



Trigon Metals Inc.

Consolidated financial statements

For the three months ended June 30, 2024 and 2023

(Expressed in U.S. Dollars)

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

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

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

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

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

As at	Notes	June 30, 2024	March 31, 2024
ASSETS			
Current assets			
Cash		\$ 1,173,361	\$ 1,416,916
Amounts receivable	4	2,426,555	1,664,528
Prepaid expenses		91,187	129,865
Inventory	5	801,914	977,051
Current assets held for distribution	17	28,895	22,371
Total current assets		4,521,912	4,210,731
Non-current assets			
Property and equipment	6	34,932,489	33,842,434
Total Assets		\$ 39,454,401	\$ 38,053,165
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7,13	\$ 5,196,249	\$ 4,429,388
Lease liability	16	49,728	47,758
Equipment financing	19	2,083,586	849,426
Warrant liability	12	1,173,043	716,236
Deferred revenue		-	555,725
Deferred revenue on streaming arrangement	15	5,569,949	5,086,079
Current liabilities held for distribution	17	1,340,876	1,305,450
Total current liabilities		15,413,431	12,990,062
Non-current liabilities			
Lease liability	16	85,275	89,726
Equipment financing	19	4,555,290	4,138,555
Environmental rehabilitation obligation	18	611,074	586,870
Deferred revenue on streaming arrangement	15	24,818,424	24,329,385
Total Liabilities		\$ 45,483,494	\$ 42,134,598
(Deficiency) equity attributable to shareholders of Trigon Metals Inc.:			
Share capital	11	49,761,673	49,721,297
Warrants	12	-	1,951,157
Contributed surplus	12	1,587,862	1,360,896
Currency translation reserve		10,543,512	10,543,512
Deficit		(63,835,495)	(63,514,789)
Total equity (deficiency) attributable to shareholders of Trigon Metals Inc.		(1,942,448)	62,073
Non-controlling interest		(4,086,645)	(4,143,506)
Total Deficiency		(6,029,093)	(4,081,433)
Total Liabilities and Deficiency		\$ 39,454,401	\$ 38,053,165

Nature of operation and going concern (note 1)

Commitments and contingencies (notes 14,15)

Subsequent event (note 20)

Approved by the Board of Directors on August 21, 2024.

"Jed Richardson"

Jed Richardson
Director

"Larisa Sprott"

Larisa Sprott
Director

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

Trigon Metals Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in US dollars)

		Three months ended June 30,	
		2024	2023
Revenue		\$ 10,032,231	\$ 36,363
Cost of sales		7,132,575	143,159
Depreciation	6	958,419	-
Gross income (loss)		\$ 1,941,237	\$ (106,796)
Expenses			
Consulting fees	13	\$ 379,440	\$ 252,884
Professional fees		62,385	17,326
Travel and related costs		43,644	15,602
Investors relations and filing fees		51,198	44,138
General and administrative costs		34,755	28,882
Exploration and evaluation expenditures	8	494,396	594,241
Depreciation	6	81,768	103,440
Share-based compensation	12	232,900	-
Foreign exchange loss (gain)		229,199	(273,835)
Total expenses before the undernoted		\$ 1,609,685	\$ 782,678
Other income (expense)			
Interest income		10,128	211,699
Other (expenses) income		(33,858)	636
Finance charges	15	(137,484)	(17,210)
Change in fair value of warrant liability		(456,807)	(83,408)
Accretion expenses	15	(1,594,086)	(2,197,307)
Impairment of equipment	12	(227,397)	-
Net loss from continuing operations		\$ (2,107,952)	\$ (2,975,064)
Net loss from discontinued operations	17	(107,050)	(129,514)
Net loss and comprehensive loss		\$ (2,215,002)	\$ (3,104,578)
Net loss and comprehensive loss from continuing operations attributable to:			
Shareholders of Trigon Metals Inc.		\$ (2,164,813)	(2,946,967)
Non-controlling interest		56,861	(157,611)
		\$ (2,107,952)	\$ (3,104,578)
Net loss and comprehensive loss from discontinued operations attributable to:			
Shareholders of Trigon Metals Inc.		(107,050)	(129,514)
Loss per share			
Basic and diluted		(0.05)	(0.02)
Weighted average number of common shares outstanding			
Basic and diluted		43,629,681	173,762,080

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

Trigon Metals Inc.
Consolidated Statements of Shareholders' Equity
(Expressed in US dollars)

		Attributable to equity owners of Trigon Metals Inc.							Total		Total
	Notes	Number of common shares	Share Capital	Contributed surplus	Warrants	Deficit	Cumulative translation reserve	shareholders' (deficiency) equity	Non- controlling interest	(deficiency) equity	
Balance as at March 31, 2023		34,985,561	\$ 44,550,809	\$ 1,369,258	\$ 5,020,340	\$ (65,741,722)	\$ 10,543,512	\$ (4,257,803)	\$ (2,648,931)	\$ (6,906,734)	
Net loss for the period		-	-	-	-	(2,946,967)	-	(2,946,967)	(157,611)	(3,104,578)	
Shares issued on licence acquisition	11,12	16,826	12,983	-	-	-	-	12,983	-	12,983	
Options expired, unexercised	11,12	-	-	(35,469)	-	35,469	-	-	-	-	
Balance as at June 30, 2023		35,002,387	\$ 44,563,792	\$ 1,333,789	\$ 5,020,340	\$ (68,653,220)	\$ 10,543,512	\$ (7,191,787)	\$ (2,806,542)	\$ (9,998,329)	
Balance as at March 31, 2024		43,574,720	\$ 49,721,297	\$ 1,360,896	\$ 1,951,157	\$ (63,514,789)	\$ 10,543,512	\$ 62,073	\$ (4,143,506)	\$ (4,081,433)	
Net loss from continuing operations for the period		-	-	-	-	(2,164,813)	-	(2,164,813)	56,861	(2,107,952)	
Net loss from discontinued operations for the	17	-	-	-	-	(107,050)	-	(107,050)	-	(107,050)	
Stock options granted	11,12	-	-	232,900	-	-	-	232,900	-	232,900	
Stock options exercised	11,12	55,000	42,186	(5,934)	-	-	-	36,252	-	36,252	
Share and warrant issue costs	11,12	-	(1,810)	0	192,223	(192,223)	-	(1,810)	-	(1,810)	
Warrant expiry	11,12	-	-	-	(2,143,380)	2,143,380	-	-	-	-	
Balance as at June 30, 2024		43,629,720	\$ 49,761,673	\$ 1,587,862	\$ -	\$ (63,835,495)	\$ 10,543,512	\$ (1,942,448)	\$ (4,086,645)	\$ (6,029,093)	

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

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

	Notes	Three months ended June 30, 2024	2023 (Note 4)
Cash provided by (used in):			
Operating activities			
Net loss from continuing operations for the period		\$ (2,107,952)	\$ (3,104,578)
Adjustments for items not affecting cash:			
Depreciation	6	1,040,187	104,377
Accretion expenses	15	1,594,086	2,242,834
Change in fair value of warrant liability	12	456,807	83,408
Share-based compensation	12	232,900	-
Stream fulfillment	15	(621,177)	-
Impairment of equipment	6	(227,397)	-
Foreign exchange gain		5,882	(273,835)
Net cash from operating activities from continuing operations before changes in working capital		373,336	(947,794)
Net changes in non-cash working capital from continuing operations			
Change in amounts receivable		(763,166)	(284,903)
Change in prepaid expenses		35,879	(54,477)
Change in inventory		175,137	-
Change in deferred revenue		(555,725)	-
Change in accounts payable and accrued liabilities		804,210	439,943
Net cash flows from continuing operations used in operating activities		69,671	(847,231)
Net cash flows from discontinued operations used in operating activities	17	(90,472)	(119,764)
Investing activities			
Purchase of property and equipment	6	(1,899,728)	(5,932,179)
Net cash flows from continuing operations used in investing activities		(1,899,728)	(5,932,179)
Financing activities			
Share and warrant issuance costs	11	(1,810)	-
Equipment financing	19	1,879,535	-
Option exercise	12	36,252	-
Payment of principal portion of equipment financing	19	(228,640)	-
Payment of principal portion of lease liability	16	(8,363)	(15,560)
Net cash flows from continuing operations provided by financing activities		1,676,974	(15,560)
Cash flows from continuing operations during the period		(153,083)	(6,794,970)
Cash flows from discontinued operations during the period		(90,472)	(119,764)
Effect of exchange rates		-	307,499
Cash - beginning of period		1,416,916	20,732,663
Cash - end of period		\$ 1,173,361	\$ 14,125,428

