with inert rock at the beginning and at the end of each batch. Cleaning with inert rock may occur more often as considered necessary.
- 8) The quality control sieve checks at 200-mesh are indicated by the LIMS. The sieve is cleaned with air before samples are checked for mesh size.
- 9) Preparation duplicates (field duplicates) of randomly predetermined samples by Peregrine geologists are also inserted in the sample stream. The preparation duplicates enter the sample stream like any other sample with an assigned sample number.

Roughly 100 to 150 grams of the 1,000gm pulp sample is placed in a sample packet for shipment to Lima for analysis.

11.4 Analytical Procedures

From the ALS prep lab in Mendoza, Argentina, core pulp samples are sent to the ALS Analytical Lab in Lima, Peru in batches of 35 ~100gm packet samples including samples for QA/QC. In previous years, the dispatch to ACME were 34 sample groupings.

Sample batches of 35 samples contain:

- 30 pulps for assay
- Plus inserted QAQC samples
 - 2 certified standards
 - 2 field duplicates from split core and
 - 1 blank

Sample batches are regularly submitted to the primary laboratory in Lima, Peru by air freight and regularly schedule air lines. ALS maintains the chain of custody evidence as when sample pulps are logged into the Lima facility.

Peregrine's analytical instructions for Altar drill core samples routinely include the following Geochemical or Assay analyses:

1. 41-element ICP-ES using an Aqua Regia digestion
2. Au by Fire Assay using a 30 gram sample with an AAS finish
3. For all ICP analyses for Cu that exceed 5,000 ppm, the sample is repeat-assayed for Cu by AAS using an Aqua Regia digestion (wet assay).
4. For all Fire Assay analyses for Au that exceed 10 ppm, the sample is repeat-assayed for Au using a gravimetric finish.
5. For all ICP analyses for Ag that exceed 100 ppm, the sample is repeat-assayed for Ag using a gravimetric finish.

The results for all ICP analyses are reported on the Assay Certificates in units of either ppb or ppm as appropriate or percent (%) to a 3 decimal place accuracy. Results for all Au and Cu assays are reported to one decimal place of uncertainty. Precision Au values are reported in gpt to 3 decimal place accuracy and precision Cu values are reported in percent (%) to a 3 decimal place accuracy.

ALS Analytical Quality Control – Reference Materials, Blanks & Duplicates

The LIMS inserts quality control samples (reference materials, blanks and duplicates) on each analytical run, based on the rack sizes associated with the method. The rack size is the number of sample including QC samples included in a batch. The blank is inserted at the beginning, standards are inserted at random intervals, and duplicates are analysed at the end of the batch. Quality control samples are inserted based on the following rack sizes specific to the method:

Rack Size	Methods	Quality Control Sample Allocation
20	Specialty methods including specific gravity, bulk density, and acid insolubility	2 standards, 1 duplicate, 1 blank
28	Specialty fire assay, assay-grade, umpire and concentrate methods	1 standard, 1 duplicate, 1 blank
39	XRF methods	2 standards, 1 duplicate, 1 blank
40	Regular AAS, ICP-AES and ICP-MS methods	2 standards, 1 duplicate, 1 blank
84	Regular fire assay methods	2 standards, 3 duplicates, 1 blank

Laboratory staff analyse quality control samples at least at the frequency specified above. If necessary, they may include additional quality control samples above the minimum specifications. All data gathered for quality control samples – blanks, duplicates and reference materials – are automatically captured, sorted and retained in the QC Database.

Results of these QC measures are reported on a separate QC page with each Work Order.

The blanks are accepted within 2 times the detection limit of the corresponding analytical method. The pulp duplicates are accepted within a 10 percent variation. The geological standards are International Certified Reference Materials which have established means. They are accepted within error limits of 2 standard deviations of the mean.

After completion of the 2010 drill program, core intervals with anomalous molybdenum content from current and past drill programs were re-analyzed using ACME's Group 8TD method involving 4-acid digestion which resulted in significantly higher grades over the ICP method. Approximately 4,600 intervals have been analyzed as of December 2012.

Acme also carried out sequential Cu analyses on 7,213 unique samples from the upper portion of the mineralized zone at the request of Peregrine. Results yielded grades for cyanide-soluble (CuCN), acid soluble (CuAS) and residual (CuR) copper.

11.5 QAQC Samples

Section 12 presents a statistical analysis of the QAQC data completed by IMC. Peregrine staff review of QAQC results during the drill program have resulted in re-submission of occasional sample batches which are summarized below.

Standards

A total of 14 standards have been prepared and inserted in the sample stream over the course of Altar's drilling programs from 2005 to 2016. New standards have been blended as a result of the depletion of previously prepared standard samples consumed in QA/QC. The standards are specially blended to correspond with the typical host rock lithology, sulfide mineralogy, and metal grades of core samples sent for assay analysis. Based on core logging observations, geologists at the exploration site select 2 standards that best suit each batch of core samples for QA/QC.

The standards are certified by Round Robin Assays where six to seven assay laboratories are selected to establish the grade means for copper, gold, silver, arsenic, and molybdenum. The procedures for certification are well documented and the statistical analysis of the certification process is completed by a third party.

Standards Failures

Altar staff monitors the standards results on a routine basis. Up to 2014, there were a total number of 25 standard failures in copper and 25 standard failures in gold requiring re-assays. Excluding the 25 standard failures in gold, there were also a number of failures that did not require action because Peregrine deemed the assay intervals affected were not in areas of significant gold mineralization. In addition, there have been several failures where sample numbers and standards were mixed-up resulting in many standard failures with no action beyond repositioning sample numbers to the correct sequence.

There were no standards failures in the 2016 drilling.

Blanks

Blank material was acquired by Peregrine in 2007 from a decorative stone quarry near Mendoza. The material was found in large quantity of homogeneous granite in the form of slabs. Alex Stewart (Assayers) Argentina S.A. in Mendoza assayed 21 samples of the material for the homogenous absence of significant detectable quantities of copper, gold, molybdenum, silver, and arsenic. Granite blank material is sent to the core splitting facility to be washed and broken into convenient sized pieces for the submittal of a coarse blank with each blank.

Blank Failures

Re-assay for blank failures due to copper failures happened 7 times and failures due to gold happened 2 times. Several other blank failures were due to sample mix-ups, occurred in drill intervals of no significant mineralization, believed to be minor laboratory contamination, and attributed to rare minor copper content in the blank coarse granite material. Overall, blank failures did not happen often throughout the 2008-2016 drilling campaigns.

Mineral Resources and Mineral Reserves

The mineral resource estimate for Altar Main and QDM has been developed from two computer block models based on drilling results and geologic interpretation provided by Minera Peregrine/Stillwater staff through the end of the 2011-2013 drilling season. Assay and drilling data were provided to IMC in August, 2013. John Marek of Independent Mining Consultants, Inc. is the qualified person for this section and the estimation of mineral resources.

The drilling completed during 2016 and 2017 has been evaluated by IMC and the QP, to assure that it does not have a material impact on the resource model presented in this section. The check procedures applied to the 2016 and 2017 drilling are described later in this section.

Two separate models have been developed for Altar Main and QDM due primarily to the 2km distance between the two projects and differences in mineralization.

For Altar Main, which includes Altar Central and Altar East, copper, gold, silver, and arsenic values in the block model have been incorporated into the calculation of economic value in order to establish Altar Main's contribution to the mineral resource estimate. Molybdenum has been estimated but does not contribute economically to the mineral resource. It is uncertain whether the molybdenum at Altar Main has the grade to justify the addition of a molybdenum circuit at current prices.

At QDM, only gold and silver values have been assigned economic credit to establish QDM's contribution to the mineral resource estimate. Copper and molybdenum have been estimated and do not contribute economically to the mineral resource.

The component of the mineralization that meets the mineral resource requirements for "reasonable prospects of economic extraction" was based on the results of the floating cone pit algorithm. The results of the floating cones are summarized at the end of this section when presenting the mineral resource. Sensitivity to changes in costs and metal prices since the original work in 2013 are presented with the statement of mineral resources.

14.1 Altar Block Model

Model Location

The model size and location of Altar Main is summarized below in Table 14-1 in the Gauss Kruger projection coordinates.

Table 14-1
2013 Sep Altar Main Model - Size and Location

Model Limits	Corner Coordinates			
	Southwest	Northwest	Northeast	Southeast
Easting	2,357,500	2,357,500	2,362,500	2,362,500
Northing	6,515,000	6,519,000	6,519,000	6,515,000
Elevation Range	2,500		4,405	
Model Rotation:	None			
		Columns	Rows	Levels
Size	200		160	127
Block Size	25 x 25 x 15 m Bench ht = 15 m			

Drill Hole Data

Altar project drilling has been generally been conducted on a 100m by 100m grid drill hole spacing. The drill hole database as of the download since August 2013 has a total of 219 drill holes measuring 94,686 meters of core containing 46,431 assay intervals. Altar Main, constituting Altar Central and Altar East, account for a total of 191 drill holes. The remainder of the data base is within the QDM deposit.

