

TriMetals Mining Inc.

Annual Information Form

For the Fiscal Year Ended December 31, 2015

March 22, 2016

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General

In this Annual Information Form, references to the "Company" mean TriMetals Mining Inc. and its subsidiaries, unless the context otherwise requires or indicates. References to the business of the Company include the business conducted by its wholly-owned subsidiaries, currently and prior to the incorporation or acquisition.

This Annual Information Form contains references to both U.S. dollars and Canadian dollars. All U.S. dollar amounts are referred to as "U.S. dollars" or "US$" and Canadian dollars are referred to as "CDN dollars" or "CDN$". As at March 22, 2016, the USD-CAD noon rate as reported by the Bank of Canada was US$1.00 = CDN$1.3051 or CDN$1.00 = US$0.7662.

The information in this Annual Information Form is presented as at December 31, 2015 unless otherwise indicated.

Third Party Information

This Annual Information Form includes third party information which was obtained from various publicly available sources and other sources and is believed to be true. Although the Company believes that these independent sources are generally reliable, the accuracy and completeness of such information are not guaranteed and have not been independently verified by the Company.

Forward-Looking Statements

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "continue", "creating", "pursuit", "realization", "potential", "intends", "target", "anticipates", "proceed", "will", "would", "should", "estimates", "expects", "believes", "indicates", "suggests", "further", "expand", and similar expressions.

This Annual Information Form, and in particular (but without limitation) the Business Outlook for 2016 commencing on page 4, contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning economic assessments, mineral resource estimates and the interpretation of exploration programs and drill results also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present and economically mineable if and when a project is actually developed.

The material assumptions that were applied in making the forward-looking statements in this Annual Information Form include, but are not limited to:

- Execution of the Company's existing plans and further exploration and development programs for Gold Springs which may change due to changes in the views of the Company or if new information arises which makes it prudent to change such plans or programs, the availability of equipment and qualified personnel, the continuing support for mining by local governments in Nevada, Utah and Chile, and the availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms to advance the Gold Springs project.

- The accuracy of economic assessments, current mineral resource estimates and interpretation of drill, metallurgical testing and other exploration results. New information or new interpretation of existing information may result in changes in the Company's expectations.

- The assumptions and estimates disclosed in the Preliminary Economic Assessment Update on the Gold Springs Property, Utah/Nevada, USA with an effective date of August 12, 2015, authored by Terre Lane and Rick Moritz of Global Resource Engineering, Ltd. and Kurt Katsura.

- The ability of the Company to realize value from its investment in Bolivia, the arbitration proceedings continuing along a timeline consistent with Procedural Order No. 1, as amended, and the third party funder honoring its contractual commitments regarding the arbitration.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to: the risks of mineral exploration industry

which may affect the advancement of the Company's properties, including possible variations in mineral resources or grade, metal prices, capital and operating costs, and the application of taxes, availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms, availability of equipment and qualified personnel, failure of equipment or processes to operate as anticipated, changes in project parameters as plans continue to be refined and political, regulatory, environmental and other risks of the mining industry; uncertainties associated with the arbitration proceeding against Bolivia, including non-compliance with the terms of the arbitration funding agreement; the advancement of the international arbitration process in a customary manner and in accordance with Procedural Order No.1, as amended; the outcome of the international arbitration process, including the timing and value of any arbitral award or settlement; management's expectation with regards to the final amount of costs, fees and other expenses and commitments payable in connection with this arbitration; an inability or delay in recovering from Bolivia the amount of any award or settlement; and the political and economic climate in Bolivia, including the attitudes and actions of the Bolivian government related to foreign investment in Bolivia. For a further description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this Annual Information Form, please see "Description of the Business - Risk Factors" commencing on page 25. The risk factors described in this Annual Information Form are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the forward-looking statements herein.

It is important to note that:

- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that results, performance or achievements expressed or implied by forward-looking statements will materialize.

- Unless otherwise indicated, forward-looking statements in this Annual Information Form describe the Company's expectations as of March 22, 2016.

- Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

Cautionary Statement Regarding Resource Estimates

Readers should note that the estimation of quantities of resources and reserves is complex, based on significant subjective assumptions and forward-looking information, including assumptions that arise from the evaluation of geological, geophysical, engineering and economic data for a given mineralized body. This data could change over time as a result of numerous factors.

Unless otherwise indicated, all resource estimates have been prepared in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves ("CIM Definition Standards"). Canadian standards, including NI 43-101, differ significantly from the requirements of the SEC, and resource information may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Under SEC Industry Guide 7 mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. SEC Industry Guide 7 does not define and the SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an "inferred mineral resource" exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the

SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC, and any reserves reported by the Company in the future in compliance with NI 43-101 may not qualify as "reserves" under SEC standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable to information made public by companies that report in accordance with United States standards.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated as "South American Silver Corp." under the *Canada Business Corporations Act* by articles of incorporation dated September 28, 2006. By articles of amendment dated February 7, 2007, the Company split its issued and authorized common shares on a 4.3-for-1 basis.

