



TRIGON METALS



TRIGON METALS INC. (TSX-V: TM)

Feasibility Study – PHASE 1 RESTART

June 2018

Disclosure

Forward Looking Statement

This presentation contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of Trigon Metals Inc. and its subsidiaries (collectively, the “Company”) and its mineral projects; the future prices of metals; the anticipated results of exploration activities; the estimation of mineral resources; the realization of mineral resource estimates; capital, development, operating and exploration expenditures; costs and timing of the development of the Company’s mineral properties; timing of future exploration; requirements for additional capital; government regulation of mining operations; anticipated results of economic and technical studies; environmental matters; reclamation expenses; title disputes or claims; limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking information can be identified by the use of words and phrases such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

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Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the forward-looking information, there may be other factors that cause such actions, events or results to differ from those anticipated, estimated or intended. Any inaccuracy in the assumptions identified above may also cause actual actions, events or results to differ materially from those described in the forward-looking information.

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The technical information contained herein is derived from or a summary of the NI 43-101 compliant technical report entitled “NI 43-101 Technical Report on the Kombat Copper Project, Namibia – Mineral Resource Report” (the “Technical Report”) and Kombat Mine Definitive Feasibility Study as summarized in the press release published by the Company on June 5, 2018. For additional information, please see the Technical Report filed on www.sedar.com on March 23, 2018.

Qualified Person

Mr. D van Heerden B Eng (Min.), MCom (Bus. Admin.), MMC, Pr.Eng. No. 20050318, FSAIMM, AMMSA of Minxcon (Pty) Ltd (“Minxcon”), is a “qualified person” as such term is defined in NI 43-101 and has reviewed and approved the technical information and data included in this presentation. As a director of Minxcon, Mr. Engelmann is considered independent.

Trigon Metals

- Fast tracking open pit production to facilitate early cash flow generation - targeting mining by end of 2018
- Low capital intensity using existing infrastructure –
 - Phase 1 open pit mining requires start up capital of US\$6.4 million
 - IRR of 103%, Payback 1.6 years
 - Phase 1 total capital requirement of US\$7.4 million including working capital
- Apply cash flows generated to advancing Phase 2 - dewater and recommission AFW underground mine (Pre-feasibility study to be completed)
- Funding
 - Phase 1 Project finance facility of up to US\$7.7 million, subject to final due diligence



Existing infrastructure



Drill core at site from exploration programs

Kombat Mine

Location and history

- Kombat project is located in the Otavi Mountain Region in Namibia, an area recognized for its high-grade copper deposits
- 80% interest in 5 active mining licenses (constituting the Kombat Mine, and the Gross Otavi and Harasib projects)
- Historical production from the Kombat Mine of 12.46 million tonnes at 2.62% copper, 1.55% lead and 18 g/t silver over an aggregate of 45 years