A number of intervals in Altar Main were assayed for sequential copper with sulfuric acid soluble followed by cyanide soluble assays on the residue of the sulfuric acid assay. A second total copper assay was then run on the final residue of the acid plus cyanide soluble so that the total of the three values could be checked against the original total copper assay. Sulfuric acid soluble assays will be abbreviated as "ascu" and cyanide soluble assays will be abbreviated as "cucn".

Basic statistics and cumulative frequency plots were studied to determine the level at which outlier values should be capped. Altar assay grade capping was completed on copper, gold, silver, arsenic, molybdenum, and sequential copper data for Altar Main is summarized as follows:

Table 14-2
Altar Main Assay Cap Values
2013 Sep

Item	Cap Value
Copper	2.50 %
Gold	1.50 gm/t
Arsenic	1.0 %
Silver	50 ppm
Moly	0.15 %
Sulfur	None
Ascu	0.35 %
Cucn	2.50 %

Altar drill holes were composited at 15 meter down hole (length) intervals. A minimum composite length of 7.5 m was required for block estimation. Table 14-3 summarizes the assay data after capping was applied as well as when composited. This table includes the drill hole data that is contained in the Altar Main model only.

Table 14-3
Basic Statistics, Altar Main Drill Hole Data
Sep 2013 Data

Item	After Cap Assays		15-m Composites	
	Number	Mean	Number	Mean
Copper, %	42,770	0.246	5,720	0.245
Gold, gm/tonne	42,770	0.070	5,720	0.070
Silver, gm/tonne	42,770	0.907	5,720	0.904
Molybdenum, %	41,129	0.002	5,528	0.002
Arsenic, %	42,770	0.028	6,184	0.028
Sulfur%	28,490	2.866	3,818	2.860
Ascu %	7,213	0.029	946	0.029
Cucn %	7,213	0.152	946	0.153

The model was assembled with the data listed above during 2013. During 2016, two holes ALD-206 and ALD-207 were drilled at Altar East with the intent of targeting deep mineralization below the open pit resource. Deep high grade was not intercepted with those holes. Once composited, those holes contain 54 and 60 composites respectively of which 52 and 41 respective composites are actually contained in the mineral resource pit defined from the the 2013 drilling. These two holes would represent less than 2% additional drilling in Altar. None of the other 2016 holes or any of the 2017 holes intercepted the resource pit geometries.

The 2017 drilling is not material to the mineral resource since most of it was targeting outside exploration that is outside of the stated mineral resource.

The impact of the two 2016 holes on the 2013 mineral resource was measured with the following steps.

- 1) Drill Holes ALD-206 and ALD-207 composite values were compared to the block grades they penetrated based on the 2013 drilling

- 2) The 2013 model was quickly updated including the 2016 holes and the tonnage and grade reported that is contained in the 2013 resource pit.

The 2016 drill holes had the same average grade for copper as the 2013 model blocks that contained the composites. The gold and silver composite values for 2016 were slightly higher than the block model grades.

When the model was quickly updated with the 2016 composites, the overall impact on the tabulation inside the 2013 resource pit was 1.1% more tonnage and roughly 0.2% more contained metal. These values are sufficiently small that their impact is negligible and confirms that the 2016 drilling is not material to the statement of mineral resources.

The description of the model that follows summarizes the 2013 model procedures and results. The discussion of mineral resource will address the sensitivity of metal price and cost changes since the 2013 work.

Model Geology

Geologic interpretation of the major lithologic units was completed by Peregrine personnel. The interpretation was transferred to and verified by IMC. The interpretation was provided in the form of a surfaces and solids which IMC then coded into the block model. The most important host lithologies for ore are the Tdp, Tphp, Tinbx and Tpvb units.

Table 14-4
Altar & QDM Model Rock Types

Model Code	Abv.	Prj.	Rock Type
1	Ovbn	Both	Overburden
2	Tpr	Alt	Tertiary Pachon Rhyolite
3	Tpa	Both	Tertiary Pachon Andesite
4	Tdp	Alt	Tertiary Diorite Porphyry
5	Tpvb	Alt	Tertiary Pachon Volcanic Breccia
6	Tphp	Alt	Tertiary Plagioclase Hornblende Porphyry
7	Tdap	QDM	Tertiary Dacite Porphyry (QDM)
8	Tpan	Alt	Tertiary Porphyry Altar North
9	Tinbx	Alt	Tertiary Intrusive Breccia

Figure 14-1 illustrates a bench map slice through the Altar deposit illustrating the deposit geology on the 3490 elevation. Figure 14-2 is an east-west cross section looking north showing the lithology. Figure 14-3 illustrates the zone locations of the: Main, East, and Northwest zones of the deposit. The zones were used for statistics and grade estimation.

Oxidation surfaces completed by Peregrine personnel were also provided to IMC. Those surfaces were verified by IMC and were used to control bulk density estimation.