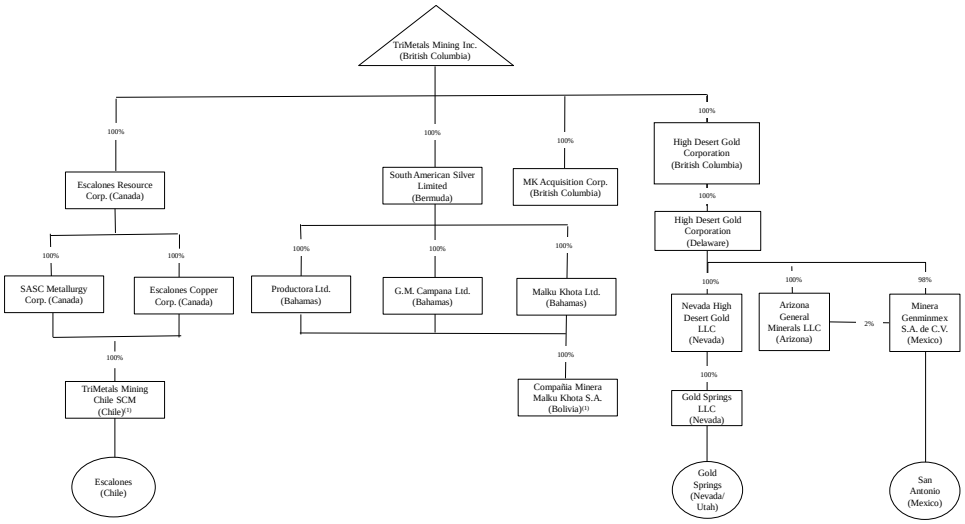
The Company was continued under the *Business Corporations Act* (British Columbia) effective December 17, 2013. On December 20, 2013, the Company completed a plan of arrangement whereby, among other things, each then issued and outstanding common share of the Company was exchanged for one new common share (the "Common Shares") and one Class B non-voting share (the "Class B Shares"). See also "Description of Capital Structure" commencing on page 33.

The Company changed its name to "TriMetals Mining Inc." by filing a notice of alteration of its articles on March 17, 2014.

The registered office, records office and head office of the Company in Canada is located at 580 Hornby Street, Suite 880, Vancouver, British Columbia, V6C 3B6 and the head office of the Company in the U.S. is located at 2696 South Colorado Boulevard, Suite 240, Denver, Colorado 80222.

Intercorporate Relationships

The following is a diagram of the intercorporate relationships among the Company and its material subsidiaries as at December 31, 2015 indicating the percentage of votes attaching to all voting securities of the subsidiary beneficially owned, controlled or directed by the Company and where the subsidiary was incorporated or continued.



(1) Local laws in Chile require that companies incorporated in Chile have at least two shareholders. Similarly, local laws in Bolivia require that companies incorporated in Bolivia have at least three shareholders. Accordingly, the issued shares of these subsidiaries are held as follows:

Subsidiary	Shareholders
TriMetals Mining Chile SCM	Escalones Copper Corp. (15,557 shares) SASC Metallurgy Corp. (one share)
Compañia Minera Malku Khota S.A. ("CMMK")	Malku Khota Ltd. (48 shares) GM Campana Ltd. (one share) Productora Ltd. (one share)

GENERAL DEVELOPMENT OF THE BUSINESS

The Company is a growth focused mineral exploration company creating value through the exploration and development of the near surface Gold Springs gold-silver project along the Nevada-Utah border. The Company is also involved in the advancement of the large scale Escalones copper-gold project located in the world renowned Chilean copper belt and the realization of value from the expropriated Malku Khota project in Bolivia through an arbitration process.

The Company's approach to business combines the team's track record of discovery and advancement of large projects, key operational and process expertise, and a focus on community relations and sustainable development. Management has extensive experience in the global exploration and mining industry.

The Company's Common Shares and Class B Shares trade on the Toronto Stock Exchange (the "TSX") under the symbols TMI and TMI.B, respectively, and the Company's Common Shares and Class B Shares trade in the US on the OTCQX International Market as TMIAF and TMIBF.

Business Outlook for 2016

The disclosure in this section contains forward-looking statements. Reference should also be made to the disclosure under the heading "Forward-Looking Statements" commencing on page 1 and for a description of material assumptions applied in making the forward-looking statements and the material factors that could cause the Company's actual results to differ materially from its forward-looking statements, please see "Description of the Business – Risk Factors" commencing on page 25.

The priorities of the Company for 2016 are to:

- continue with the exploration program at Gold Springs with the intention of expanding the mineral resource and move the project closer to production;
- seek an appropriate joint venture partner for the Escalones copper-gold porphyry project in Chile;
- continue international arbitration proceedings against Bolivia to recover full compensation based on the fair market value for the Malku Khota project; and
- diligently continue managing the Company's cash resources.

Gold Springs, United States

The Company has completed a preliminary economic assessment ("PEA") update for its the near surface Gold Springs gold-silver project along the Nevada-Utah border. The PEA update for the Gold Springs Project, dated August 12, 2015, authored by Terre Lane and Rick Moritz of Global Resource Engineering, Ltd. and Kurt Katsura, supports:

- a 9 year, 15,000 tonnes per day ("tpd") "heap-leach" project;
- a pre-tax net present value with a 5% discount rate ("$NPV_{5\%}$") of US$137.4 million (after-tax $92.1 million);
- a pre-tax internal rate of return ("IRR") of 49.9% (after-tax 35.8%);

- cash operating costs[1] of US$669/ ounce ("oz.") of gold ("Au");
- fully loaded costs[2] of US$863/Au oz.; and
- pre-production capital cost of $55 million (including a $6.4 million contingency) and on-going capital cost of $24.8 million (including a $3.7 million contingency).