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

Trigon Metals Inc.
Notes to the consolidated financial statements
For the three months ended June 30, 2024 and 2023
(Expressed in US dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Trigon Metals Inc. (the “Company” or “Trigon”) was incorporated under the Business Corporations Act of Canada on April 1, 2005. On December 28, 2016, the Company changed its name from Kombat Copper Inc. to Trigon Metals Inc. and its stock symbol from “KBT” to “TM”. The Company’s head office is located at 658 Lansdowne Avenue, Toronto, Ontario, M6H 3Y8.

These consolidated financial statements were reviewed, approved and authorized for issue by the Board of Directors on August 21, 2024.

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

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

Going concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. A different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2024, the Company had a negative working capital of \$10,891,519 compared with negative working capital of \$8,779,331 as at March 31, 2024. During the three months ended June 30, 2024, the Company had net losses of \$2,268,512 (three months ended June 30, 2023: losses of \$3,104,578). The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration and development activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with current cash on hand, revenue and potential proceeds from the exercise of warrants/stock options. During fiscal 2024, the Company was able to raise funds through financings and its streaming agreement (see Notes 11 and 15). However, there is no assurance that additional financing will be available on terms acceptable to the Company, or at all. These matters represent material uncertainties that cast significant doubt on the Company’s ability to continue as a going concern. These consolidated financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary should the Company be unable to continue operations. Such adjustments could be material.

Trigon Metals Inc.
Notes to the consolidated financial statements
For the three months ended June 30, 2024 and 2023
(Expressed in US dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

The accounting policies as set out in the Company’s audited consolidated financial statements for the year ended March 31, 2024 were consistently applied to all periods presented, unless otherwise noted below.

The preparation of condensed interim financial statements in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies. Certain disclosures included in the annual financial statements have been condensed or omitted. Accordingly, these unaudited condensed consolidated consolidated interim financial statements should be read in conjunction with the annual audited consolidated financial statements as at March 31, 2024.

Basis of preparation

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

Consolidation

These consolidated financial statements incorporate the accounts of Trigon Metals Inc. and its subsidiaries, PNT Financeco Corp. (Barbados) 100% (2024 – 100%), Kombat Holdings Namibia (Pty) Ltd. (Namibia) 100% (2024 - 100%), Trigon Mining (Namibia) (Pty) Ltd. (“Trigon Namibia”) (Namibia) 80% (2024 – 80%), Safi Silver Corp. (formerly “Trigon (Morocco) Holding Corp”). (Canada) 100% (2024 – 100%), and Technomine Africa Sarl (“Technomine”) (Morocco) 100% (2024 – 100%), Base Metals and Services (100%) (2024 – 100%). The Company voluntarily wound-up Gazania Investments Nine (Pty) Ltd. (“Gazania”) (Namibia) on August 4, 2023. All intercompany transactions, balances, income and expenses are eliminated on consolidation. The 20% of Trigon Namibia not owned by the Company is owned by the Namibia State Mining Company and a local Namibian partner. Safi Silver Corp. was incorporated during the year ending March 31, 2023. PNT Financeco Corp. was continued into Mauritius in November 2023. Base Metals and Services was acquired on March 14, 2024 (Note 8).

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

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

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

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

Trigon Metals Inc.
Notes to the consolidated financial statements
For the three months ended June 30, 2024 and 2023
(Expressed in US dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discontinued operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished, and

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

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale or held for distribution. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of loss. The comparative consolidated statement of loss is re-presented as if the operation had been discontinued from the start of the comparative period.

Significant accounting policies

The unaudited condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended March 31, 2024 with the exception of the adoption of amended standards and new policies outlined below.

Amended accounting standards

IAS 1 – In January 2020, Presentation of Financial Statements ("IAS 1") was amended to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024. There were no significant changes to the consolidated financial statements as a result of this adoption.

Future accounting standards issued but not yet effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for annual accounting periods beginning on January 1, 2025, or later. Updates that are not applicable or are not consequential to the Company have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

In August 2023, the IASB amended IAS 21 to clarify when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on financial statements. The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investment in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10, and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however, early adoption is permitted.

Trigon Metals Inc.
Notes to the consolidated financial statements
For the three months ended June 30, 2024 and 2023
(Expressed in US dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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

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

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

Critical judgment in applying accounting policies:

- Assets' carrying values and impairment charges

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

- Commercial production

The determination of when the mine is in a condition necessary for it to be capable of operating in the manner intended by management (referred to as "commercial production") is a matter of judgment that will impact when the Company recognizes revenue and operating costs in the consolidated statement of loss and depreciation and depletion commence. In making this determination, management considers whether (a) the major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management have been completed; (b) a reasonable period of commissioning has been completed; (c) consistent operating results have been achieved at the previously budgeted level of design capacity; and (d) the transfer of operations from the construction personnel to operations personnel has been completed. The Company declared commercial production on October 16, 2023.

- Determination of functional currency

Based on the primary indicators in IAS 21 – The Effects of Change in Foreign Exchange Rates – the US dollar has been determined as the presentation currency of the Company, with the US dollar as the functional currency for all subsidiaries, as the US dollar is the currency in which funds from financing activities (i.e. issuing debt and equity instruments) are generated and because the activities of the foreign operation are carried out as an extension of the reporting entity, rather than being carried out with a significant degree of autonomy. Effects of changes in foreign exchange rates are recorded as foreign exchange gain (loss) on the statement of loss. If the functional currency of the Namibian entities had been the Namibian dollar ("N\$"), the effect of changes in foreign exchange rates would have been reflected as other comprehensive income and carried as a cumulative translation adjustment within accumulated other comprehensive income in the equity section of the consolidated statement of financial position. The Company's presentation and functional currency for the Company and all subsidiaries were both the Canadian dollar until October 24, 2022.

Critical judgment in applying accounting policies (continued):

- Expected credit losses

Determining allowance for expected credit losses ("ECLs") requires management to make assumptions about historical patterns for probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what historical patterns suggest.

Trigon Metals Inc.
Notes to the consolidated financial statements
For the three months ended June 30, 2024 and 2023
(Expressed in US dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS (continued)

Key sources of estimation uncertainty:

- Depreciation rates

Mine asset development costs and the environmental rehabilitation obligation are depreciated on a straight-line basis over the life of mine production. All other buildings and equipment are depreciated on a straight-line basis over three to ten years. The Company believes these represent the best approximation of the asset utility to the Company. If the estimated life had been longer than management's estimate, the carrying amount of the asset would have been higher.

The Company's right of use (ROU) asset is depreciated on a straight-line basis over 10 years, which represents the life of the lease associated with the ROU asset. The Company believes this approach represents the best approximation of the asset utility to the Company.