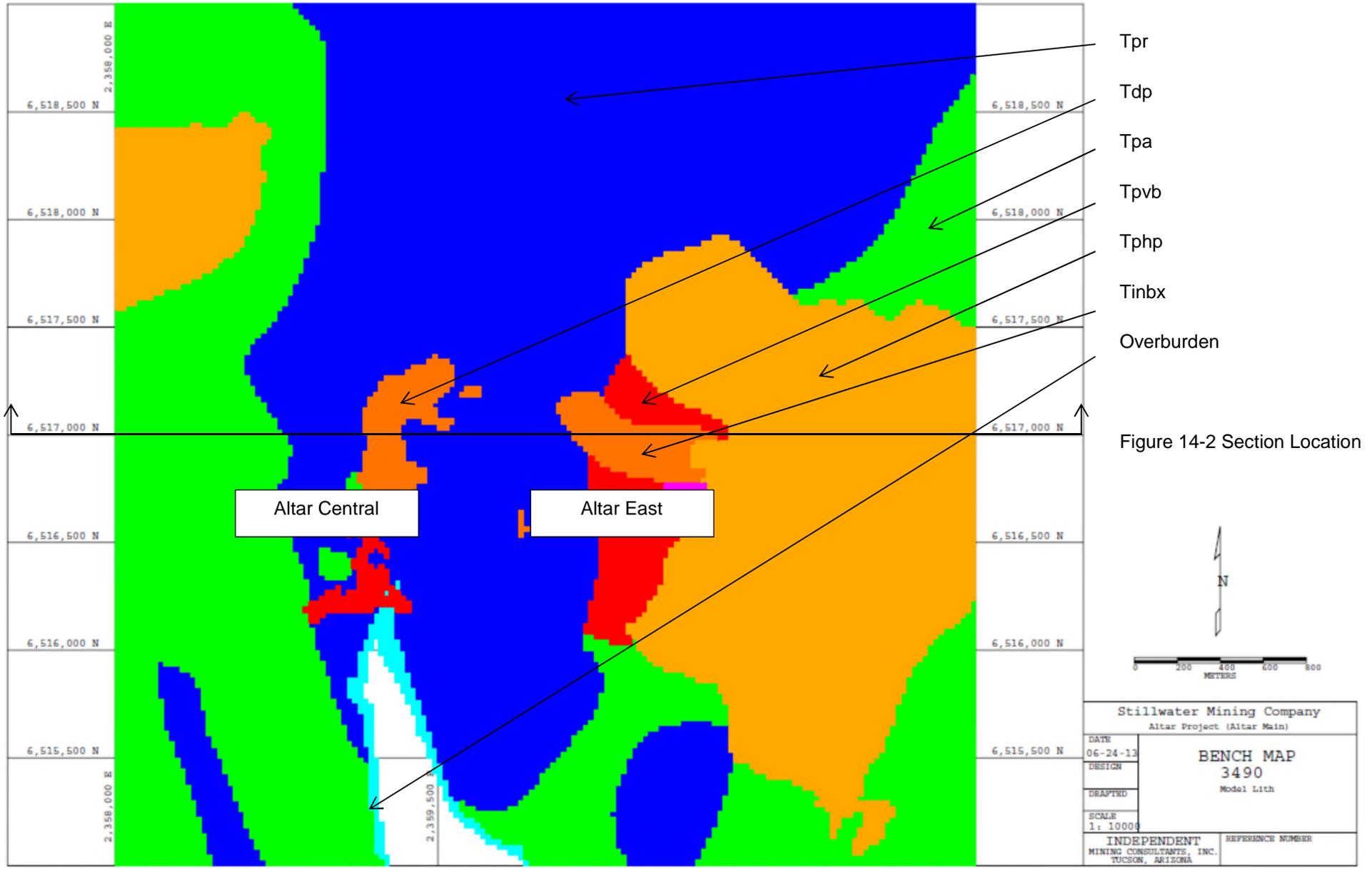


Figure 14-1
Lithology on the 3490 Bench, Source: IMC 2014

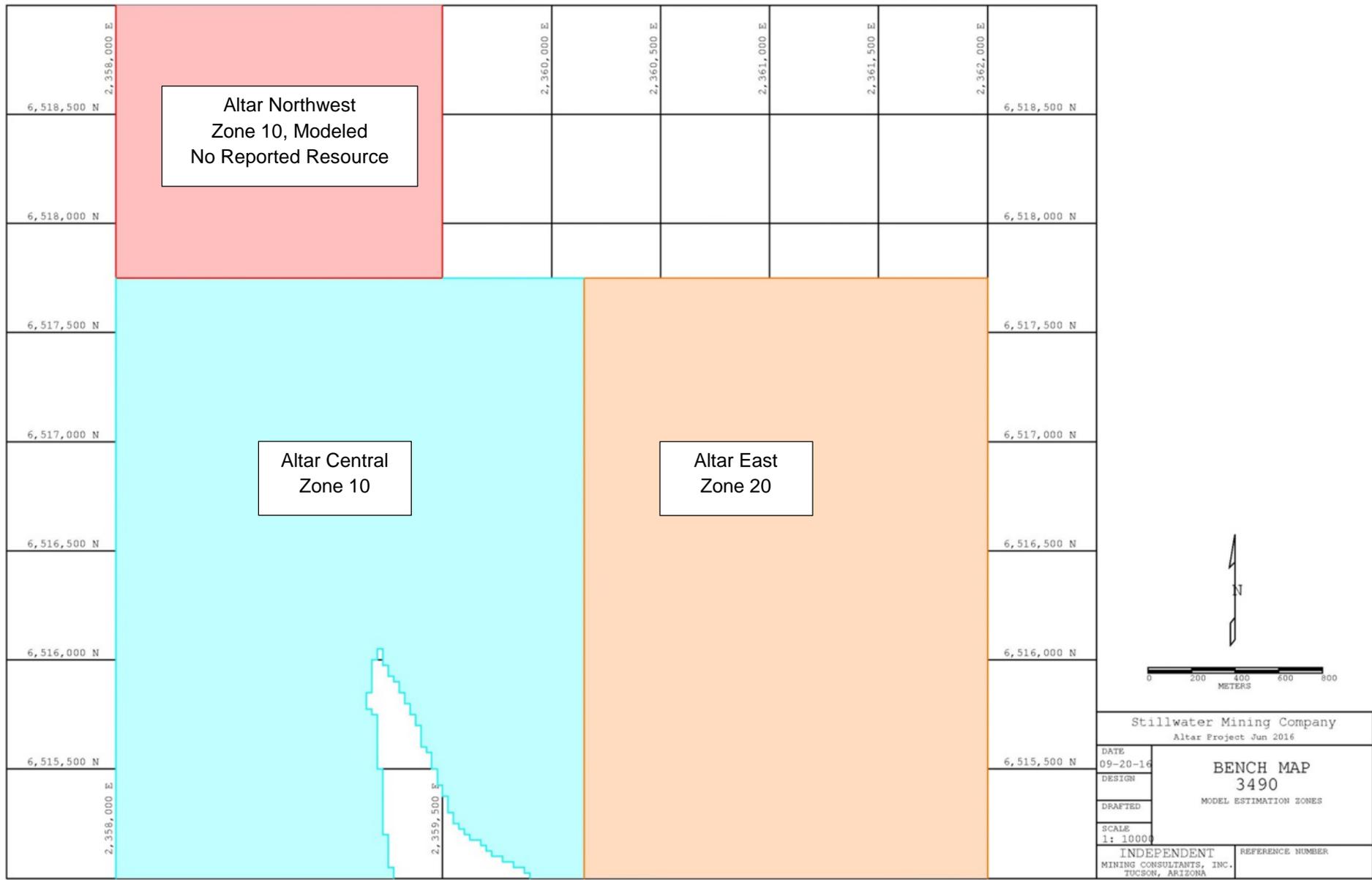


Figure 14-3
 Illustration of Model Estimation Zones
 Source IMC,2014

Variography and Grade Boundary Investigation

Altar Main has been zoned into Altar Central, Altar East, and a northwest exploration zone for statistical analysis and grade estimation. There has been little drilling in the northwest exploration area to date. The zoning was based on statistical analysis of grade distributions, lithology observed in the drill holes, deposit geometry, and by guidance from the geologists on site.

Table 14-5 summarizes the northing and easting limits for each zone and Figure 14-3 shows the boundaries on plan view.

Table 14-5
Estimation Boundaries and Zones

	Domain Code	Min Easting	Max Easting	Min Northing	Max Northing
Altar Model	Limits	6,515,000	6,519,000	2,357,500	2,362,500
Altar Central	10	6,515,000	6,517,750	2,358,000	2,360,150
Altar East	20	6,515,000	6,517,750	2,360,150	2,362,000
Altar Northwest	30	6,517,750	6,519,000	2,358,000	2,359,500
QDM Model	Limits, 50	6,516,500	6,519,000	2,354,500	2,357,500

Population statistics and variography were completed for multiple combinations of deposit zone, lith, and oxidation state. The final result of the statistical evaluation was to establish the statistical domain boundaries and procedures that were used for grade estimation.

Grade boundaries have primarily been set by kriged indicators in the Altar Model. Analysis of rock types and oxidation codes did not consistently align with observed grade boundaries.

For example, comparisons between the interpreted oxidation surface, and the 0.10% copper indicator boundary produced a similar surface that separated the leach cap from an unweathered sulfide copper. However, the 0.10% copper grade also provided a boundary around the stock work zone at depth.

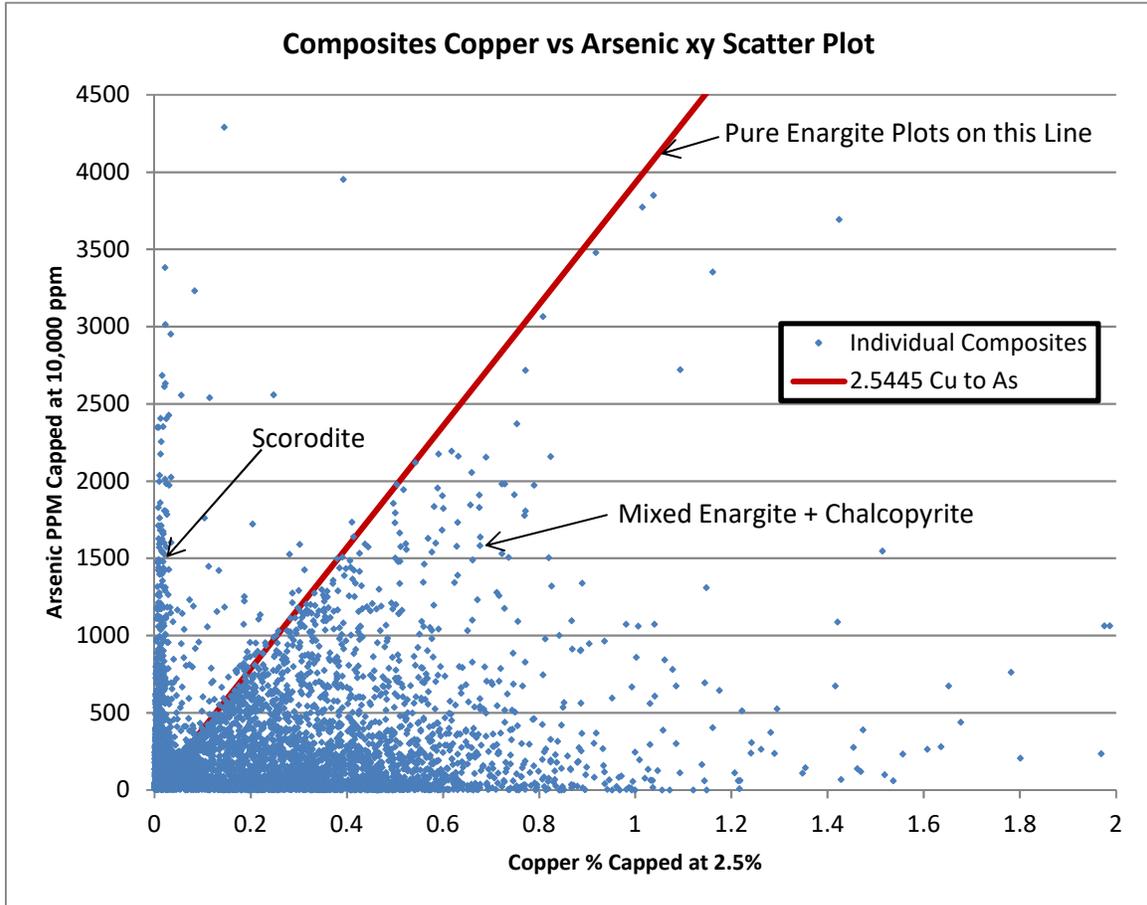
Indicators have been applied to the estimation of copper, arsenic, sulfur, and copper sequential assays (ascu, cucn). Probability plots of these elements were analyzed for distinct occurrences of two or more populations.