The Company's Gold Springs property is discussed in more detail under the heading "Description of the Business – Gold Springs (United States)".

Escalones, Chile

The potential at the Escalones property in Chile includes the very large, undrilled "magnetic body" interpreted to be a continuation of the copper-gold skarn drilled to date and the "conductivity anomaly" on the east side of the property, which is interpreted as near surface oxide/secondary copper mineralization as seen in drill hole ES 35. The Company believes this property has the potential to host an expanded resource that could add to share value.

In November 2014, the Company was granted an environmental permit for Escalones to construct 20 drill pads from which 20,000 metres of diamond drilling can be performed. The permit authorizes work to be completed over 3 continuous drilling seasons, which typically extend from October to May, and should begin by no later than November 2019. The Company continues to seek a joint venture partner for Escalones.

The Company's Escalones property is discussed in more detail under the heading "Description of the Business – Escalones (Chile)".

Malku Khota, Bolivia - International Arbitration Claim

The Company is moving forward with determination seeking payment for the expropriation by Bolivia of its significant discovery, the Malku Khota silver-indium deposit, through the international arbitration process. To allow shareholders to more clearly invest in either the Company's ongoing exploration/development programs or the arbitration with Bolivia, the Company created the Class B Shares, the holders of which are entitled to 85% of the net-cash, if any, (after deducting all costs, taxes and expenses and the third party funder's portion thereof) received by the Company from an award or settlement in relation to the Company's wholly-owned subsidiary South American Silver Limited's arbitration proceeding against the State of Bolivia for the expropriation of the Malku Khota project. See "Description of Capital Structure - Class B Non-Voting Shares".

On June 3, 2014, South American Silver Limited ("SASL") received Procedural Order No. 1 from the Arbitral Tribunal (the Tribunal's binding decisions on procedural matters). Based on the procedural calendar included in Procedural Order No.1, as amended, SASL's statement of claim and memorial on the merits was filed on time on September 24, 2014. SASL seeks monetary compensation for damages in the amount of US$385.7 million, which includes US$307.2 million for all of its losses caused by Bolivia's breaches of the UK-Bolivia Treaty, plus US$78.5 million in pre-award interest but excludes fees and costs incurred in connection with the arbitration proceeding. Alternatively, SASL seeks restitution of the Malku Khota project along with monetary damages in the amount of US$176.4 million, including pre-award interest. On March 31, 2015, Bolivia filed its statement of defense and counter-memorial marking the conclusion of the preliminary written pleadings phase of the arbitration and the beginning of the document production phase.

In accordance with the procedural calendar SASL's reply to Bolivia's statement of defense and counter-memorial was filed on November 30, 2015. Pursuant to a 21-day extension granted by the Tribunal, Bolivia's rejoinder was filed on March 21, 2016. On April 30, 2015, after consultations with the parties, the Tribunal decided to postpone the oral hearing from May 2016 to July 2016. The oral hearing will last for approximately 10 days. Orders of the Tribunal, including any awards and pleadings (but not exhibits, witness statements or expert reports) are posted on the Permanent Court of Arbitration's website at www.pca-cpa.org. Based on the procedural calendar included in Procedural Order No.1, as amended in April 2015, June 2015 and January 2016, and unless there is a

[1] Cash operating cost per gold ounce is net of silver credit and includes mining, processing, general and administrative and operating cost contingency.
[2] Fully loaded costs per gold ounce includes cash operating costs per gold ounce plus sustaining capital, federal, state and local taxes and does not include initial capital.

negotiated settlement of the dispute, it is expected that any actual cash award, if there is one, would not be received until several months after the July 2016 hearing in Washington D.C.

Malku Khota and the dispute with Bolivia are discussed in more detail under the heading "Description of the Business – Malku Khota (Bolivia) – International Arbitration Claim".

New Opportunities

The Company also has the opportunity to seek out mineral properties that would benefit from the "acid chloride leach" technology that it developed for the Malku Khota silver-indium project. This patented technology was successful in extracting multiple metals from mixed ores including precious and base metals, plus indium and gallium. All metals are extracted into a single leach fluid greatly simplifying the process. Now that the Company has the patents in place, it has the opportunity to look worldwide for appropriate projects.

Three-Year History

Prior to 2013, the Bolivian government expropriated the Malku Khota mining concessions held by the Company's Bolivian subsidiary prompting the Company to look for new opportunities while continuing to advance its Escalones property in Chile. During 2013, the Company acquired High Desert Gold Corporation and its portfolio of exploration properties, including the Gold Springs property, continued to advance its Escalones property in Chile, and filed an international arbitration claim against Bolivia . During 2014 and 2015, the Company advanced the exploration of the Gold Springs property in Nevada/Utah, including completing and filing an initial and updated preliminary economic assessment for Gold Springs, continued seeking a joint venture partner for Escalones, and continued advancing the arbitration process against Bolivia, including filing a statement of claim. More specifically:

- In January and February 2013, the Company announced updates on drilling progress at the Escalones copper-gold porphyry project in Chile. By January 21, 2013, three diamond drills were on site, the first two holes had been completed and assay results had been received for part of the first hole, with the best two metres averaging 3.04% copper with 0.13 g/t gold. The better secondary enrichment averaged 0.99% copper with 0.15 g/t gold and 2 g/t silver over 27 metres including 2.23% copper with 0.14 g/t gold and 1.4 g/t silver over 6 metres. By February 27, 2013, assay results had been received from the first three drill holes which continued to show a zone of copper enrichment below a partially leached zone that lies below the approximately 70 metre thick deposit of glacial moraine that was deposited on the Meseta.