- Assets' carrying values and impairment charges

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

- Mineral Reserve and Mineral Resource estimates

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

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

- Share-based payment transactions and warrants and warrant liability

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

- Streaming arrangements and deferred revenue

Management has determined that based on the agreements, the counterparty assumes significant business risk and rewards associated with the timing and amount of metals being delivered. There is also judgement involved in determining the implied financing cost associated with the streaming arrangement. Management's intention is to settle the obligations under this arrangement through the delivery of non-financial items (i.e., silver and copper), rather than cash or financial assets. As such, the deposits received from the counterparty have been recorded as deferred revenue in the consolidated statement of financial position.

- Determination of discount rates

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

Trigon Metals Inc.
Notes to the consolidated financial statements
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(Expressed in US dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS (continued)

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

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

- Income, value added, withholding and other taxes

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

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

- Date of completion of technical report

Determination of the date of completion of the Company's technical report impacts the carrying amount of acquisition fees payable and is estimated based on available cash flows and anticipated availability of experts to engage in completing the technical report.

- Contingencies

Refer to Note 14.

Trigon Metals Inc.
Notes to the consolidated financial statements
For the three months ended June 30, 2024 and 2023
(Expressed in US dollars)

4. AMOUNTS RECEIVABLE

	June 30, 2024	March 31, 2024
Sales taxes receivable	\$ 58,196	\$ 55,995
VAT receivable	1,239,352	1,442,351
Trade receivables	365,803	30,697
Other receivables	763,204	135,485
	\$ 2,426,555	\$ 1,664,528

5. INVENTORY

	June 30, 2024	March 31, 2024
Raw materials	\$ 782,859	\$ 875,499
Finished goods	19,055	101,552
	\$ 801,914	\$ 977,051

6. PROPERTY AND EQUIPMENT

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

Cost	Office furniture, equipment and software		Vehicles	Buildings	Land	Machinery and equipment	Right of use assets	Environmental rehabilitation obligation asset		Mine development and plant under construction	Total
Balance, March 31, 2023	\$ 501,878	\$ 216,852	\$ 45,016	\$ 134,861	\$ 2,000,137	\$ 1,824,954	\$ -	\$ 9,253,970	\$ 13,977,668		
Additions	59,617	250,188	64,471	-	6,305,470	-	586,870	18,930,353	26,196,969		
Impairment	-	-	-	-	-	-	-	(3,483,275)	(3,483,275)		
Assets from discontinued operations	-	-	-	-	(25,777)	-	-	-	(25,777)		
Disposals	-	(31,847)	-	-	(16,821)	-	-	-	(48,668)		
Balance, March 31, 2024	\$ 561,495	\$ 435,193	\$ 109,487	\$ 134,861	\$ 8,263,009	\$ 1,824,954	\$ 586,870	\$ 24,701,048	\$ 36,616,917		
Additions	9,055	137,429	17,476	-	1,711,981	-	23,787	-	1,899,728		
Balance, June 30, 2024	\$ 570,550	\$ 572,622	\$ 126,963	\$ 134,861	\$ 9,974,990	\$ 1,824,954	\$ 610,657	\$ 24,701,048	\$ 38,516,645		
Accumulated depreciation, depletion and impairment											
Balance, March 31, 2023	\$ (294,819)	\$ (68,331)	\$ (7,876)	\$ -	\$ (150,302)	\$ (246,588)	\$ -	\$ -	\$ (767,916)		
Depreciation for the period	(136,404)	(79,530)	(2,251)	-	(295,717)	(269,255)	-	(1,258,328)	(2,041,485)		
Accumulated depreciation from discontinued operations	-	-	-	-	13,593	-	-	-	13,593		
Disposals	-	9,866	-	-	11,459	-	-	-	21,325		
Balance, March 31, 2024	\$ (431,223)	\$ (137,995)	\$ (10,127)	\$ -	\$ (420,967)	\$ (515,843)	\$ -	\$ (1,258,328)	\$ (2,774,483)		
Depreciation for the period	(36,601)	(24,535)	(281)	-	(358,224)	(58,066)	(21,017)	(541,463)	(1,040,187)		
Accumulated depreciation from discontinued operations	-	-	-	-	3,117	-	-	-	3,117		
Impairment	-	-	-	-	227,397	-	-	-	227,397		
Balance, June 30, 2024	\$ (467,824)	\$ (162,530)	\$ (10,408)	\$ -	\$ (548,677)	\$ (573,909)	\$ (21,017)	\$ (1,799,791)	\$ (3,584,156)		
Net book value											
As at March 31, 2024	\$ 130,272	\$ 297,198	\$ 99,360	\$ 134,861	\$ 7,842,042	\$ 1,309,111	\$ 586,870	\$ 23,442,720	\$ 33,842,434		
As at June 30, 2024	\$ 102,726	\$ 410,092	\$ 116,555	\$ 134,861	\$ 9,426,313	\$ 1,251,045	\$ 589,640	\$ 22,901,257	\$ 34,932,489		

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6. PROPERTY AND EQUIPMENT (continued)

In the year ended March 31, 2024, the Company recorded impairment charges of \$3,483,275 on the Kavango, Kavango North and E400 open pits, as these pits were fully depleted. The Company continues to mine at its Ore Capping pit.

Reconciliation of the carrying amounts as at June 30, 2024 and March 31, 2024 are as follows:

	June 30, 2024			March 31, 2024		
	Accumulated Depreciation and			Accumulated		
	Cost	Impairment	Net book value	Cost	Depreciation	Net book value
Office furnitures, equipment and software	\$ 570,550	\$ 467,824	\$ 102,726	\$ 561,495	\$ 431,223	\$ 130,272
Vehicles	572,622	162,530	410,092	435,193	137,995	297,198
Buildings	126,963	10,408	116,555	109,487	10,127	99,360
Land	134,861	-	134,861	134,861	-	134,861
Machinery and equipment	9,974,990	548,677	9,426,313	8,263,009	420,967	7,842,042
Right of use assets	1,824,954	573,909	1,251,045	1,824,954	515,843	1,309,111
Environmental rehabilitation obligation asset	610,657	21,017	589,640	586,870	-	586,870
Assets under construction	24,701,048	1,799,791	22,901,257	24,701,048	1,258,328	23,442,720
	\$ 38,516,645	\$ 3,584,156	\$ 34,932,489	\$ 36,616,917	\$ 2,774,483	\$ 33,842,434

As at June 30, 2024, the carrying value of property and equipment is comprised of \$nil in Canada (March 31, 2024 - \$nil), \$nil in Morocco (March 31, 2024 - \$nil) and \$34,932,489 in Namibia (March 31, 2024 - \$33,842,434).

Right of use assets consist of a land lease and leased machinery and equipment.