Based on cumulative frequency population plots, the grade discriminators that were applied to each metal or parameter are as follows:

Altar Model Indicators

Copper Indicator Boundary	0.10 % copper
Sulfur Indicator Boundary	0.20 % sulfur
Arsenic Indicator Boundary	2.54 cu/as ratio
Ascun Indicator Boundary	0.10 % copper
Cucn Indicator Boundary	0.10 % copper

The indicator boundary for arsenic was based on the ratio of total copper to arsenic in the form of enargite at 2.5445. Below is a scatter plot of copper vs. arsenic composite data that shows the distinct occurrence of two populations within arsenic. The 2.5445 ratio is based on both metals reported in weight%. The graph shows the arsenic grade in parts per million.



Three items can be observed from the graph.

- 1) Composites that plot closely to the 2.5445 line define material where most of the mineralized copper is contained in enargite.
- 2) Material with copper to arsenic ratios greater than 2.5445 consist of arsenic minerals mixed with other copper sulfides.
- 3) Material with ratios less than 2.5445 define the arsenic associated with oxide material believed to be primarily scorodite.

The high arsenic, copper barren material was bounded and estimated separately to prevent smearing high grade oxidized arsenic (scorodite) into lower grade sulfide areas.

Variography indicates a general northeast-southwest orientation for copper, gold, silver, molybdenum, and sulfur in Altar Central. A northwest-southeast orientation was observed in copper, silver, molybdenum, and sulfur in Altar East. Gold in Altar East has been kept isotropic in plan.

Search orientations for arsenic and sulfur have paralleled the same direction as copper for consistency and in consideration of the potential negative impacts of these elements on Altar economics. The variogram range for sulfur has been stretched by a factor of 1.5 to assure reasonable coverage into waste zones of the deposit. This was done to maximize the sulfur coverage for future potential Acid Rock Drainage (ARD) categorization of the waste because there are fewer sulfur composites than copper composites.

In all cases, vertical variograms showed good continuity and long ranges of influence. This is a typical response for deposits with predominately vertical drilling and represents an unavoidable spatial bias in the data collection process.

Review of geologic and assay cross sections supported the validity of variogram interpretation and development of grade boundaries. The abundance of vertical data and abrupt local grade variability in that vertical data was also observed on section. The vertical search for all grade estimation models was limited to 90m to better reflect the local grade changes and improve mine planning guidance.

The resulting grade estimation procedures and kriging parameters are discussed in the next sub-section.

Altar Block Grade Estimation

Minerals estimated include copper, gold, arsenic, silver, molybdenum, sulfur, ascu, and cucn. Hard boundaries incorporated into the model were grade boundaries defined by the indicators discussed previously. Rock types and the oxidation surface were not used as boundaries for grade estimation.

Indicator grade boundaries were applied in the estimation of copper, arsenic, sulfur, and copper sequential assays (ascu, cucn). The indicators were found to provide a more reliable boundary than the interpreted oxidation surface. Gold, silver, and molybdenum were assigned by ordinary linear kriging.

The process of indicator kriging assigns indicator fractions or probabilities to each block. Indicator fractions may vary from 0 to 1 and represent the probability that a given block is above the grade discriminator value. Blocks were coded as above or below the indicator discriminator on a 50% basis. Indicators greater than 0.5 are assigned values of 1, and blocks with indicator less than 50% are set to 0 to represent the zone with grades likely to be less than the grade discriminator. Ordinary linear kriging of grades proceed as normal estimating the two zones independently, treating the grade boundary as a hard boundary. Composites on one side of the boundary can only influence and assign blocks in that zone.

Copper soluble species ascu and cucn, were estimated with the following steps:

- Ascuable/total and Cucn/total fractions were calculated for each composite where sequential data was available.
- Ascuable/total and Cucn/total composites fractions were kriged and assigned to the block model respecting the 0.10% total copper indicator.

- The soluble species ascu and cucn were calculated from estimated fractions and the estimated total copper

Compared to other composite data such as copper and gold, ascu and cucn have significantly less data and limited area coverage. This will have impacts and assumptions regarding the recoveries of deeper copper material below the leach cap in later sections.

Table 14-6 summarizes the indicator kriging procedures.

Table 14-7 summarizes the grade estimation parameters.

Table 14-6
Altar Main Indicator Kriging Parameters
Altar Main Block Grade Estimation

Same Discriminator Metal and Discriminator for Copper, Ascu, and Cucn

Metal	Altar Domain	Discriminator Grade	Orientations, Bearing			Range and Search in Meters			Nugget	Total Sill C + Co
			Primary	Secondary	Vertical	Primary	Secondary	Vertical		
Copper	Central	0.1 Cu %	045°	135°	090°	285m	100m	45m	0.1	1.0
	East	0.1 Cu %	135°	225°	090°	225m	150m	45m	0.1	1.0
	North	0.1 Cu %	000°	090°	090°	150m	150m	45m	0.1	1.0
Arsenic	Central	2.5445 Cu/As	045°	135°	090°	285m	100m	45m	0.1	1.0
	East	2.5445 Cu/As	135°	225°	090°	225m	150m	45m	0.1	1.0
	North	2.5445 Cu/As	000°	090°	090°	150m	150m	45m	0.1	1.0
Sulfur	Central	0.2 Suflur %	045°	135°	090°	430m	265m	45m	0.1	1.0
	East	0.2 Suflur %	135°	225°	090°	340m	265m	45m	0.1	1.0
	North	0.2 Suflur %	000°	090°	090°	225m	225m	45m	0.1	1.0
ascu	Central	0.1 Cu %	045°	135°	090°	285m	100m	45m	0.1	1.0
	East	0.1 Cu %	135°	225°	090°	225m	150m	45m	0.1	1.0
	North	0.1 Cu %	000°	090°	090°	150m	150m	45m	0.1	1.0
cucn	Central	0.1 Cu %	045°	135°	090°	285m	100m	45m	0.1	1.0
	East	0.1 Cu %	135°	225°	090°	225m	150m	45m	0.1	1.0
	North	0.1 Cu %	000°	090°	090°	150m	150m	45m	0.1	1.0

Maximum = 10, Minimum = 2, Maximum per Hole = 3

Table 14-7
Altar Grade Kriging Parameters
Alter Main Block Grade Estimation

Metal	Indicator Position	Altar Domain	Orientations, Bearing			Range and Search in Meters			Nugget	Total Sill C + Co
			Primary	Secondary	Vertical	Primary	Secondary	Vertical		
Copper	Inside and Outside	Central	045°	135°	090°	285m	100m	45m	0.1	1.0
		East	135°	225°	090°	225m	150m	45m	0.1	1.0
		North	000°	090°	090°	150m	150m	45m	0.1	1.0
Gold	None	Central	045°	135°	090°	285m	100m	45m	0.1	1.0
		East	000°	090°	090°	200m	200m	45m	0.1	1.0
		North	000°	090°	090°	150m	150m	45m	0.1	1.0
Arsenic	Inside and Outside	Central	045°	135°	090°	285m	100m	45m	0.1	1.0
		East	135°	225°	090°	225m	150m	45m	0.1	1.0
		North	000°	090°	090°	150m	150m	45m	0.1	1.0
Silver	None	Central	045°	135°	090°	285m	100m	45m	0.1	1.0
		East	135°	225°	090°	225m	150m	45m	0.1	1.0
		North	000°	090°	090°	150m	150m	45m	0.1	1.0
Moly	None	Central	045°	135°	090°	200m	200m	45m	0.1	1.0
		East	135°	225°	090°	200m	200m	45m	0.1	1.0
		North	000°	090°	090°	150m	150m	45m	0.1	1.0
Sulfur	Inside and Outside	Central	045°	135°	090°	430m	265m	45m	0.1	1.0
		East	135°	225°	090°	340m	265m	45m	0.1	1.0
		North	000°	090°	090°	225m	225m	45m	0.1	1.0
ascu	Inside and Outside	Central	045°	135°	090°	285m	100m	45m	0.1	1.0
		East	135°	225°	090°	225m	150m	45m	0.1	1.0
		North	000°	090°	090°	150m	150m	45m	0.1	1.0
cucn	Inside and Outside	Central	045°	135°	090°	285m	100m	45m	0.1	1.0
		East	135°	225°	090°	225m	150m	45m	0.1	1.0
		North	000°	090°	090°	150m	150m	45m	0.1	1.0

Maximum = 10, Minimum = 2, Maximum per Hole = 3

Grade Estimation Respected Nearest Block Indicator Codes for Copper, Arsenic, Sulfur, Ascu, and Cucn

Altar Model Density Assignment Values and Procedure

Bulk density for Altar is based on 2,503 core samples from assay intervals selected by Peregrine and sent to Alex Stewart Laboratories for bulk density measurement. The core samples are weighed in air, coated in paraffin, weighed in air with the paraffin coating, then submerged and weighed in water. Table 14-8 below summarizes the densities that were assigned to the model based on lithology and oxidation.

IMC analyzed the data by rock type and oxidation state based on the interpreted oxide surface from Peregrine. The impact of fracturing on bulk density was also investigated using the RQD data provided by Peregrine.