- In February 2013, a severe storm interrupted the drilling program at Escalones by causing significant damage to the access road that connects Santiago and the Escalones site. There was no loss or damage to the Company's people, facilities or equipment. Drilling operations recommenced on February 25, 2013 with one drill rig and by March 7, 2013, all three drill rigs were back in operation. On April 2, 2013 the Company announced drill results for a new "gold-only" zone at Escalones.

- On February 21, 2013, the Government of Bolivia finally responded to South American Silver Limited's letter and requested a meeting with South American Silver Limited representatives on April 17, 2013 to discuss a potential amicable resolution to the dispute. Attorneys representing South American Silver attended the April meeting but no resolution was reached and no compensation offered. The Decree stated clearly that the Bolivian state mining company, Corporación Minera de Bolivia (COMIBOL), would hire an independent firm to carry out a valuation of the investments made by CMMK within a period not to exceed 120 business days. The Company is not aware if such valuation has been carried out, or if an independent firm has been hired to undertake the valuation as provided for in the Decree.

- In April 2013, South American Silver filed for international arbitration under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) claiming full compensation based on fair market value of the Malku Khota project pursuant to the Agreement between the Government of the United Kingdom and the Government of Bolivia for the Promotion and Protection of Investments (the "Treaty"). The arbitration claim is for Bolivia's breach of the Treaty and international law. Bolivia has breached the Treaty's requirement to provide full protection and security to foreign investors and their investments, as well as the Treaty's protections against, among other things, expropriation without just and effective compensation, unfair and inequitable treatment, and less favorable treatment than afforded to Bolivian nationals or nationals of third states.

- On May 23, 2013, the Company entered into an agreement with a third party funder (the "Fund") pursuant to which the Fund will cover most of South American Silver's future costs and expenses related to the international arbitration proceedings against the Plurinational State of Bolivia for the expropriation of the Malku Khota project. In consideration for the funding, the Company agreed to pay to the Fund a portion of any recoveries received pursuant to the arbitration proceedings or any settlement with Bolivia.

- In July 2013, the Company extended for 5 years the terms of its option agreement to acquire the remaining 4,689 hectares of the Escalones property located in Chile, which are not already 100% owned by the Company.

- In June 2013, the Company announced an updated resource estimate for the Escalones copper-gold-silver project in central Chile. In August 2013, the Company filed the technical report containing a resource estimate. The technical report was subsequently amended on July 11, 2014. Highlights include:

    - A significant increase in pounds of copper and molybdenum and ounces of gold above assumed economic cut-off of 0.25% copper equivalent (CuEq[3]), compared to the initial resource dated December 19, 2011.

    - Upgrading of approximately a third of the resource to the indicated category from inferred.

    - Indicated resource of 1.9 billion pounds CuEq[4] at a CuEq[4] grade of 0.38%

    - Inferred resource of 4.7 billion pounds CuEq[4] at a CuEq[4] grade of 0.40%

- On October 21, 2013 the Company entered into an arrangement agreement pursuant to which it agreed to acquire all of the issued and outstanding shares of High Desert Gold Corporation ("HDG") that it did not already own in an all-share transaction by way of a plan of arrangement (the "Arrangement") where HDG shareholders (other than the Company) receive 0.275 of a Common Share for each HDG share held. As part of the Arrangement, immediately prior to the acquisition of HDG, the shareholders of the Company received one new Common Share and one Class B Share for each Common Share previously held, with the Class B Shares entitling the holders collectively to 85% of the net cash proceeds received from any award or settlement in connection with the ongoing dispute with Bolivia related to its expropriation of the Malku Khota Project.

- On December 2, 2013 the Company announced that Ralph Fitch had been re-appointed to the position of President and CEO. Mr. Fitch, also the Executive Chairman of the Company, is the founder of the Company. He replaced Phillip Brodie-Hall who served as Interim President and CEO of the Company from August 2012.

- On December 19, 2013 the Company and HDG received final court approval for the Arrangement from the Supreme Court of British Columbia and the Arrangement was completed on December 20, 2013. The Company exchanged each of its outstanding common shares for one new Common Share and one Class B Share and issued 19,460,067 new Common Shares to the former shareholders of HDG in exchange for their HDG common shares. Also pursuant to the Arrangement, all outstanding options and warrants of the Company were adjusted and each became exercisable to acquire one new Common Share and one Class B Share instead of a common share of the Company at the same exercise price and all outstanding HDG options and warrants became exercisable to acquire Common Shares, with the number of Common Shares and exercise price adjusted, as appropriate, to reflect the consideration to be received by the HDG shareholders pursuant to the Arrangement.

- In February 2014, the Company announced an updated resource estimate for the Jumbo Zone and the Grey Eagle Zone at the Gold Springs gold-silver project that straddles the Nevada-Utah border. In March 2014, the Company filed a technical report containing a resource estimate, which was subsequently amended on July 8, 2014.