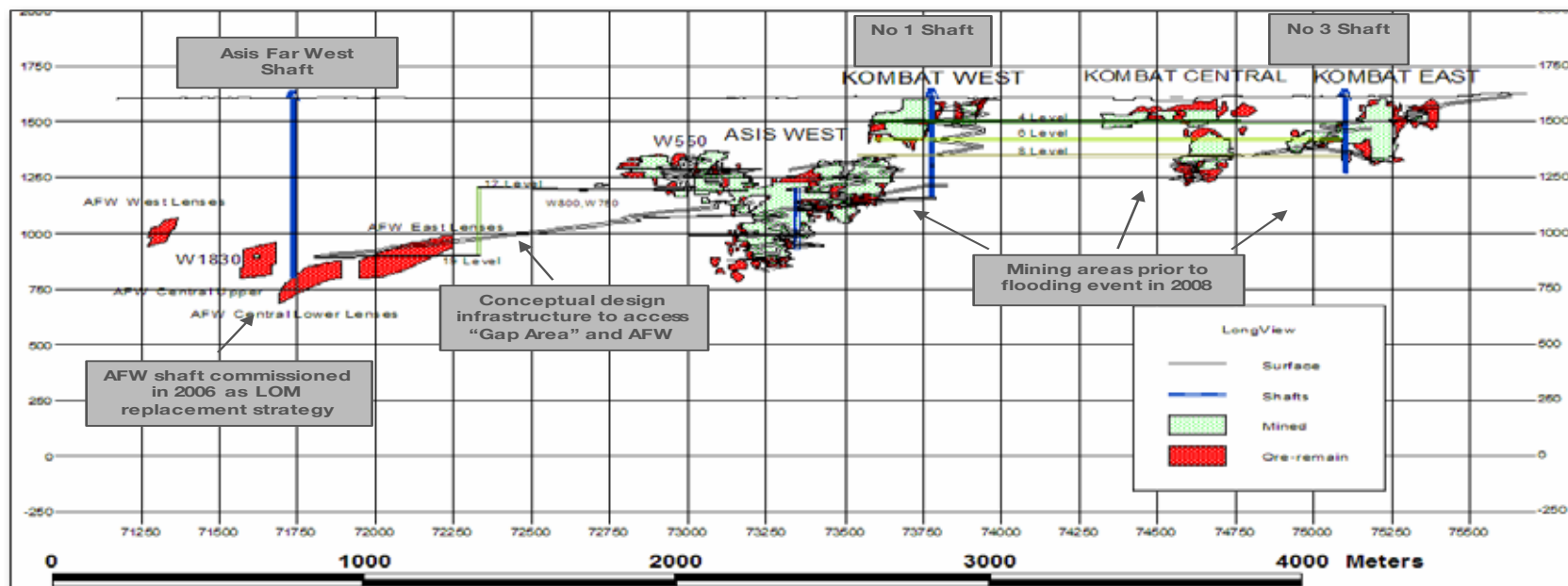


Infrastructure

- Plant - 1,100tpd mill and concentrator – to be refurbished
- New tailings facility to be constructed on licence area
- Electricity – applied for reconnection to Nampower grid
- Rail siding at the mine connects Kombat to all major Namibian cities, and Walvis Bay (500km by road/rail)
- 110 km by road/rail to Tsumeb copper smelter (owned by Dundee Precious Metals)

3 Phase Restart Strategy

- **3 phase Life of Mine strategy**
 - **Phase 1 – East and Central open pits**
 - Positive Feasibility Study completed in May 2018
 - Offtake and project finance facility (announced in September 2017) to be finalized on the back of the Feasibility Study submission to the lender
 - **Phase 2 – Asis Far West (AFW) underground mine**
 - Pre-Feasibility Study to be completed in near term
 - Free cash flows from open pits to fund recommissioning and exploration at AFW
 - **Phase 3 – Asis West (AW) underground mine, “Gap Area” and Gross Otavi**
- Multiple exploration targets near surface and underground for resource expansion



Feasibility Study (Open Pit) – Economic Highlights

		Low Case	Base Case	High Case
Copper Price*	US\$/lb	2.99	3.10	3.28
Silver Price	US\$/oz	18	18	18
Revenue (LoM)	US\$ million	56.7	58.7	62.2
Free Cash Flows (LoM)	US\$ million	4.4	5.7	7.7
NPV 7.6% **	US\$ million	3.5	4.6	6.5
IRR **	%	75.0%	103.4%	158.9%
Payback **	Years	1.8	1.6	1.5

*Low case and high case prices are based on the average 25th and 75th percentile consensus copper price over the LoM, as per various bank and analyst forecasts in real terms.

**NPV, IRR and payback are reported after-tax.

Feasibility Study (Open Pit) - Capital Costs

USD '000		Total ³	2019	2020	2021
Initial	Mining	1,634	1,634	-	-
Initial	Plant ^{1,2}	4,295	4,295	-	-
Initial	Other infrastructure	-	-	-	-
Contingency	Mining	82	82	-	-
Contingency	Plant	429	429	-	-
Renewals and replacements	Mining	97	18	53	27
Renewals and replacements	Plant	712	85	377	250
Total		7,249	6,543	430	278

1. The plant and infrastructure can also be used as a base for future underground operations, but may require further expansion capital.
2. Plant capital includes phase 1 of a new tailings storage facility.
3. Above capital excludes the working capital requirement of US\$1 million for the pre-production period.

Feasibility Study (Open Pit) - Operating Costs & Margins

	Unit	Feasibility Study
Copper equivalent tonnes	t	9,286
Net turnover	USD/CuEq t	6,825
Net turnover	USD/CuEq lb	3.10
Mine costs	USD/CuEq lb	0.76
Plant costs	USD/CuEq lb	0.61
Other costs	USD/CuEq lb	0.59
Direct cash costs (C1)	USD/CuEq lb	1.95
Capex	USD/CuEq lb	0.38
Production costs (C2)	USD/CuEq lb	2.33
Royalties	USD/CuEq lb	0.09
Corporate overheads	USD/CuEq lb	0.22
All-in sustainable costs (C3)¹	USD/CuEq lb	2.64

1. Steady state AISC (C3) cost of open pit mining is US\$2.29/lb

Feasibility Study (Open Pit) – Operational Highlights

Operational Highlights

Item	Unit	Feasibility Study
Ore Tonnes Mined	kt	767
Average Cu Grade Mined	%	1.3
Average Ag Grade Mined	g/t	4.3
Total Cu Concentrate	kt	42
Total Cu Metal Recovered	kt	9
Total Ag Metal Recovered	koz	94
LoM	Years	3

Mineral Reserves

Area	Reserve Classification	Tonnes Mt	Cu Grade %	Pb Grade %	Ag Grade g/t	Cu Content t	Pb Content t	Ag Content kg
East & Central	Probable Mineral Reserves	0.77	1.30%	0.47%	4.33	9,985	3,598	3,322

Notes:

1. Cu Cut-off of 0.71%.
2. Cu Price of US\$6,825 per Cu tonne and Ag Price of US\$572.83 per Ag kg.
3. Exchange Rate of NAD:US\$12.43.
4. The Mineral Reserves are reported as total Mineral Reserves and are not attributed.

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AFW shaft