Cell regression plots of density data were generated within 10% ranges of RQD. In summary there is a slight reduction in density data with lower RQD. A simple linear fit was applied to that data. The average RQD was then calculated for sulfide and oxide zones of the deposit that were entered into the linear equation to generate the correction factors shown at the bottom of Table 14-10. The density information shown on Table 14-10 has had the oxide and sulfide correction factors applied so that the assignments reflect in-place dry bulk density.

Tab 14-8
Altar Model Assigned Model Densities
2013 Bulk Density Data

Model		Model Dry Density Specific Gravity	
Code	Lith	Oxide=1	Sulfide=3
1	Overburden	2.000	2.000
2	Tpr	2.447	2.545
3	Tpa	2.485	2.633
4	Tdp	2.358	2.582
5	Tpvb	2.363	2.579
6	Tphp	2.379	2.640
9	Tinbx	2.454	2.651
Default		2.407	2.587

Mean of Test Data Reduced by a Factor
that reflects fracturing from RQD data

Oxide Factor = 0.995

Sulfide Factor = 0.985

Confidence Code Estimate

The determination of measured, indicated, and inferred was established based on Kriged Standard Deviation (KSD = Square root of kriged variance) and the number of composites used to estimate the block. Each confidence code had increasingly stricter rules on KSD and the number of influencing composites.

The confidence code estimate is based on the estimation of copper grade and is summarized as follows:

<u>Procedure</u>	<u>Confidence Code</u>
If Copper was estimated.	Inferred = 3
If Copper KSD \leq 0.984 and Number of composites \geq 3.0	Indicated = 2
If Copper KSD \leq 0.692 and Number of composites =10	Measured = 1

The outer ring of 30 to 45m around isolated or external drill holes is coded as “inferred” in the long axis of the search. Within Altar Main, indicated material has a radius of about 70m around isolated holes in the northeast direction. Within Alter East, indicated material has about a 105m radius in the northwest direction around an isolated drill hole.

14.2 QDM Model

Model Location

The model size and location of the QDM model is summarized below in Table 14-9 in the Gauss Kruger projection coordinates.

Table 14-9
2013 Sep QDM Model - Size and Location

Model Limits	Corner Coordinates			
	Southwest	Northwest	Northeast	Southeast
Easting	2,354,500	2,357,500	2,357,500	2,354,500
Northing	6,516,500	6,519,000	6,519,000	6,516,500
Elevation Range	2,500		4,400	
Model Rotation:	None			
		Columns	Rows	Levels
Size		120	100	190
Block Size	25 x 25 x 10 m Bench ht = 10 m			

Drill Hole Data

Drilling at QDM was completed during the both the 2011 and 2012 seasons. The initial 4 holes were drilled by Peregrine Metals, with an additional 24 holes drilled in 2012. The total assay data base amounts to 28 holes containing 7,093 meters of drilling with 3462 assay intervals. The holes drilled in 2017 that appear to expand QDM on plan actually target a deep porphyry occurrence to the east of QDM and are not within the QDM resource pit geometry. The 2017 drill was not used in the estimation of QDM resource.

QDM assay grade capping was completed on copper, gold, silver, arsenic, molybdenum summarized below:

Table 14-10
QDM Assay Cap Values
2013 Sep

Item	Cap Value
Copper	0.50 %
Gold	6 gm/t
Arsenic	0.20 %
Silver	50 ppm
Moly	0.15 %
Sulfur	None

QDM drill holes were composited at 10 meter down hole (length) intervals. A minimum composite length of 5.0 m was required for block estimation. Table 14-11 summarizes the assay data after capping was applied as well as when composited. This table includes the drill hole data that is contained in the QDM model and used to estimate the QDM resource.

Table 14-11
Basic Statistics, QDM Drill Hole Data
Sep 2013 Data

Item	After Cap Assays		10-m Composites	
	Number	Mean	Number	Mean
Copper, %	3,432	0.056	690	0.055
Gold, gm/tonne	3,432	0.343	690	0.324
Silver, gm/tonne	3,432	1.749	690	1.746
Molybdenum, %	3,432	0.001	690	0.001
Arsenic, %	3,432	0.018	690	0.018
Sulfur%	3,432	3.425	690	3.422

QDM Model Geology

The Quebrada del la Mina (QDM) deposit is primarily a gold deposit with minor associated copper. The Pachon Andesite volcanics were intruded by a circular dacite porphyry stock approximately 700 m in diameter and host a large alteration footprint centered on the porphyry stock. The rock types that were stored within the model framework were:

Pachon Andesite (Tpa), Dacite Porphyry (Tdap), and overburden.

The QDM geologic plans and sections that are shown in Section 7.0 illustrate the rock types and mineralized areas from the block model.

QDM Grade Estimation

Analysis of gold and silver grades indicated significant differences in population grades between QDM rock types: overburden, Tpa, and Tdap. Hard boundaries have been placed between QDM rocktypes, overburden, Tertiary Pachon Andesite, and Tertiary Dacite Porphyry. In overburden, the variogram range has been limited by a factor of 1/3 of that applied to the other rock types due to the limited dataset as well as the uncertain nature of overburden as an ore host.

Grade indicators have been applied to the estimation of sulfur. Probability plots of all elements were analyzed with the result that sulfur was separated on a 0.20% indicator discriminator. Gold and silver were estimated with ordinary linear kriging that was bounded by rock type.

Table 14-12 summarizes the indicator kriging procedures applied to sulfur.

Table 14-12
QDM Rock Type & Indicator Kriging Parameters

Metal	Altar Domain	Discriminator Grade	Orientations, Bearing			Range and Search in Meters			Nugget	Total Sill C + Co
			Primary	Secondary	Vertical	Primary	Secondary	Vertical		
Sulfur	QDM	0.2 Sulfur %	022.5°	112.5°	090°	300m	265m	45m	0.1	1.0

Maximum = 10, Minimum = 2, Maximum per Hole = 3

Variography indicates a general North 22.5 degree East (N22.5E) orientation for copper, gold, silver, molybdenum, and sulfur in QDM. The variogram range for sulfur has been stretched by a factor of 1.5 to assure reasonable coverage into waste zones of the deposit. This was done to maximize the sulfur coverage for future potential ARD categorization of the waste.

In all cases, vertical variograms showed good continuity and long ranges of influence. This is a typical response for deposits with predominately vertical drilling and represents an unavoidable spatial bias in the data collection process.

Review of geologic and assay cross sections helped indicate and supported the validity of variogram interpretation and development of grade boundaries. The abundance of vertical data and abrupt local grade variability in that vertical data was also observed on section. The vertical search for all grade estimation models was limited to 45m to better reflect the local grade changes and improve mine planning guidance.

Table 14-13 summarizes the grade estimation parameters.

Table 14-13
QDM Grade Kriging Parameters
QDM Block Grade Estimation

Metal	Indicator Position	Altar Domain	Orientations, Bearing			Range and Search in Meters			Nugget	Total Sill C + Co
			Primary	Secondary	Vertical	Primary	Secondary	Vertical		
Copper	None	QDM	022.5°	112.5°	090°	200m	150m	45m	0.1	1.0
Gold	Ovbn Tpa, Tdap	QDM	022.5°	112.5°	090°	60m	50m	45m	0.1	1.0
		QDM	022.5°	112.5°	090°	175m	150m	45m	0.1	1.0
Arsenic	None	QDM	022.5°	112.5°	090°	200m	150m	45m	0.1	1.0
Silver	Ovbn Tpa, Tdap	QDM	022.5°	112.5°	090°	60m	50m	45m	0.1	1.0
		QDM	022.5°	112.5°	090°	175m	150m	45m	0.1	1.0
Moly	None	QDM	022.5°	112.5°	090°	200m	200m	45m	0.1	1.0
Sulfur	Inside and Outside	QDM	022.5°	112.5°	090°	300m	265m	45m	0.1	1.0

Maximum = 10, Minimum = 2, Maximum per Hole = 3

Grade Estimation Respected Rock Type Boundaries for Gold, Silver, Copper, and Moly

Grade Estimation for Sulfur Respected the 0.20% Sulfu Indicator

QDM Model Density Assignment Values and Procedure

Bulk density for QDM is based on 424 core samples from assay intervals selected by Peregrine and sent to Alex Stewart Laboratories for bulk density measurement. The core samples are weighed in air, coated in paraffin, weighed in air with the paraffin coating, then submerged and weighed in water. Table 14-14 summarizes the densities that were assigned to the model based on lithology and oxidation.

The concept and procedure for rock density reduction for RQD is similar to that explained in the previous section for the Altar model density assignment. The density information shown on Table 14-14 has had the oxide, mixed, and sulfide correction factors applied so that the assignments reflect in-place dry bulk density.

Tab 14-14
 QDM Model Assigned Model Densities
 2013 Bulk Density Data

Model		Model Dry Density Specific Gravity		
Code	Lith	Oxide=1	Mixed=2	Sulfide=3
1	Overburden	2.000	2.000	2.000
3	Tpa	2.381	2.558	2.542
7	Tdap	2.370	2.441	2.495
Default		2.371	2.487	2.515

Mean of Test Data Reduced by a Factor
 that reflects fracturing from RQD data

Oxide Factor = 0.995
 Mixed Factor = 0.990
 Sulfide Factor = 0.985

Confidence Code Estimate

The determination of measured, indicated, and inferred was established based on Kriged Standard Deviation (KSD = Square root of kriged variance) and the number of composites used to estimate the block. Each confidence code had increasingly stricter rules on KSD and the number of influencing composites.