[3] Copper Equivalent (CuEq) calculations reflect gross metal content using approximate 3 year average metals prices as of June 25th, 2013 of $3.71/lb copper (cu), $1549/oz gold (Au), $30.29/oz silver (Ag), and $14.02/lb molybdenum (Mo) and have not been adjusted for metallurgical recoveries. The grade of each metal is disclosed under the heading "Description of the Business – Escalones (Chile) – The Escalones Report."

- On April 3, 2014, the Company announced the US Bureau of Land Management (BLM) Caliente Office of the State of Nevada issued a Record of Decision and a Finding of No Significant Impact for the Company's Environmental Assessment ("EA") covering the Nevada portion of the Gold Springs project. The acceptance of EA permits the work proposed in its Plan of Operations filed at the BLM, which proposes staged exploration activities focused on the expansion of the Grey Eagle resource and the future exploration of 13 of the then 18 (now 26) identified outcropping gold targets located in Nevada.

  On May 1, 2014, the Company announced the completion of its initial PEA at the Gold Springs gold-silver project in mining friendly Nevada/Utah, USA and filing of a supporting technical report. The underlying resource estimate used in the initial PEA included only 2 of the then 18 (now 26) original areas of outcropping gold mineralization (Jumbo and Grey Eagle) and none of the buried geophysical targets at Gold Springs. A supporting technical report was filed on SEDAR, which was subsequently amended July 8, 2014.

- On May 7, 2014, the Company announced plans to start a drill program to expand the resource at both Jumbo and Grey Eagle and to test a third target area for possible resource development.

- On May 13, 2014, the Company's wholly-owned Bermudian subsidiary South American Silver Limited had its first procedural meeting with representatives of the Government of Bolivia and the three members of the Arbitration Tribunal at the Center of Arbitration and Conciliation of the Bogota Chamber of Commerce in Colombia under the oversight of the Permanent Court of Arbitration. SASL provided a summary of its claims and Bolivia provided a summary of its defense. The Parties also had an opportunity to present their positions to the Tribunal with respect to logistical matters regarding the Arbitration process going forward.

- On June 3, 2014 the Company announced that SASL received Procedural Order No. 1 from the Arbitral Tribunal, which constitutes the Tribunal's binding decisions on procedural matters that will govern the arbitration process.

- On July 8, 2014, the Company announced the filing of an amended technical report for the Gold Springs project (the "Amended Report"). The Amended Report restates the resource estimate for Gold Springs and includes the results of the base case initial PEA which remained unchanged from the previously filed technical report. The Measured Resource at the Grey Eagle area was re-categorized as Indicated Resource resulting in the Indicated Resource increasing by the same amount as the Measured Resource decreased.

- On July 14, 2014, the Company announced the first results from the 2014 Gold Springs drill program, including hole J-14-004 which intersected 67 metres of 1.03 g/t AuEq[4] in the southern portion of the Jumbo resource block. The hole successfully extended the mineralization located in 2013 in RC holes J-13-005 and 006 both along strike and down-dip.

- On August 1, 2014, the Company announced additional drill results from an additional Reverse Circulation ("RC") drill hole from the Jumbo Area and six RC holes from the Etna Area at Gold Springs. RC hole J-14-011 intersected 38.1 metres of 1.01 g/t AuEq, including 7.6 metres of 3.21 g/t AuEq, to the east of the center portion of the Jumbo resource block where previous drilling was done in this sector. Further drilling will be needed to better understand the relationship of this mineralization to that to the North and to the South due to east-west faulting in the area. The indications, however, are that this intercept extends the 200m long higher grade southern Jumbo zone, which includes the 67m@1.03 g/t AuEq in hole J-14-004,

- On August 27, 2014, the Company announced plans for a second round of drilling on the Gold Springs project. The second drill phase was to focus additional drilling on the Jumbo resource area where earlier drilling results showed the development of a higher grade portion of the system. The Company also released the latest results from the 9 RC holes completed in the Grey Eagle target which indicated that the immediate southern extension of the mineralized zone seen in the holes drilled in 2013 was weaker because faulting had offset the stronger mineralization or it had been eroded prior to the deposition of the post mineral cover.

[4] Unless otherwise indicated, gold equivalent calculations reflect gross metal content using a gold/silver price ratio of 57.14 and have not been adjusted for metallurgical recoveries.

- On September 24, 2014, the Company's subsidiary, South American Silver Limited, filed its statement of claim seeking US$385.7 million pursuant to its statement of claim filed in its arbitration proceeding against Bolivia.

- On October 16, 2014, the Company announced the discovery of new outcropping areas of gold mineralization at Gold Springs. The new discoveries were made with the help of the LIDAR survey, which can see through trees to show geology and very small old prospect pits and outcrops. One completely new area surveyed was the Snow prospect located approximately 800 metres west of Etna on the Utah side of the property. Rock samples from this structural zone include assays of up to 3.7 gpt Au and 12 gpt Ag over 4.6 metres.

- On November 12, 2014, the Company announced the results from the second round of drilling at Gold Springs. The Phase II drill program at Jumbo was successful in all areas, demonstrating the continuation of mineralization to the east in both the main and southern Jumbo zones and to depths below any previously known mineralization. Holes in the main-Jumbo zone intersected deeper vein systems not previously known and extended mineralization to depths of 200 metres below the outcropping gold zones. Hole J-14-018 intersected 138.7 metres @ 1.01 g/t AuEq and ended in mineralization.