Epiroc Equipment Finance

On August 21, 2023, the Company announced that it agreed to purchase underground mining equipment from Epiroc South Africa (Pty) Ltd for \$8,933,261. The purchase is being completed pursuant to an equipment finance facility (the "Facility") for 85% of the purchase consideration (\$7,593,272), with a 15% down payment (\$1,339,989) paid upfront by Trigon. The Facility is secured solely by the equipment (the "Security") and an unsecured corporate guarantee. The Facility contains a 0.75% arrangement fee, will bear interest at a rate of 10.95% per annum and have a term of 60 months from the shipment date of each piece of equipment. Repayments will be made in 55 monthly installments, commencing 6 months after the first shipment. The amounts owed to Epiroc relating to this financing are recorded as an equipment financing liability (Note 19). As at June 30, 2024, \$7,537,758 of equipment has been delivered under this financing agreement. This equipment is included in the right of use assets.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2024	March 31, 2024
Trade payables	\$ 4,374,791	\$ 3,784,584
Accruals	821,458	644,804
	\$ 5,196,249	\$ 4,429,388

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8. EXPLORATION AND EVALUATION EXPENDITURES

	Three months ended	
	June 30,	
	2024	2023
Trigon Namibia		
Drilling and assay	\$ -	\$ 3,091
Field office and support	168,453	171,983
Consulting and labour	296,093	298,838
Licence and permit	3,251	108,655
Travel	18,564	11,674
	\$ 486,361	\$ 594,241
Copperbelt, Namibia		
Assay and survey	\$ 8,035	\$ -
	\$ 8,035	\$ -
Total exploration and evaluation expenditures	\$ 494,396	\$ 594,241

The Company holds an effective 80% interest in its five mining licenses in Northern Namibia through its subsidiary, Trigon Namibia. The mining licenses were renewed by the Namibian Ministry of Mines and Energy in June 2021 for a 10-year period from June 2, 2021.

On February 20, 2020, Trigon Namibia was awarded an Exclusive Prospecting Licence 7525 ("EPL 7525") by the Ministry of Mines and Energy in Namibia for a three-year period, commencing on January 17, 2020. EPL 7525 is situated to the west of the Kombat project and south of certain of the Company's licenses related to the Kombat Mine. The renewal of this EPL has been granted for a two-year period commencing on June 16, 2023.

Acquisition of Copper King Extension of Kombat

On January 30, 2023, the Company announced that it had entered into a definitive agreement to expand its land holding in Namibia, through the acquisition of exclusive prospecting licence 8529 ("EPL 8529") from Namibian company, Otiwa Mining and Prospecting CC ("Otiwa"). EPL 8529 surrounds the Company's Kombat and Gross Otavi projects in Otavi mountain land. EPL 8529 is valid for a period of three years from November 9, 2022 to November 8, 2025 and was transferred to Trigon Namibia with effect from May 24, 2023.

The purchase consideration for the licence comprises a cash price of \$98,576 (N\$1,750,000) and \$19,058 (N\$250,000) to which has been settled by the issuance of 84,129 shares of the Company. The acquisition of the licence was completed on June 13, 2023.

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8. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Acquisition of Copper King Extension of Kombat (continued)

Following this purchase, the Company is the holder of the following exclusive prospecting licences, reflecting the current status of activities, as follows:

1. EPL 7525 in the Grootfontein district, active status.
2. EPL 8529 in Grootfontein district, active status.
3. EPL 8598 in the Grootfontein district, pending formal grant.

Acquisition of Kalahari Copperbelt project option

On March 14, 2024, the Company announced that it has completed the acquisition of Base Metal Investments and Services ("Base Metal"), a private Mauritius domiciled company, that holds an option (the "Copperbelt Option") to acquire up to a 70% stake in the Kalahari Copperbelt Project (the "Transaction"). The Copperbelt Option provides Trigon, through Base Metal, the right to attain up to 70% interest in Copperbelt Exploration (Pty) Ltd. ("Copperbelt") which wholly owns the Kalahari Copperbelt Project (the "Project").

As consideration for the Transaction, Trigon has issued to Commodity Makers International ("Commodity Makers"), the sole shareholder of Base Metal, 2,720,000 Trigon common shares issued at CAD\$0.85 based on the quote market price of the Company's shares on the date of issuance, for a total value of \$1,712,593. In addition, the Company will issue 320,000 Trigon common shares to Commodity Makers on each of the 6, 12, 18 and 24-month anniversaries from March 14, 2024 for an aggregate total number of 4 million Trigon common shares as compensation for the consulting services to be provided by Mr. Rennie Morkel, Mr. Andreas Rompel and Mr. Grant Sboros after closing of the transaction. These common shares due on the 6, 12, 18 and 24-month anniversary have not been accrued for as at June 30, 2024.

Concurrently with the closing of the Transaction, Base Metal has acquired a 25% equity interest in Copperbelt (the "Initial Acquisition"). As consideration for the Initial Acquisition, Trigon, on behalf of Base Metal, has paid USD\$60,000 to Ongwe Minerals (Pty) Ltd., the vendor of Copperbelt, and has committed to funding USD\$1M in exploration expenditures on the Project over the next 24 months.

The Base Metal acquisition is considered an asset acquisition as it does meet the definition of a business. There were no assets acquired or liabilities assumed as a result of this acquisition other than the Copperbelt project.

Each of the Transaction and Initial Acquisition is an arm's length transaction under the policies of the TSX Venture Exchange (the "Exchange"). Mr. Rennie Morkel is a director and officer of Commodity Makers and Mr. Andreas Rompel and Mr. Grant Sboros have provided consulting services to Commodity Makers. Messrs Morkel and Rompel are now officers of Trigon and Mr. Sboros has joined Trigon's board of directors.

9. FINANCIAL INSTRUMENTS

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

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

The Company's financial instruments consist of cash, amounts receivable, buyback option on the streaming agreement, accounts payable and accrued liabilities, lease liabilities, warrant liability, and acquisition fees payable. The fair value of the Company's cash, amounts receivable, accounts payable and accrued liabilities, lease liabilities, equipment financing and acquisition fees payable all approximate their carrying values due to the short-term nature of these instruments.

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9. FINANCIAL INSTRUMENTS (continued)

The non-current portion of the acquisition fees payable is recorded at a 15% discount rate. The liability component of the warrant liability and buyback option on streaming arrangement are recorded at fair value. The equipment financing is recorded at a 15% discount rate.

Financial assets and financial liabilities as at June 30, 2024 and March 31, 2024 were as follows:

	Assets & liabilities at amortized cost	Assets & liabilities at fair value through profit & loss	TOTAL
<u>At June 30, 2024</u>			
Financial assets:			
Cash	\$ 1,173,361	\$ -	\$ 1,173,361
Trade receivables	365,803	-	365,803
Buyback option on streaming arrangement	-	-	-
Other receivables	763,204	-	763,204
Financial liabilities:			
Accounts payable and accrued liabilities	(5,196,249)	-	(5,196,249)
Lease liability	(135,003)	-	(135,003)
Warrant liability	-	(1,173,043)	(1,173,043)
Equipment financing	(6,638,876)	-	(6,638,876)
<u>At March 31, 2024</u>			
Financial assets:			
Cash	\$ 1,416,916	\$ -	\$ 1,416,916
Trade receivables	30,697	-	30,697
Buyback option on streaming arrangement	-	-	-
Other receivables	135,485	-	-
Financial liabilities:			
Accounts payable and accrued liabilities	(4,429,388)	-	(4,429,388)
Lease liability	(137,484)	-	(137,484)
Warrant liability	-	(716,236.00)	(716,236)
Equipment financing	(4,987,981)	-	(4,987,981)

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9. FINANCIAL INSTRUMENTS (CONTINUED)

Level 2 hierarchy

The warrant liability is classified as a Level 2 financial instrument within the hierarchy of the Company's financial instruments, measured at FVPL in the consolidated statements of financial position as at June 30, 2024 and March 31, 2024.

Within Level 2, the Company includes inputs other than quoted prices that are observable for the liability such as volatility of the underlying shares, interest rates and time to expiry.

Level 3 hierarchy

The buyback option on the streaming arrangement is classified as a Level 3 financial instrument within the hierarchy of the Company's financial instruments, measured at FVPL in the consolidated statements of financial position as at June 30, 2024 and March 31, 2024.