The confidence code estimate is based on the estimation of gold grade and is summarized as follows:

<u>QDM Procedure</u>	<u>Confidence Code</u>
If Gold was estimated.	Inferred = 3
If Gold KSD <= 0.94 and Number of composites >= 4	Indicated = 2
If Gold KSD <= 0.65 and Number of composites =10	Measured = 1

The outer ring of 50m to 75m around isolated or external drill holes is coded as “inferred” in the long axis of the search. Indicated material has a radius of about 70m around isolated holes in the northeast direction.

14.3 Mineral Resource

The mineral resources for both deposits were based on the application of the floating cone algorithm to the block models to establish the component of the deposit that has “reasonable prospects of economic extraction”. The mineral resources are therefore contained within a computer generated open pit geometry where economic value has been assigned to measured, indicated, and inferred material.

The Altar and QDM resources were originally developed and reported in 2013. The sensitivity of the resource to changes in metal price and costs as of mid-2018 have been evaluated to confirm that the 2013 statement of resources is still valid.

Altar Resource Estimate

The Altar resource has been developed based on the following conceptual flow sheet:

- 1) Crushing
- 2) Comminution
- 3) Flotation
- 4) Pressure Oxidation of the Flotation Concentrate (POX)
- 5) Solvent Extraction and Electro-winning of the POX product to produce EW Copper
- 6) Cyanide Leaching of the POX product after SXEW to produce the Gold and Silver

Traditional smelting was investigated but the arsenic levels in the Altar concentrate would make it difficult to find a smelter that would accept the Altar concentrates. Cutoff grade was determined on an Net Smelter Return (NSR, Net of Refining) basis which in this case means net of all refining costs on site since smelting is not applied. Cost estimates for the process were scaled from other projects or developed from published cost indexes. POX and SXEW costs were provided in the Hydromet report as noted in Sections 3, 13, and 17.

Table 14-15 summarizes the input parameters to the Altar resource determination. Economic credit was applied to measured, indicated, and inferred categories of mineralization. No constraints have been applied to the resource regarding tailing or waste storage capacities. The cutoff grade reflects the estimated cost to process the ore plus site G&A which total \$4.67 NSR / tonne of ore.

The NSR calculation applied at Altar is summarized as follows:

Altar POX NSR Calculation		
NSR =	$(\$2.75 - \$0.47) \times \text{Float Recovery} \times 0.98 \times 22.0462$	Sulfide Copper Contribution
	$+ (\$1178.57 - \$205.16) \times 0.50 \times 0.975 \times 0.0322$	Gold Contribution
	$+ (\$22.79 - \$0.55) \times 0.51 \times 0.975 \times 0.0322$	Silver Contribution

The resulting Altar mineral resource is summarized with the QDM resource statement on Table 14-17.

The qualified person for the estimation of the mineral resource was John Marek of Independent Mining Consultants, Inc. Significant metal price changes could materially change the estimated mineral resources in either a positive or a negative direction. To date, there has been limited testing of the POX-SXEW-CN Leach component of the flow sheet. As a result, there are consequent risks regarding costs and technical applicability of the process.

Part of the land position at Altar is a group of concessions called Rio Cenicero. There is an option agreement in place regarding the Rio Cenicero that is summarized in Section 4.0. The component of the mineral resource that is contained on the Rio Cenicero concessions is broken out on Table 14-18. The material on Table 14-18 is contained within the total resource reported on Table 14-17.

Sensitivity to 2018 Price and Cost Changes

Metal prices have increased since the mineral resource was originally developed in 2013. The metal prices that were used are summarized below along with the recent spot prices in the 2nd quarter of 2018.

	Metal Price on 2013 Resource	Spot Prices, 2 nd Quarter 2018
Copper	\$2.75/lb	\$3.00/lb
Gold	\$1,178.57/ oz	\$1,250/oz
Silver	\$22.79 / oz	\$16.21/oz

The 2013 resource cone was retabulated using the spot prices above to understand the impact of the increase in metal prices on the mineral resource.

Additional tests were completed by increasing the cutoff grade to simulate an increase in costs. Mining costs have not inflated to any extent since 2013 due to the current costs of fuel of around \$68/barrel compared to the plus \$100/barrel costs in 2013.

However, as a robustness check, IMC tabulated the material in the resource pits with cost cutoff increases of about 7% and 28% compared with the 2013 costs and combined them with the 2018 spot values.

Table 14-19 summarizes the result for both Altar and QDM. Resource impacts due to cost inflation of 7% combined with 2018 spot prices can be confirmed as not material. Costs would have to increase to levels that are 28% higher than the 2013 costs for there to be a moderate impact on QDM.

A scan of the results on Table 14-19 indicates that the 2013 statement of mineral resources is robust and the stated resource has reasonable prospects of economic extraction on a current economic basis.

Table 14-15
Pressure Oxidation Leach (POX) Resource Cone Floating Cone Input Summary
Altair Flotation to POX Estimate, Assuming Internal Production of Copper,
and External Refining of Precious Metals

Mining Cost	Base	\$1.40 /tonne of material
	Plus	\$0.03 /bench above 3490
	Plus	\$0.03 /bench below 3490
Flotation Process per Tonne of Ore		\$4.20 /tonne ore
G&A Cost per Tonne of Ore		\$0.47 /tonne ore
Flotation Process Recovery		
	(Sulfide Copper - 0.01%) * 0.92 of Sulfide Copper	
Gold		50%
Silver		51%
Concentrate Grade		26.0% Copper
Avg Head Cu Grade		0.325% Total Copper
Avg Con Ratio		89.7 ratio
Avg Head Au Grade		0.073 ppm Gold
POX, Refining, and Freight		
Copper Con POX		\$0.258 /lb Copper
Copper Leaching		\$0.245 /lb Copper
Copper Sales, Insurance, Misc		<u>\$0.03</u> /lb Copper
		+
Inland Rail Freight		\$37.00 /tonne metal product
Ocean Freight		\$49.45 /tonne metal product
Copper Delivery Charges		\$1.10 /tonne metal product
Port Charges		<u>\$1.00</u> /tonne metal product
=> Total Copper Charges		\$0.57 /lb Copper
Precious Metals Con POX		\$199.16 /troy ounce Gold
Gold Refining		\$6.00 /troy ounce
Silver Refining		\$0.55 /troy ounce
Payable Copper		98.0%
Gold		97.5%
Silver		97.5%
Royalty		1.0% Applied to All Metals
Overall Slope Angles for Floating Cones by Rock Type		
Tdp = Diorite Porphyry		33 degrees
Elsewhere		40 degrees
Resource Cone Base Metal Prices		
Copper		\$2.75 /lb Copper
Gold		\$1,179 /troy Ounce
Silver		\$22.79 /troy Ounce

No Arsenic Penalties Are Incurred As a Result of POX Processing

QDM Resource Estimate

The QDM resource estimate is contained within a floating cone pit and assumes that the Altar process facility is available for QDM processing. It is assumed that the QDM ores would be processed on a campaign basis through the Altar flotation, POX, and Cn Leach process. SXEW may or may not be utilized due to the low copper grade in QDM. It may be used to remove the copper prior to cyanide leaching to minimize the consumption of cyanide.

Table 14-16 summarizes the input parameters to the Altar resource determination. Economic credit was applied to measured, indicated, and inferred categories of mineralization. No constraints have been applied to the resource regarding tailing or waste storage capacities. The cutoff grade reflects the estimated cost to process the ore plus site G&A which total \$13.17 NSR /tonne of ore. The cost of POX processing and cyanide leach of the POX product has been incorporated into the cost per ore tonne at QDM.

The NSR Calculation for Altar is summarized as follows:

QDM POX NSR Calculation		
NSR =	$(\$1178.57 - \$6.00) \times \text{Float Recovery} \times 0.975 \times 0.0322$	Gold Contribution
	$+ (\$22.79 - \$0.55) \times 0.40 \times 0.975 \times 0.0322$	Silver Contribution

The resulting QDM mineral resource is summarized on Table 14-17 along with the Altar mineral resource.