- On November 14, 2014, the Company announced that its wholly-owned Chilean subsidiary, South American Silver Chile SCM (now TriMetals Mining Chile SCM), has been granted an environmental permit to construct 20 drill pads from which 20,000 metres of diamond drilling can be performed at Escalones. The permit authorizes work to be completed over 3 drilling seasons, which typically extend from October to May.

- On March 31, 2015 Bolivia filed its Statement of Defense and Counter-Memorial (on the Merits and including Objections to the Tribunal's jurisdiction), a witness statement, expert reports and supporting documents, in the international arbitration filed against Bolivia by SASL. Bolivia's submission of these pleadings marked the conclusion of the preliminary Written Pleadings phase and the beginning of the Document Production phase of the arbitration proceedings.

- On April 30, 2015, after prior consultation with the parties, the Tribunal confirmed that the Oral Hearing in the international arbitration filed against Bolivia by SASL will take place from July 11-22, 2016 (excluding Saturday July 16 and Sunday July 17). The Oral Hearing was initially scheduled for May 2016 .

- On June 3, 2015, the Company announced the completion of an updated resource estimate for the Jumbo Zone and the Grey Eagle Zone at the Gold Springs gold-silver project that straddles the Nevada-Utah border (the "2015 Resource") with an effective date of June 3, 2015. The 2015 Resource builds on the 2014 resource estimate and includes the assay information from 31 additional reverse circulation (RC) drill holes and 4 diamond (Core) drill holes. This included 22 RC holes and 2 Core holes from the Jumbo Zone and 9 RC holes and 2 Core holes from the Grey Eagle Zone.

- On July 23, 2015 the Company completed a non-brokered private placement of units consisting of CAD$2,296,000 principal amount convertible notes bearing 6% interest and maturing July 23, 2018 and 7,446,486 common share purchase warrants for gross proceeds of CAD$2,296,000.

- On August 12, 2015 the Company announced the completion of the updated PEA for the Gold Springs project and the filing of a technical report on SEDAR containing the updated PEA. The updated PEA showed a strong, low strip, technically simple and scalable heap-leachable open-pit project using a Merrill-Crowe gold-silver recovery process. The project requires low up-front capital, has a rapid payback, low cash costs, strong cash flows and yields a pre-tax IRR of 49.9% and an NPV_5% of US$137.4 million.

- On September 22, 2015, the BLM Cedar City Office of the State of Utah accepted the Company's EA covering the Utah portion of the Gold Springs project. The acceptance of the EA by the BLM offices of both Nevada and Utah means that the Company's exploration and resource expansion activities are now authorized to proceed in Nevada and Utah without the need for additional permitting.

- On September 30, 2015, the Company announced a 3,700 metre drill program at Gold Springs with the immediate focus being the Jumbo zone.

- On October 8, 2015, the Company announced that it had obtained a State of Nevada permit to appropriate water within the Escalante Desert water basin which covers a significant portion of the Gold Springs project area. The permit allows for up to 900 acre feet of water annually to be used for mining, milling and domestic uses. These waters along with other water rights currently under contract and also designated for mining and milling use, total 965 acre feet of water annually.

- On November 30, 2015, SASL filed its Reply Memorial on the Merits and Response to Objections to Jurisdiction and Admissibility in its international arbitration proceeding against Bolivia.

- On December 15, 2015, the Company announced that it had successfully renegotiated, at no additional cost, its option agreement (the "Boezio Option") to acquire the remaining 4,689 hectares of the large Escalones copper-gold porphyry property located in Chile which are not already 100% owned by the Company. Pursuant to the Boezio Option, as revised, the Company has now the right until June 30, 2020 (formerly June 30, 2018) to purchase the claims. Under the newly agreed calendar, the next option payment to the owner of $400,000 is now due on June 30, 2017 (formerly December 31, 2015).

- On January 27, 2016, the Company announced it had been awarded the Utah State mineral lease which covers the last remaining block of the 8-km Jumbo trend, a quarter section encompassing the historic Etna mine, which was a significant underground producer in the district.

- On January 28, 2016, the Company announced the results of its 2015 drilling program which showed an expansion of the mineralized zone at the North end of the Jumbo target, together with some high grade intercepts.

- On March 1, 2016, the Company announced the completion of the analysis of exploration data on and around the patented Talisman claim which includes portions of the historic Thor Vein located in Nevada very close to the Utah border. This area is comprised of a portion of 3 of the 26 areas of outcropping gold mineralization at Gold Springs (Silica Hill/Thor, Silica Hill Extension and North Jennie). This analysis has identified what the Company's management believes is a high-priority drill target defined by a combination of drill hole, outcrop, and float sample assays over a strike length of 1,100 metres.

DESCRIPTION OF THE BUSINESS

Summary

The Company is a growth focused mineral exploration company creating value through the exploration and development of the near surface Gold Springs gold-silver project along the Nevada-Utah border. The Company is also involved in the advancement of the large scale Escalones copper-gold project located in the world renowned Chilean copper belt and the realization of value from the expropriated Malku Khota project in Bolivia through an arbitration process.

The Company's approach to business combines the team's track record of discovery and advancement of large projects, key operational and process expertise, and a focus on community relations and sustainable development. Management has extensive experience in the global exploration and mining industry.