Fair value as at March 31, 2023	\$	1,233,797
Change in fair value		(1,233,797)
Fair value as at March 31, 2024 and June 30, 2024	\$	-

Within Level 3, the Company includes an asset for which observable inputs are not available for use in the fair valuation of this asset. The key assumptions used in the valuation of these instruments included (but were not limited to): the exercise date of the option, the buyback percentage, the date at which the percentage of copper sold under the streaming arrangement would be reduced, the monthly production of copper and silver concentrate, and future pricing and volatility of copper and silver during the option period.

Valuations of assets for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, and determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of this asset, such changes may have a significant impact on the Company's financial condition or operating results.

10. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS

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

Risk management is carried out by the management team under policies approved by the Board of Directors. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended June 30, 2024 and the year ended March 31, 2024. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of June 30, 2024, the Company believes it is compliant with the policies of the TSXV.

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10. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS (Continued)

Financial risks

The Company's financial instruments comprise cash, amounts receivable, buyback option on the stream agreement, accounts payable and accrued liabilities, lease liability, warrant liability, and acquisition fees payable. The main use of these financial instruments is to fund operations and the pursuit of capital transactions. The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are credit risk, liquidity risk and market risk.

Management mandates and agrees policies for managing each of these risks. The Company is exposed to a variety of financial risks by virtue of its activities including, but not limited to, those summarized below.

The following discussion also includes a sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and show the impact on income or loss and shareholders' equity, where applicable. The sensitivity analysis has been prepared for the three months ended June 30, 2024, using the amounts of other financial assets and liabilities held as at the consolidated statement of financial position date.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets. The Company minimizes its credit risk by dealing with reputable customers with strong credit ratings. Further, the Company has been prepaid for a substantial portion of its silver sales in advance as part of its silver streaming arrangement, further reducing the Company's credit risk exposure. With respect to credit risk arising from financial assets of the Company, which comprise cash and minimal receivables, the Company's exposure to credit risk arises from default of counterparties, with a maximum exposure equal to the carrying amount of these instruments. As cash balances are held with high credit quality financial institutions, the credit risk to the Company is considered minimal. The Company monitors and is subject to normal industry credit risks.

Liquidity risk

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

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

The Company's contractual liabilities and obligations are as follows:

	< 1 year	1 to 3 years	4 to 5 years	>5 years	Total
Accounts payable and accrued liabilities	\$ 5,196,249	\$ -	\$ -	\$ -	\$ 5,196,249
Equipment financing	1,852,043	6,273,937	-	-	8,125,980
Lease liabilities	40,782	108,216	-	-	148,998
Liabilities from discontinued operations	1,928,762	-	-	-	1,928,762
Balance June 30, 2024	\$ 9,017,836	\$ 6,382,153	\$ -	\$ -	\$ 15,399,989
Accounts payable and accrued liabilities	\$ 4,429,388	\$ -	\$ -	\$ -	\$ 4,429,388
Equipment financing	1,352,043	5,073,937	-	-	6,425,980
Lease liabilities	48,848	134,333	-	-	183,181
Liabilities from discontinued operations	1,926,838	-	-	-	1,926,838
Balance March 31, 2024	\$ 7,757,117	\$ 5,208,270	\$ -	\$ -	\$ 12,965,387

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10. CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS (Continued)

Liquidity risk (continued)

The Company's approach to managing liquidity risk is to endeavour to have sufficient liquidity to meet liabilities when due. As at June 30, 2024, the Company had a cash balance of \$1,173,361 (March 31, 2024: \$1,416,916). As at June 30, 2024, the Company's financial liabilities consisted of accounts payable and accrued liabilities of \$5,196,249 (March 31, 2024: \$4,429,388) all due in less than one year, other current liabilities of \$10,217,182 (March 31, 2024 - \$8,560,674), plus long term liabilities of \$30,070,063 (March 31, 2024: \$29,144,536).

During the year ended March 31, 2024, the Company raised \$3,783,015 through a private placement (Note 11).

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodities and equity prices will affect the Company's income or the value of its holdings of financial instruments. The ability of the Company to explore, evaluate and develop its exploration and mining properties and the future profitability of the Company are directly related to the price of base and precious metals. The Company monitors metal prices to determine the appropriate course of action to be taken.

Foreign currency risk

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

Sensitivity analysis

The carrying amount of cash, amounts receivable, and accounts payable and accrued liabilities equals fair market value. The effect of changes in foreign exchange rates on net loss is deemed insignificant as the number and amount of foreign-currency transactions are relatively small. Had the foreign exchange rates been higher (lower) by 10%, the foreign exchange in the consolidated statement of loss would have been lower (higher) by approximately \$189,000 (three months ended June 30, 2024: \$2,533,000).

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11. SHARE CAPITAL

(a) Authorized:
Unlimited number of voting common shares
Unlimited number of non-voting preferred shares, issuable in series

(b) Issued:

Reconciliation of the number and value of common shares as at June 30, 2024 and March 31, 2024 were as follows.
All issued shares are fully paid.

	Note	Number of shares	Issued capital
Balance, March 31, 2023		34,985,561	\$ 44,550,809
Shares issued on licence acquisition	17	16,826	12,983
Shares issued on property acquisition	17	2,720,000	1,712,593
Private placement		5,000,000	3,783,015
Warrant valuation from warrants issued in private placement		-	(762,862)
Warrant exercise		852,333	742,739
Cost of issue		-	(317,980)
Balance, March 31, 2024		43,574,720	\$ 49,721,297
Option exercise	12	55,000	42,186
Cost of issue		-	(1,810)
Balance, June 30, 2024		43,629,720	\$ 49,761,673

Private placement

On July 12, 2023, the Company closed a private placement offering of units, consisting of 5,000,000 units at a price of CAD\$1.00 per unit for aggregate gross proceeds of \$3,694,672 (CAD\$5,000,000). Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each full warrant entitles the holder to acquire one common share of the Company at a price of CAD\$1.50 for a period of 36 months. The Company paid cash finder's fees of \$151,075 (CAD\$204,450) and issued 1,022,250 non-transferrable compensation options. Each compensation option entitles the holder to purchase one common share at an exercise price equal to the offering price for a period of 36 months. In addition, the Company also paid a corporate finance fee of \$61,332 (CAD\$83,000) and 417,000 compensation options to the agents of the offering. The agent's compensation options entitle the holder to purchase an equal number of common shares, subject to certain circumstances, at an exercise price equal to the offering price, for a period of 36 months.

Share Consolidation

On April 9, 2024, the shareholders of the Company approved the consolidation of the Company's common shares on a basis of one new common share for every existing five common shares outstanding, effective June 4, 2024. On June 4, 2024, the Company had 217,873,600 common shares outstanding, and these common shares were consolidated to 43,574,681 common shares. The change in the number of issued and outstanding common shares did not materially affect any shareholder's percentage of ownership in the Company. The share and per share amounts in the consolidated financial statements for the three months ended June 30, 2024 and 2023 have been updated to reflect this share consolidation.

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12. EQUITY RESERVES

	No. of Options	Weighted Average Exercise Price (CAD)	Grant Date Fair Value of Options	No. of Warrants, Broker Warrants	Weighted Average Exercise Price (CAD)	Grant Date Fair Value of Warrants, Broker Warrants	TOTAL
March 31, 2023	1,822,000	\$0.75	\$ 1,369,258	10,249,815	\$1.75	\$ 5,020,340	\$ 6,389,598
Vested	-	-	27,107	-	-	-	27,107
Expired	(60,000)	\$1.00	(35,469)	(6,212,407)	\$2.40	(2,965,401)	(3,000,870)
Exercised	-	-	-	(852,333)	\$1.00	(113,620)	(113,620)
Warrant issue costs (net)	-	-	-	-	-	9,838	9,838
March 31, 2024	1,762,000	\$1.31	\$ 1,360,896	3,185,075	\$1.75	\$ 1,951,157	\$ 3,312,053
Granted	2,169,000	\$0.95	232,900	-	-	-	232,900
Expired	-	-	-	(3,185,075)	\$1.75	(2,143,380)	(2,143,380)
Exercised	(55,000)	\$0.90	(5,934)	-	-	-	(5,934)
Warrant issue costs (net)	-	-	-	-	-	192,223	192,223
June 30, 2024	3,876,000	\$1.11	\$ 1,587,862	-	-	\$ -	\$ 1,587,862

Options

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

In May 2024, the Company granted a total of 2,139,000 stock options to various directors, officers and consultants pursuant to its stock option plan. The options vested immediately and may be exercised at a price of \$0.95 per option for a period of five years from the date of grant.