Table 14-16

**QDM Pressure Oxidation Leach (POX) Resource Cone Floating Cone Input Summary
QDM Flotation Estimate, Assuming Internal Production of Copper,
and External Smelting of Precious Metals POX Product**

Mining Cost	Base	\$1.40 /tonne of material
	Additional Haulage	\$0.50 /tonne of material
	Plus	\$0.02 /bench above 3730
	Plus	\$0.02 /bench below 3730
Floation Process per Tonne of Ore		\$4.20 /tonne ore
POX Process per Tonne of Ore		\$8.50 /tonne ore
G&A Cost per Tonne of Ore		\$0.47 /tonne ore
Flotation Process Recovery (Altar batch processing)		
	Gold	
	Oxide	40%
	Mixed	70%
	Sulfide	85%
	Silver	51%
Smelting Refining and Freight		
	Gold Refining	\$6.00 /troy ounce
	Silver Refining	\$0.55 /troy ounce
	Payable Gold	97.50%
	Silver	97.50%
	Royalty	Not Applied
Overall Slope Angles for Floating Cones by Rock Type		
	Everywhere	40 degrees
Resource Cone Base Metal Prices		
	Copper	\$2.75 /lb Copper
	Gold	\$1,179 /troy Ounce
	Silver	\$22.79 /troy Ounce

Table 14-17

Altar Mineral Resources¹
31 December 2013, Updated to 1 July 2018

Classification	Cutoff Grade NSR \$/t	Mineral Resources at 4.67 NSR Cutoff							Contained Metal		
		Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	\$4.67	995,001	\$15.90	0.358	0.340	0.083	0.96	0.028	7,458	2,655	30,710
Indicated	\$4.67	<u>1,048,899</u>	<u>\$14.09</u>	<u>0.312</u>	<u>0.305</u>	<u>0.065</u>	<u>0.90</u>	<u>0.023</u>	<u>7,053</u>	<u>2,192</u>	<u>30,351</u>
Measured + Indicated	\$4.67	2,043,900	\$14.97	0.334	0.322	0.074	0.93	0.025	14,511	4,847	61,061
Inferred	\$4.67	555,951	\$12.88	0.283	0.279	0.060	0.87	0.022	3,420	1,072	15,551

Total Material of ore and waste in the Altar Cone: 8,041,551 ktonnes

Quebrada de La Mina, Mineral Resources¹

Classification	Cutoff Grade NSR \$/t	Mineral Resources at 13.17 NSR Cutoff					Contained Metal		
		Ore Ktonnes	NSR \$/t		Gold Gm/t	Silver Gm/t		Gold Ozs x 1000	Silver Ozs x 1000
Measured	\$13.17	10,911	\$27.94		0.930	3.49		326	1,224
Indicated	\$13.17	<u>2,623</u>	<u>\$21.24</u>		<u>0.720</u>	<u>5.94</u>		<u>61</u>	<u>501</u>
Measured + Indicated	\$13.17	13,534	\$26.64		0.889	3.96		387	1,725
Inferred	\$13.17	603	\$23.80		0.730	7.87		14	153

Total Material of ore and waste in the QDM Cone: 39,776 ktonnes

Total Altar and Quebrada de La Mina, Mineral Resources¹

Classification	Cutoff Grade NSR \$/t	Mineral Resources							Contained Metal		
		Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	4.67 at	1,005,912	\$16.03	0.354	0.336	0.092	0.99	0.028	7,458	2,981	31,935
Indicated	Altar	<u>1,051,522</u>	<u>\$14.11</u>	<u>0.311</u>	<u>0.304</u>	<u>0.067</u>	<u>0.91</u>	<u>0.023</u>	<u>7,053</u>	<u>2,253</u>	<u>30,852</u>
Measured + Indicated	13.17 at QDM	2,057,434	\$15.05	0.332	0.320	0.079	0.95	0.025	14,511	5,234	62,786
Inferred		556,554	\$12.89	0.283	0.279	0.061	0.88	0.022	3,420	1,087	15,703

Notes:

The resource statement is included within a floating cone defined with the following metal prices:

\$2.75/lb Copper, \$1,179/oz Gold, \$22.79/oz Silver

Copper and Arsenic grades are in percent of dry weight.

Gold and Silver grades are in grams per metric tonne.

Sulfide copper reflects the estimated grade of copper that could be processed by sulfide flotation.

There are no mineral reserves at Altar or QDM at this time.

Gold and Silver contained are in Thousands of Troy Ounces.

Weighted average grade calculations may not balance due to rounding.

¹Cautionary Notes to U.S. Investors

This Technical Report, uses terminology that is defined under Canadian law by National Instrument 43-101 including “measured, indicated, and inferred”, and “mineral resource” that the SEC guidelines strictly prohibit from including in company filings with the SEC.

The estimation of measured resources, indicated resources, and inferred resources involves greater uncertainty as to their existence and economic feasibility than estimation of proven and probable reserves. U.S. investors are cautioned not to assume that mineral resources in these categories will be converted into reserves.

Table 14-18
RIO CENICERO CONCESSION COMPONENT
Altar Mineral Resources, Rio Cenicero Concession¹
31 December 2013, Updated to 1 July 2018

Classification	Cutoff Grade NSR \$/t	Mineral Resources at 4.67 NSR Cutoff							Contained Metal		
		Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	\$4.67	54,669	\$17.44	0.352	0.351	0.146	1.21	0.017	423	257	2,127
<u>Indicated</u>	\$4.67	<u>77,118</u>	<u>\$19.04</u>	<u>0.393</u>	<u>0.393</u>	<u>0.133</u>	<u>1.24</u>	<u>0.020</u>	<u>668</u>	<u>330</u>	<u>3,075</u>
Measured + Indicated	\$4.67	131,787	\$18.38	0.376	0.376	0.138	1.23	0.019	1,091	586	5,201
Inferred	\$4.67	61,365	\$17.87	0.370	0.370	0.116	1.36	0.019	501	229	2,683

Quebrada de La Mina, Mineral Resources, Rio Cenicero Concession¹

Classification	Cutoff Grade NSR \$/t	Mineral Resources at 13.17 NSR Cutoff					Contained Metal	
		Ore Ktonnes	NSR \$/t		Gold Gm/t	Silver Gm/t	Gold Ozs x 1000	Silver Ozs x 1000
Measured	\$13.17	814	\$17.68		0.620	2.98	16	78
<u>Indicated</u>	\$13.17	<u>1,059</u>	<u>\$17.24</u>		<u>0.590</u>	<u>3.30</u>	20	112
Measured + Indicated	\$13.17	1,873	\$17.43		0.603	3.16	36	190
Inferred	\$13.17	340	\$23.76		0.730	7.94	8	87

Total Altar and Quebrada de La Mina, Mineral Resources, on Rio Cenicero Concession¹

Classification	Cutoff Grade NSR \$/t	Mineral Resources							Contained Metal		
		Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	4.67 at	55,483	\$17.45	0.347	0.346	0.153	1.236	0.017	423	273	2,205
<u>Indicated</u>	Altar	<u>78,177</u>	<u>\$19.02</u>	<u>0.388</u>	<u>0.388</u>	<u>0.139</u>	<u>1.268</u>	<u>0.020</u>	<u>668</u>	<u>350</u>	<u>3,187</u>
Measured + Indicated	13.17 at QDM	133,660	\$18.37	0.371	0.370	0.145	1.25	0.018	1,091	623	5,392
Inferred		61,705	\$17.91	0.368	0.368	0.119	1.396	0.019	501	237	2,770

Notes:

The Rio Cenicero Resources are a component of and are contained within the Mineral Resources on Table 1.

The resource statement is included within a floating cone defined with the following metal prices:

\$2.75/lb Copper, \$1,179/oz Gold, \$22.79/oz Silver

Copper and Arsenic grades are in percent of dry weight.

Gold and Silver grades are in grams per metric tonne.

Sulfide copper reflects the estimated grade of copper that could be processed by sulfide flotation.

There are no mineral reserves at Altar or QDM at this time.

Gold and Silver contained are in Thousands of Troy Ounces.

Weighted average grade calculations may not balance due to rounding.

¹Cautionary Notes to U.S. Investors

This Technical Report, uses terminology that is defined under Canadian law by National Instrument 43-101 including “measured, indicated, and inferred”, and “mineral resource” that the SEC guidelines strictly prohibit from including in company filings with the SEC.

The estimation of measured resources, indicated resources, and inferred resources involves greater uncertainty as to their existence and economic feasibility than estimation of proven and probable reserves. U.S. investors are cautioned not to assume that mineral resources in these categories will be converted into reserves.