Gold Springs (United States)

The Gold Springs gold-silver project straddles the Nevada-Utah border in the United States. The updated 2015 resource estimate includes the assay information from drill holes completed through 2014 at the Jumbo Zone in Utah and the Grey Eagle Zone in Nevada. These two targets represent only two of the 26 outcropping targets identified in the 74.7 sq. km Gold Springs district and none of the buried geophysical targets.

The indicated resource of 597,000 oz. AuEq averaging 0.62g/t AuEq and an additional 306,000 oz AuEq @0.46 g/t AuEq in the inferred category, is based on a gold (Au) cut-off of 0.2 g/t. If the cut-off is increased to 0.3 g/t Au then the indicated resource grade increases to 0.77 g/t AuEq for a total of 469,000 oz. AuEq and 0.59 g/t AuEq for a total of 188,000 oz AuEq in the inferred category.

The PEA based on the updated resource supports;

- a 9 year, 15,000 tpd "heap-leach" project;
- a pre-tax $NPV_{5\%}$ of US$137.4 million (after-tax US$92.1 million);
- a pre-tax IRR of 49.9% (after-tax 35.8%);
- cash operating costs of US$669/Au oz.;
- fully loaded costs of US$863/Au oz.; and
- pre-production capital cost of US$55 million (including a US$6.4 million contingency) and on-going capital cost of US$24.8 million (including a US$3.7 million contingency).

The Gold Springs Report

The Preliminary Economic Assessment Update on the Gold Springs Property, Utah/Nevada, USA (the "Gold Springs Report") dated August 12, 2015, was prepared by Terre Lane and Rick Moritz of Global Resource Engineering, Ltd. and Kurt Katsura, each a "Qualified Person" as such term is defined in NI 43-101. The Gold Springs Report was filed on August 12, 2015 and can be found at www.SEDAR.com under the Company's profile. The following summary is reproduced from the Gold Springs Report, which is hereby incorporated into this Annual Information Form by reference.

Summary

Global Resource Engineering Ltd. (GRE) and Kurt Katsura were retained by TriMetals Mining Inc. ("TMI" or "TriMetals") to complete a National Instrument 43-101 (NI 43-101) Technical Report on the Gold Springs Gold Project ("Gold Springs" or "the Property") located in the Gold Springs and Deer Lodge Mining Districts, Iron County, Utah, and Lincoln County, Nevada. This report has been prepared in accordance with the Canadian Securities Administrators (CSA) NI 43-101, and the Resources have been classified in accordance with standards as defined by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) "CIM Definition Standards – For Mineral Resources and Mineral Reserves," prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on December 17, 2010, as amended May 10, 2014.

Property Description and Ownership

The Gold Springs gold project is an advanced exploration stage gold project located along the Nevada-Utah border in the U.S. in western Iron County, Utah, and eastern Lincoln County, Nevada, and consists of 961 unpatented lode claims, 13 patented lode claims, four State of Utah leases, and one surface real estate deed parcel and right-of-way covering a total of approximately 7,721 hectares (ha)[5]. The Gold Springs property is held by TriMetals through Gold Springs LLC, a wholly owned subsidiary of High Desert Gold Corporation ("HDG"). Prior to March 17, 2014, TMI was known as South American Silver Corp., which acquired 100% ownership of HDG on December 20, 2013. HDG is now a wholly owned subsidiary of TMI.

Geology and Mineralization

Gold mineralization at Gold Springs is hosted by complex sheeted veins, breccias, and stockwork vein systems that are laterally extensive and locally form resistant ledges and ribs that protrude up to 10 metres above the surrounding ground surface and surrounding areas of mineralized wallrock. The veins contain quartz, adularia, and bladed calcite with minor sulfides (<2%) and represent a low sulfidation, epithermal gold-silver vein system. Trace element geochemistry for arsenic and antimony show relatively low values similar to other quartz-adularia epithermal vein systems, such as the K-2 deposit in Washington and the Midas deposit in northern Nevada. Gold and silver mineralization are hosted in quartz and quartz-calcite veins, breccias, and stockwork/sheeted vein zones surrounding the main vein systems. Mineralization is also seen in the footwall zones of the Jumbo resource in pervasive altered latite that exhibits limited amounts of veining. True thickness of the mineralized zones reaches up to 150 metres wide, with the strike length of the vein systems extending up to several kilometres.

During 2014, TriMetals completed 31 Reverse Circulation (RC) drill holes totaling 4,956 metres within the Jumbo and Grey Eagle resource areas (22 at Jumbo and 9 at Grey Eagle). An additional six RC holes were

[5] Subsequent to the date of the Gold Springs Report, the Company acquired another state lease increasing the total land position to 7,785 ha.

completed at the Etna target area totaling 810 metres. Two core holes were drilled at each of the Jumbo and Grey Eagle resource areas totaling 381 metres; these holes were primarily designed to obtain material for metallurgical test work and to gain additional geological and structural information about the vein systems.

TMI began working on the Gold Springs project in 2010 as High Desert Gold Corporation, and to date has completed 85 drill holes within the Grey Eagle resource area totaling 12,275 metres and 61 drill holes in the Jumbo resource for 8,742 metres of drilling. In addition, 16 drill holes totaling 2,139 metres have been drilled at Jumbo by previous operators.

TMI has identified a number of additional targets containing gold mineralization on the property, ten of these target areas have limited exploration drilling, and an additional sixteen targets with outcropping gold mineralization remain to be drill tested. The primary focus of TMI drilling on the property during the past two years has been to define and expand the Grey Eagle and Jumbo resource areas.