There were 2,139,000 options granted during the three months ended June 30, 2024 (no options granted during the three months ended June 30, 2023). The weighted average life of total outstanding options is 3.52 years at June 30, 2024 (March 31, 2024 – 1.91 years).

As at June 30, 2024, the Company had stock options outstanding and exercisable as follows:

Grant date	Expiry date	Number outstanding	Number exercisable	Exercise price (CAD)	Grant date fair value	Dividend yield (%)	Expected volatility (%)	Expected life (years)	Expected Risk rate (%)
21-Oct-19	21-Oct-24	515,000	515,000	\$0.90	301,537	0	115	5	1.57
1-Dec-21	1-Dec-24	40,000	40,000	\$2.30	49,656	0	126	3	1.03
21-Feb-22	21-Feb-27	882,000	882,000	\$1.70	889,086	0	117	5	1.74
26-Aug-22	26-Aug-27	150,000	150,000	\$0.75	75,593	0	115	5	3.25
26-Aug-22	26-Aug-24	120,000	120,000	\$0.75	39,090	0	94	2	3.54
23-May-24	23-May-29	2,169,000	2,169,000	\$0.95	232,900	0	103	5	3.68
		3,876,000	3,876,000		\$ 1,587,862				

The expected volatility is based on historical share prices of the Company.

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12. EQUITY RESERVES (Continued)

Warrant liability and compensation options

As at June 30, 2024, the Company had the following common share purchase warrants and compensation options outstanding that are classified as a liabilities:

	Grant date	Expiry date	Number outstanding	Exercise price (CAD)	Grant date fair value	Dividend yield (%)	Expected volatility (%)	Expected life (years)	Risk free rate (%)
Warrants on stream agreement	24-Oct-22	24-Oct-25	500,000	\$0.93	\$ 231,607	0	94	3	4.21
Warrants on units	12-Jul-23	12-Jul-26	2,500,000	\$1.50	\$ 819,661	0	99	3	4.33
Broker compensation options	12-Jul-23	12-Jul-26	204,450	\$1.00	\$ 85,883	0	99	3	4.33
Broker compensation options	12-Jul-23	12-Jul-26	83,400	\$1.00	\$ 35,892	0	99	3	4.33
			3,287,850		\$ 1,173,043				

The expected volatility is based on historical share prices of the Company.

In connection with the Sprott Mining Inc. credit agreement (Note 15), the Company issued 500,000 common share purchase warrants, each exercisable for one common share of the Company at a price of CAD\$2.35 per common share for a period of one year from the date of their issuance. On October 24, 2022, when the Company, Sprott Streaming and Sprott Mining entered an agreement for a stream of silver deliveries, these common share purchase warrants were cancelled and reissued with a strike price of CAD\$0.93 with a term of three years. As a result of this modification, an additional \$186,671 (CAD\$252,622) was included in the warrant liability with a corresponding charge to the statement of loss. These warrants were classified as a liability as they were issued after the change in functional currency of the Company.

13. RELATED PARTY TRANSACTIONS

Compensation of key management

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

	Three months ended June 30,	
	2024	2023
Consulting fees	\$ 202,522	\$ 116,492
Share-based payments	407,982	-
	\$ 610,504	\$ 116,492

See also Notes 8 and 12.

The Company paid \$11,066 in rent to 14122917 Canada Inc., a company controlled by Mr. Jed Richardson for office rent for the three months ended June 30, 2024 (three months ended June 30, 2023 - \$nil).

Included in accounts payable and accrued liabilities as at June 30, 2024 was approximately \$8,675 for consulting fees and expenses charged by current and former officers and directors of the Company (March 31, 2024: \$7,399). Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

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14. COMMITMENTS AND CONTINGENCIES

Management contracts

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of up to \$1,214,000 to be made to the officers of the Company upon the occurrence of certain events such as a change of control. As the triggering effect has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contractual commitments remaining under the agreements are approximately \$841,000, all due within one year.

Legal claims

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

Environmental

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

Silver Hill Project

The Company completed its acquisition of 100% equity interest in Technomine, a Moroccan company from Technomine's shareholders on September 24, 2020. The Company is required to meet the terms of the transaction outlined in the definitive agreement as consideration of the acquisition. See Note 17.

Copperbelt Option

See Note 8 for details.

Sprott Private Resource Streaming and Royalty (B) Corporation ("Sprott Streaming") Streaming Agreement

If production from the Asis West underground mine does not reach a thirty consecutive day average daily production of 900 tonnes of ore per day by October 31, 2025, Trigon shall repay Sprott \$37,500,000 multiplied by the pro rata production achieved relative to the 900 tonne of ore per day threshold underground production. The repayment obligation will convert to a one-year promissory note bearing interest at 12% per annum.

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15. PROJECT FINANCE FACILITY AND OFFTAKE

Financing Facility

On October 27, 2021, the Company entered into a credit agreement with IXM SA (“IXM”) for a \$5,000,000 project finance facility (the “Facility”) to finance operating expenditures.

The Facility was structured in two tranches of \$2,500,000 each. The first \$2,500,000 tranche was drawn down in November 2021 and a further \$250,000 was drawn in January 2022. The remaining \$2,250,000 tranche was available for draw down after confirmation of further funding support. The Facility was repayable over 36 months, commencing six months after the initial drawdown. The Company could prepay in whole or in part without notice, bonus or penalty, any portion of the Facility at any time with a minimum increment of \$250,000.

The Company paid IXM a commitment fee of 3.2% of the Facility amount and an arrangement fee of 1.0% of the Facility amount, each fee payable pro rata based on the amount of each tranche.

The Company provided an unsecured guarantee of the obligations under the Facility, pledged its shares of its Namibian subsidiary and provided a general notarial bond over assets located in Namibia.

The IXM financing facility was repaid in full in May 2022 and the security over the Namibian shares and assets was released.

Copper Concentrate Offtake

On November 16, 2021, IXM and the Company entered into an exclusive offtake agreement whereby IXM will acquire 100% of the production from the Kombat open pit mine. The “Initial Term” shall commence from the date of commercial production and shall continue for a minimum period of six full calendar (6) years. The Company shall deliver a minimum quantity of 80,000 dry metric tonnes (“DMT”) of material during the Initial Term (“Minimum Quantity”). In the event the Minimum Quantity is not delivered during the Initial Term then, at the sole option of IXM, the Initial Term may be extended until the Minimum Quantity has been delivered by the Company to IXM.

Sprott Mining Inc. (“Sprott Mining”) Credit Agreement

In May 2022, the Company entered into a credit agreement with Sprott Mining (the “Sprott Loan”) and the Company’s Moroccan subsidiary, Safi Silver Corp. (“Safi Silver”) pursuant to which Sprott Mining lent the Company \$2,500,000. The Sprott Loan had a term of 180 days and accrued interest at the rate of 12.0% per annum, payable in arrears. The Sprott Loan was secured by a security interest over all present and acquired property of the Company and Safi Silver, with a first ranking charge against Safi Silver’s assets, including a guarantee from Safi Silver and a share pledge of its Safi Silver shares.