Table 14-19
Altar Main Resource Sensitivity to Metal Price and Costs

Class	Cutoff Grade NSR \$/t	Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Percent Difference in Tonnes and Contained Metal								
									Tonnes	NSR	TotCu	SulfCu	Au	Ag	As		
Reported Mineral Resource										Negative means Tonnes or Metal Loss Relative to Resource							
Meas+Indic	\$4.67	2,043,900	\$14.97	0.334	0.322	0.074	0.93	0.025									
Inferred	\$4.67	555,951	\$12.88	0.283	0.279	0.060	0.87	0.022									
Change Prices to 2018 Spots of \$3.00/lb Cu, \$1,250/Oz Ag, \$16.21/Oz Ag																	
Meas+Indic	\$4.67	2,056,194	\$16.26	0.333	0.320	0.076	0.92	0.025	0.60%	9.25%	0.29%	0.12%	3.80%	0.04%	0.58%		
Inferred	\$4.67	564,508	\$13.90	0.280	0.276	0.060	0.87	0.022	1.54%	9.57%	0.46%	0.45%	1.54%	1.54%	1.54%		
Change Prices to 2018 Spots and Increase Costs to Reflect \$5.00 Cutoff																	
Meas+Indic	\$5.00	2,041,318	\$16.34	0.335	0.323	0.073	0.92	0.025	-0.13%	8.41%	-0.43%	-0.58%	-1.40%	-1.28%	-0.74%		
Inferred	\$5.00	557,619	\$14.01	0.282	0.279	0.060	0.87	0.022	0.30%	9.10%	-0.05%	0.30%	0.30%	0.30%	0.30%		
Change Prices to 2018 Spots and Increase Costs to Reflect \$6.00 Cutoff																	
Meas+Indic	\$6.00	1,997,489	\$16.58	0.340	0.328	0.073	0.93	0.025	-2.27%	8.34%	-0.36%	-0.45%	-2.74%	-2.13%	-2.10%		
Inferred	\$6.00	529,108	\$14.46	0.291	0.288	0.061	0.89	0.022	-4.83%	6.88%	-2.14%	-1.76%	-3.24%	-2.64%	-4.83%		

QDM Resource Sensitivity to Metal Price and Costs

Classification	Cutoff Grade NSR \$/t	Ore Ktonnes	NSR \$/t	Gold Gm/t	Silver Gm/t	Percent Difference Tonnes & Metal			
						Tonnes	NSR	Au	Ag
Reported Mineral Resource						Negative mean Loss			
Meas+Indic	\$13.17	13,534	\$26.64	0.889	3.96				
Inferred	\$13.17	603	\$23.80	0.730	7.87				
Change Prices to 2018 Spots of \$1,250/Oz Ag, \$16.21/Oz Ag									
Meas+Indic	\$13.17	13,671	\$27.61	0.889	3.94	1.01%	4.71%	0.97%	0.61%
Inferred	\$13.17	603	\$24.25	0.726	7.87	0.00%	1.88%	-0.55%	0.00%
Change Prices to 2018 Spots and Increase Costs to Reflect \$14.00 Cutoff									
Meas+Indic	\$14.00	13,288	\$28.02	0.900	3.96	-1.82%	3.26%	-0.57%	-1.83%
Inferred	\$14.00	603	\$24.25	0.726	7.87	0.00%	1.88%	-0.55%	0.00%
Change Prices to 2018 Spots and Increase Costs to Reflect \$17.00 Cutoff									
Meas+Indic	\$17.00	11,442	\$30.07	0.964	4.07	-15.46%	-4.58%	-8.29%	-13.06%
Inferred	\$17.00	587	\$24.45	0.733	7.93	-2.65%	0.00%	-2.25%	-1.91%

Material Contained within the Altar Resource Pit

The Altar resource pit was tabulated with the internal cutoff grade of \$4.67 NSR/tonne to establish the mineral reserve as summarized on Table 14-17.

Tabulation of additional higher cutoff grades inside the same Altar pit geometry have been completed to illustrate the distribution of grades in the Altar resource. Table 14-20 is a summary of the Altar resource pit tabulated at higher NSR cutoff grades, illustrating that there is contained higher grade mineralization within the Altar resource.

The NSR calculation on Table 14-20 is identical to the prices and procedures reported on Table 14-17. The tabulation addresses the Altar pit only and does not include QDM.

Table 14-20

Altar Mineral Resources As Summarized on Table 14-17
31 December 2013, Updated to 1 July 2018

Classification	Cutoff Grade NSR \$/t	Mineral Resources at 4.67 NSR Cutoff							Contained Metal		
		Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	\$4.67	995,001	\$15.90	0.358	0.340	0.083	0.96	0.028	7,458	2,655	30,710
Indicated	\$4.67	<u>1,048,899</u>	<u>\$14.09</u>	<u>0.312</u>	<u>0.305</u>	<u>0.065</u>	<u>0.90</u>	<u>0.023</u>	<u>7,053</u>	<u>2,192</u>	<u>30,351</u>
Measured + Indicated	\$4.67	2,043,900	\$14.97	0.334	0.322	0.074	0.93	0.025	14,511	4,847	61,061
Inferred	\$4.67	555,951	\$12.88	0.283	0.279	0.060	0.87	0.022	3,420	1,072	15,551

Alternative Cutoffs within the Altar Resource Pit Geometry

Classification	Cutoff Grade NSR \$/t	Mineral Resources at \$7.00 NSR Cutoff							Contained Metal		
		Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	\$7.00	951,823	\$16.80	0.370	0.351	0.082	0.96	0.028	7,365	2,509	29,378
Indicated	\$7.00	<u>969,609</u>	<u>\$15.19</u>	<u>0.328</u>	<u>0.320</u>	<u>0.066</u>	<u>0.92</u>	<u>0.024</u>	<u>6,840</u>	<u>2,057</u>	<u>28,680</u>
Measured + Indicated	\$7.00	1,921,432	\$15.99	0.349	0.335	0.074	0.94	0.026	14,206	4,567	58,057
Inferred	\$7.00	468,314	\$14.36	0.306	0.302	0.060	0.94	0.024	3,118	903	14,153
Classification	Cutoff Grade NSR \$/t	Mineral Resources at \$10.00 NSR Cutoff							Contained Metal		
		Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	\$10.00	815,617	\$18.16	0.401	0.380	0.087	1.01	0.029	6,833	2,281	26,485
Indicated	\$10.00	<u>746,548</u>	<u>\$17.15</u>	<u>0.370</u>	<u>0.362</u>	<u>0.072</u>	<u>1.01</u>	<u>0.025</u>	<u>5,958</u>	<u>1,728</u>	<u>24,242</u>
Measured + Indicated	\$10.00	1,562,165	\$17.68	0.386	0.371	0.080	1.01	0.027	12,791	4,010	50,727
Inferred	\$10.00	323,770	\$16.97	0.362	0.359	0.067	1.10	0.025	2,563	697	11,450
Classification	Cutoff Grade NSR \$/t	Mineral Resources at \$15.00 NSR Cutoff							Contained Metal		
		Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	\$15.00	524,044	\$21.27	0.471	0.446	0.101	1.13	0.031	5,153	1,702	19,039
Indicated	\$15.00	<u>399,964</u>	<u>\$21.28</u>	<u>0.457</u>	<u>0.449</u>	<u>0.091</u>	<u>1.20</u>	<u>0.027</u>	<u>3,959</u>	<u>1,170</u>	<u>15,431</u>
Measured + Indicated	\$15.00	924,008	\$21.28	0.465	0.447	0.097	1.16	0.029	9,112	2,872	34,470
Inferred	\$15.00	167,889	\$21.24	0.452	0.450	0.083	1.36	0.028	1,666	448	7,341
Classification	Cutoff Grade NSR \$/t	Mineral Resources at \$20.00 NSR Cutoff							Contained Metal		
		Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	\$20.00	246,725	\$25.74	0.570	0.540	0.125	1.30	0.032	2,937	992	10,312
Indicated	\$20.00	<u>207,848</u>	<u>\$25.13</u>	<u>0.535</u>	<u>0.529</u>	<u>0.114</u>	<u>1.35</u>	<u>0.026</u>	<u>2,424</u>	<u>762</u>	<u>9,021</u>
Measured + Indicated	\$20.00	454,573	\$25.46	0.554	0.535	0.120	1.32	0.029	5,361	1,753	19,333
Inferred	\$20.00	83,570	\$25.43	0.540	0.538	0.104	1.47	0.030	991	279	3,950
Classification	Cutoff Grade NSR \$/t	Mineral Resources at \$25.00 NSR Cutoff							Contained Metal		
		Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	\$25.00	100,491	\$30.97	0.684	0.646	0.160	1.47	0.032	1,431	517	4,749
Indicated	\$25.00	<u>86,105</u>	<u>\$29.04</u>	<u>0.610</u>	<u>0.606</u>	<u>0.149</u>	<u>1.48</u>	<u>0.022</u>	<u>1,150</u>	<u>412</u>	<u>4,097</u>
Measured + Indicated	\$25.00	186,596	\$30.08	0.650	0.628	0.155	1.47	0.027	2,582	929	8,847
Inferred	\$25.00	39,529	\$28.59	0.604	0.604	0.120	1.66	0.029	526	153	2,110
Classification	Cutoff Grade NSR \$/t	Mineral Resources at \$30.00 NSR Cutoff							Contained Metal		
		Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	\$30.00	43,788	\$35.93	0.791	0.747	0.193	1.69	0.034	721	272	2,379
Indicated	\$30.00	<u>23,622</u>	<u>\$34.32</u>	<u>0.707</u>	<u>0.703</u>	<u>0.212</u>	<u>1.71</u>	<u>0.023</u>	<u>366</u>	<u>161</u>	<u>1,299</u>
Measured + Indicated	\$30.00	67,410	\$35.36	0.762	0.732	0.200	1.70	0.030	1,087	433	3,678
Inferred	\$30.00	7,897	\$35.19	0.741	0.741	0.162	1.71	0.019	129	41	434

There are no mineral reserves at Altar at this time.

Mining Operations

Not applicable.

Exploration and Development

Not applicable.