

## Form 62-103F1

### *Required Disclosure under the Early Warning Requirements*

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

#### **Item 1 – Security and Reporting Issuer**

##### **1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

This report relates to common shares of Deep-South Resources Inc. (“**Issuer**”). The address of the head office of the Issuer is 162-2906 West Broadway Street, Vancouver, British Columbia, V6K 2G8

##### **1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

The transaction that triggered the requirement to file this report was the entry of the Issuer and Teck Resources Limited (“**Teck**”) of a definitive agreement pursuant to which Teck agreed to sell its interest in Haib Minerals (PTY) Ltd. (“**Haib**”) to the Issuer for consideration that included common shares of the Issuer.

#### **Item 2 – Identity of the Acquiror**

##### **2.1 State the name and address of the acquiror.**

Teck Resources Limited (“**Teck**”). 3300-550 Burrard Street, Vancouver, British Columbia V6C 0B3

##### **2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

February 14, 2017. Teck entered into a definitive agreement to agreement to sell its 70% interest in Haib to the Issuer, who holds the remaining 30% interest in Haib. Haib holds a 100% interest in the Haib copper project located in Namibia. The consideration payable to Teck on closing includes common shares of the Issuer, as well as staged cash payments to be made to Teck, a 1.5% NSR, a right to receive 20-30% of the gross proceeds of any sale by Issuer of the Haib project within three-years of closing.

##### **2.3 State the names of any joint actors.**

Not applicable.

### **Item 3 – Interest in Securities of the Reporting Issuer**

#### **3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.**

The Issuer agreed to issue 13,600,000 common shares to Teck on closing of the transaction described above. As a result of the transaction, and assuming no other issuances of shares by the Issuer, Teck’s post-closing securityholding percentage will increase from 17.4% to 38.4%, in each case assuming that Teck’s convertible debenture in the Issuer was fully converted.

#### **3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.**

Teck entered into an agreement to acquire ownership and control of the securities.

#### **3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

#### **3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Immediately before the transaction, Teck held 4,166,666 common shares of the Issuer and a convertible debenture in the principal amount of \$389,117. Based on the Issuer’s most recent public disclosure, as of January 12, 2017 there were 37,133,357 common shares outstanding, which would result in Teck holding 11.2% of outstanding shares.

#### **3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which**

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,**
- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**
- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

See the response to Item 3.1 for information about Teck's ownership and control. Teck holds the securities directly, has ownership and solely controls the securities

**3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

**3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

**3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 – Consideration Paid**

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

Teck agreed to sell its 70% shareholding interest in Haib to the Issuer. The consideration payable by the Issuer for the purchased shares is:

- \$400,000 cash, payable over two years following closing; and
- 13,600,000 common shares of Issuer.

In addition, Deep South will cause Haib to pay Teck a 1.5% net smelter return royalty and Teck is entitled to receive between 20-30% of the gross proceeds of any sale of Haib within the three year period following closing.

**4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See the response to Item 4.1.

**4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

#### **Item 5 – Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**

- (i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) **a solicitation of proxies from securityholders;**
- (k) **an action similar to any of those enumerated above.**

The purpose of the acquisition of common shares was to facilitate the sale of Teck's interest in Haib. Teck may determine to increase or decrease its holdings in the Issuer depending on market conditions and any other relevant factors.

#### **Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

The Issuer has agreed to issue Teck additional common shares in the event that, as a result of an Issuer common share issuance, Teck's undiluted common shareholding in the Issuer would not be 35% immediately following the closing if the Haib transaction. As a result, more than 13,600,000 common shares might be issued to Teck.

#### **Item 7 – Change in Material Fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.**

Not applicable.

#### **Item 8 – Exemption**

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

**Item 9 – Certification**

The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

**Certificate**

The certificate must state the following:

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

February 16, 2017

Date

February 16, 2017

Signature

“Karen L. Dunfee”

Karen Dunfee; Corporate Secretary