In connection with the Sprott Loan, the Company issued 2,500,000 common share purchase warrants, each exercisable for one common share of the Company at a price of CAD\$0.47 per common share for a period of one year from the date of their issuance. On October 24, 2022, when the Company, Sprott Mining and Sprott Streaming entered an agreement for a stream of silver deliveries, these common share purchase warrants were cancelled and reissued with a strike price of CAD\$0.23 with a term of three years.

Sprott Mining is a related party of the Company, as it owns approximately 18% of the Company’s outstanding shares and holds a seat on the Company’s Board of Directors.

This loan was repaid in full in October 2022 as part of the Sprott streaming closing.

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15. PROJECT FINANCE FACILITY AND OFFTAKE (continued)

Sprott Streaming Agreement

On October 24, 2022, the Company entered into a streaming agreement with Sprott Streaming and Sprott Mining (together "Sprott") for a silver and copper stream transaction. Under the terms of this agreement, the Company will sell 100% of its silver concentrate and 6.5% of its copper concentrate from its underground operations to Sprott. Once the Company hits the underground production target of 2,250 tonnes per day mined, the percentage of copper concentrate sold to Sprott will be reduced to 1.625%.

Pursuant to this agreement, the Company received advanced consideration of \$37,500,000 from Sprott Streaming and Sprott Mining against future deliveries of copper and silver production from the Company's Kombat mine. The advanced consideration is accounted for as deferred revenue, with revenue recognized when the metals are delivered to the counterparty. The Company estimates the current portion of deferred revenue based on deliveries anticipated over the next twelve months based on the mine plan.

Deferred revenue consists of: 1) initial cash deposit received by the Company for future delivery of payable copper and silver, and 2) a significant financing component of the agreement resulting from the difference in the timing of the upfront consideration received and the promised goods delivered. As such, the Company recognizes interest expense at each reporting period and will accrete the deferred revenue balance to recognize the significant financing element that is part of the agreement. The interest rate of 23.68% is determined based on the rate implicit in the agreement at the date of inception.

As the Company delivers concentrate to Sprott, 90% of the sale value will be applied to reduce the advanced consideration outstanding and 10% will be payable in cash, until the entire advanced consideration has been repaid.

In the event that the Company does not hit a 30-day consecutive average of 900 tonnes per day by October 31, 2025, Trigon shall repay Sprott \$37,500,000 multiplied by the pro rata production achieved relative to the 900 tonne of ore per day threshold underground production. The repayment obligation converts to a one-year promissory note from Sprott to the Company, bearing interest at 12% per annum (Note 15).

The Company has the option to reduce the payable copper and silver by up to 50% by making a single cash payment to Sprott equivalent to 1.5 times the remaining advanced consideration outstanding. The payment must be made prior to June 27, 2027, after which the buyback option expires. The Company determined that the buyback option constituted a separate financial asset to the Company. The buyback option was recorded at a fair value of \$nil (2024 - \$1,233,797) on the consolidated statement of financial position as at June 30, 2024. The fair value of the buyback option was estimated using a Geometric Brownian motion model using the following assumptions: expected copper volatility of 12.44% (2023 - 10.05%) based on historical volatility of commodity copper, expected silver volatility of 16.95% (2023 - 18.28%) based on historical volatility of commodity silver, risk-free rate of 3.91% (2023 - 3.12%), copper price of \$8,767 per tonne (2023 - \$9,004), silver price of \$24.54 per ounce (2023 - \$23,89), and it was estimated that the step down date would not be met.

On the issuance date, the fair value of the derivative asset of the buyback option had an estimated fair value of \$1,926,653, which was accounted for as a derivative asset at FVPL, with a corresponding increase in a contra derivative asset account. The fair value of the buyback option was estimated using a Geometric Brownian motion model using the following assumptions: expected copper volatility of 11.23% based on historical volatility of commodity copper, expected silver volatility of 17.98% based on historical volatility of commodity silver, risk-free rate of 3.82%, copper price of \$7,689 per tonne, silver price of \$19.22 per ounce, estimated step down date of April 30, 2024.

As the deferred revenue on streaming arrangements is considered variable consideration, an adjustment is made to the transaction price per unit each time there is a change in the underlying production profile of the mine. The change in the transaction price per unit results in a cumulative catch-up adjustment to deferred revenue in the period in which the change is made, reflecting the new production profile expected to be delivered under the streaming arrangement. A corresponding cumulative catch-up adjustment is made to accretion expense, reflecting the impact of the change in the deferred revenue balance. In March 2024, the Company completed its technical report for the Kombat Mine, which resulted in an update in the life of the Kombat Mine and reduction of the silver and copper reserves to be delivered. These changes resulted in a reduction of the stream liability as at March 31, 2024 and a decrease in finance expense (recovery of accretion expense) of \$20,353,417 for the year ended March 31, 2024.

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15. PROJECT FINANCE FACILITY AND OFFTAKE (continued)

Deferred revenue on streaming arrangement as at March 31, 2023	\$	40,622,799
Deferred revenue recognized		(459,422)
Accretion		9,605,504
Recovery of finance costs on deferred revenue		(20,353,417)
Deferred revenue on streaming arrangement as at March 31, 2024		29,415,464
Deferred revenue recognized		(621,177)
Accretion		1,594,086
Deferred revenue on streaming arrangement as at June 30, 2024	\$	30,388,373
Current	\$	5,569,949
Non-current		24,818,424
	\$	30,388,373

16. LEASE LIABILITIES

In December 2021, the Company entered into a lease agreement with a local Namibian company, Kombat Village Properties (Pty) Ltd (“KVP”) for the lease of land in and around the Kombat Mine area, allowing the Company to continue development of its open pit mining operations, including the establishment of the mine’s tailings facility.

The total to be paid by the Company was \$1,449,498 (CAD\$1,961,606), payable in three cash tranches as follows:

- \$184,733 (CAD\$250,000) paid on commencement of the lease;
- \$619,909 (CAD\$830,803) payable on January 17, 2022 (\$449,602 (CAD\$608,446) paid during the year ended March 31, 2022, \$164,307 (CAD\$222,357) paid in October 2022); and
- \$619,909 (CAD\$830,803) payable on July 18, 2022 (paid October 2022).

The lease period is for the duration of the mining licences held by the Company and will continue as long as the mining licenses of the Company are active, including all future renewals of the mining licenses.

The Company issued 40,000 stock options at an exercise price of CAD\$2.30 in relation to the KVP lease during the year ended March 31, 2022. The options vested immediately and are exercisable for a period of three years. See Note 12.

In January 2022, the Company transferred a 10% equity interest in the Company’s wholly owned subsidiary, Gazania, valued at \$36,947 (CAD\$50,000), based on 10% of the acquisition cost of Gazania, to Texel Mining and Exploration (Proprietary) Limited as part of the lease agreement.

The KVP lease liability was paid in full in October 2022.

In October 2022, the Company entered into various equipment leases which have been included in lease liability. The leases commenced in October 2022 with lease terms of 60 months. The Company used a discount rate of 10.75% in determining the present value of the lease payments.

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16. LEASE LIABILITIES (CONTINUED)

Lease liability as at March 31, 2023	\$	194,183
Interest expense		17,703
Lease payments		(65,301)
Effect of exchange differences		(9,101)
Lease liability as at March 31, 2024	\$	137,484
Interest expense		3,849
Lease payments		(12,212)
Effect of exchange differences		5,882
Lease liability as at June 30, 2024	\$	135,003

	June 30, 2024	March 31, 2024
Current lease liability	\$ 49,728	\$ 47,758
Non-current lease liability	85,275	89,726
	\$ 135,003	\$ 137,484

Future undiscounted minimum lease payments for the lease agreements are as follows:

	June 30, 2024	March 31, 2024
Within one year	\$ 40,782	\$ 48,848
After one year but not more than five years	108,216	134,333
More than five years	-	-
	\$ 148,998	\$ 183,181

17. DISCONTINUED OPERATIONS

On September 24, 2020, the Company acquired a 100% equity interest in Technomine, a Moroccan company, from Technomine's previous shareholders (the "Vendors"). Technomine owns a 100% interest in the Silver Hill Project ("Silver Hill") in Morocco. Below are the terms of the transaction:

1. Pay to the Vendors \$369,467 (CAD\$500,000) in cash (paid) and issue 6,000,000 common shares (issued) on closing of the Transaction (the "First Payment"). The common shares were valued at \$554,200 (CAD\$750,000) based on their trading price subsequent to the signing of the share purchase agreement.
2. On the one-year anniversary of the closing of the transaction, Trigon was to pay to the Vendors \$295,574 (CAD\$400,000) (outstanding) and issue such number of Trigon common shares equal to \$184,734 (CAD\$250,000) (based on their trading price at the time) (outstanding) (the "Second Payment").
3. Upon the completion of an independent National Instrument 43-101 compliant Mineral Resource estimate at Silver Hill showing at least 100,000 tonnes of contained copper and/or equivalent, Trigon shall issue such number of shares equal to \$923,668 (CAD\$1,250,000) (based on their trading price at the time) to the Vendors (outstanding).

The second acquisition fee payable is presented in the financial statements as the net present value of the future payments, discounted by 15%. As of June 30, 2024, the second acquisition fee payable has been accreted to \$822,312.

The net present value of the second acquisition fee payable was originally calculated using an estimated completion date of March 31, 2023 for the completion of the technical report. In the period ended March 31, 2023, the Company reassessed the estimated completion date of the technical report, changing the estimated completion date to March 31, 2025. This change impacted the net present value calculation for the second acquisition fee payable. The effect of this change on the net present value of the second acquisition fee payable is as follows below. There have been no changes to management's assessment in 2025.

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17. DISCONTINUED OPERATIONS (continued)

Second acquisition fee payable as at March 31, 2023	\$	698,159
Accretion		104,023
Second acquisition fee payable as at March 31, 2024	\$	802,182
Accretion		28,168
Effect of exchange differences		(8,038)
Second acquisition fee payable as at June 30, 2024	\$	822,312

In addition, the Company paid \$33,252 (CAD\$45,000) cash and issued 300,000 common shares to Majilias Inc. for its role as an arm's length finder. The common shares were valued at \$27,710 (CAD\$37,500) based on their trading price subsequent to the signing of the share purchase agreement. The finder shall also be entitled to share consideration comprising the Second Payment, when paid by Trigon.

The Second Payment was delayed to allow the Company to preserve its working capital. The delay is not expected to have an impact on the Company.

On February 14, 2024, the Trigon announced plans to spin out its wholly-owned subsidiary, Safi Silver Corp. ("Safi Silver"), which holds the Company's Moroccan assets, namely the Silver Hill Project, pursuant to a plan of arrangement under section 192 of the *Canada Business Corporations Act* (the "Proposed Arrangement"). The Company has received an interim order from the Ontario Superior Court of Justice (Commercial List) in respect of the Proposed Arrangement and on April 9, 2024, Trigon shareholders approved the Proposed Arrangement.

Completion of the Proposed Arrangement is subject to a number of conditions, including: (a) closing of a Safi Silver financing; (b) conditional approval for listing of the Safi Silver shares on a recognized Canadian stock exchange; (c) the affirmative vote of two-thirds of Trigon shareholders in attendance of the Meeting; and (d) approval of the TSX Venture Exchange.

The spinout of Safi Silver is expected to be completed within a year from March 31, 2024. At June 30, 2024, Safi Silver was classified as an asset held for distribution and discontinued operation.

The results for Safi Silver for the years ended June 30, 2024 and 2023 were as follows:

	Three months ended June 30,	
	2024	2023
Expenses		
Exploration and evaluation expenditures	74,038	82,408
Professional fees	3,654	-
Depreciation	894	937
Accretion expense	28,168	45,527
Other expense	296	642
Net loss	\$ 107,050	\$ 129,514

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17. DISCONTINUED OPERATIONS (continued)

Safi Silver's exploration and evaluation expenses for the three months ended June 30, 2024 and March 31, 2024 were as follows:

	Three months ended June 30,	
	2024	2023
Assay and survey	\$ 802	\$ -
Field office and support	1,718	9,162
Consulting and labour	70,438	73,246
Travel	898	-
Other	182	-
	\$ 74,038	\$ 82,408

The major classes of assets and liabilities of Safi Silver at June 30, 2024 and March 31, 2024 are as follows:

As at	June 30, 2024	March 31, 2024
ASSETS		
Cash	\$ 2,297	\$ 6,249
Amounts receivable	1,139	1,139
Prepaid expenses	2,799	2,799
Property and equipment	22,660	12,184
Total assets	\$ 28,895	\$ 22,371
LIABILITIES		
Accounts payable and accrued liabilities	\$ 16,262	\$ 14,338
Acquisition fees payable	1,306,348	1,291,112
Total liabilities	1,322,610	1,305,450

18. ENVIRONMENTAL REHABILITATION OBLIGATION

Environmental rehabilitation obligation as at March 31, 2023	\$ -
Provision	586,870
Environmental rehabilitation obligation as at March 31, 2024	\$ 586,870
Effect of exchange differences	24,204
Environmental rehabilitation obligation as at June 30, 2024	\$ 611,074

A provision has been recognized for expected current value of future decommissioning costs of the Kombat Mine, using a discount rate of 10% and an inflation rate of 4.5%. The Company expects to incur the rehabilitation costs between 2030 through 2035. As at June 30, 2024, the undiscounted amount of the estimated future reclamation costs is \$1,150,700.

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19. EQUIPMENT FINANCING

In November 2023, the Company entered into a finance agreement for various pieces of equipment which have been included in the lease liability. The first leases commenced in November 2023 with lease terms of 120 months. The Company used a discount rate of 10.68% in determining the present value of the leases.

Equipment financing as at March 31, 2023	\$	-
Additions		6,127,170
Interest expense		114,185
Principal payments		(1,253,374)
Equipment financing as at March 31, 2024	\$	4,987,981
Additions		1,879,535
Interest expense		22,917
Principal payments		(251,557)
Equipment financing as at June 30, 2024	\$	6,638,876

	June 30, 2024		March 31, 2024	
Current equipment financing	\$	2,083,586	\$	849,426
Non-current equipment financing		4,555,290		4,138,555
	\$	6,638,876	\$	4,987,981

Future undiscounted minimum lease payments for the lease agreements are as follows:

	June 30, 2024		March 31, 2024	
Within one year	\$	1,852,043	\$	1,352,043
After one year but not more than five years		6,273,937		5,073,937
More than five years		-		-
	\$	8,125,980	\$	6,425,980

20. SUBSEQUENT EVENT

IXM Advance

Effective July 1, 2024, the Company entered into an agreement with IXM whereby IXM advanced \$2.5 million in two tranches of \$1.25 million with tranche one immediately drawn down and the second tranche being available for draw down between August 19, 2024 and August 30, 2024. The advance will be repaid in principal portions of \$208,334 commencing in October 2024 through September 2025 repayable in copper concentrate. Interest will be charged at the 30-day secured overnight financing rate average plus 2.5% and paid in cash.