Mineral Processing and Metallurgical Testing

TMI has completed a series of preliminary metallurgical test work programs. Additional testing is currently underway to better understand methods of optimizing gold recovery. The work to date consists of:

- Gravity concentration followed by bottle roll cyanidation of the gravity tailing of 74-micron (200-mesh) material from drill cuttings (Inspectorate, October 2010)
- Cyanide extraction from bottle roll tests on drill cuttings ground to 74 microns (Inspectorate, 2012)
- Cyanide extraction from bottle roll tests of RC cuttings which varied in size from a P_{80} of 0.762 to 8.636 millimeters (mm) (Kappes Cassiday Associates (KCA), December 2013)
- Small column tests of trenched Grey Eagle material and Jumbo drill core crushed to 9.5 mm, (KCA, May 2015)
- Bucket static leach tests on Grey Eagle and Jumbo drill core crushed to 25 mm, 18 mm, 9 mm, and 3 mm (Resource Development Inc (RDi), 2015)

The gravity/cyanide tests produced a range of gold cyanide recoveries from 35% to 95%, with an average recovery of 76%. The combined cyanide and gravity recoveries were all greater than 91% and averaged 97%. Overall gold grades back-calculated from the cyanide recoveries increased by an average of 15% over the original fire assays for samples with values >0.2 grams per tonne (g/t) gold (cutoff grade for economic model). Of the total gold recovered from the samples during these tests, between 2% and 57% was recovered from the gravity circuit.

During the second round of testing at Inspectorate, bottle roll cyanide gold and silver extractions were performed on drill cuttings ground to 74 microns. These tests produced consistently high recoveries for gold, though silver showed variability, with lower recoveries seen from the Grey Eagle resource. The average gold recoveries at Jumbo and Grey Eagle were 85% and 93%, respectively, while silver extractions were 78% and 53%, respectively.

The next set of bottle roll cyanide tests were completed on RC cuttings (KCA, 2013) done at coarser size fractions and produced an average gold extraction from the Grey Eagle target of 71% (range: 38% to 83%) for fine to medium grained material (P_{80}: 0.07 to 0.34 inches) and 88.5% (range: 88% to 89%) from the Jumbo target (P_{80}: 0.03 to 0.14 inches). Silver extractions for the same samples were much more variable and lower, as was expected from previous work completed in the initial bottle roll tests of the RC cuttings noted above. There is an apparent difference in the silver recoveries between Grey Eagle and Jumbo, with much higher recoveries coming from Jumbo, where the resource contains higher silver grades. The average total silver recovery from Grey Eagle was 21% and from Jumbo was 54% from these test results.

A total of six small column tests were initiated in 2014 by KCA in Reno, Nevada, using 9.5-mm crushed material from the Grey Eagle trench (3 samples) and core from Jumbo drill hole J-11-001C (3 samples). Material was subjected to cyanide leach tests and sampled at approximately 7-day intervals for 129 days. These tests showed a variation in recoveries from 63% to 87% gold and 9% to 23% silver at Grey Eagle, and 56% to 92% gold and 37% to 58% silver at Jumbo.

TMI has reviewed the drilling results since 2010 in an effort to characterize how different types of material respond to cyanide leach tests. This has resulted in the working definition of "mineralization types" for each of the resource areas that are described in Table 1-1.

Table 1-1: Gold Springs Mineralization Types

Mineralization Type	Description
Jumbo	
J-0	Unmineralized Post Mineral
J-1	Oxidized Quartz Sericite Pyrite Alteration
J-2	Unoxidized Quartz Sericite Pyrite Alteration
J-3	Quartz Vein +40% Quartz
J-4	Stockwork/Breccia 10-39% Quartz
J-5	Oxidized Footwall
J-6	Unoxidized Footwall
Grey Eagle	
GE-0	Unmineralized Post Mineral
GE-1	Quartz Calcite Vein +40% vein
GE-2	Stockwork/Breccia 10-39% Quartz
GE-3	Quartz Vein +40% Vein
GE-4	Andesite

The results of the column tests by mineralization type are as shown in Table 1-2.

Table 1-2: Column Test Results by Mineralization Type

Mineralization Type	Gold Recovery %	Silver Recovery %
GE-1	82%	23%
GE-2	87%	15%
GE-3	63%	9%
J-1	92%	37%
J-5	56%	45%
J-6	57%	58%

The metallurgical testing completed thus far shows a distinct variation in recoveries across mineralization types. Mineralization type distribution will be important in determining the overall recoveries from each of the resource areas. At Jumbo, mineralization types 1, 3, and 4 are the most important, and at Grey Eagle, mineralization types 1 and 2 are the most important. The testing to date has not been completed on all mineralization types, but this work has been initiated using the drill core samples from the 2014 drill program. This work is being conducted by RDi through a series of bucket tests using various size fractions ranging from a P_{80} of 3-mm to a P_{80} of 25-mm. Once bucket tests are completed, column tests will be initiated on the same test material. Metallurgical tests are ongoing and, only when large-scale column tests are completed, will the detailed processing requirements be fully understood.

In an effort to better understand potential recoveries for the deposits, the mineralization types have been populated across the block model for both the Grey Eagle and Jumbo resources to provide an idea as to what percentage of the resources is made up of each mineralization type. Estimated recoveries were weighted based on currently understood distribution by mineralization types.

The main zone within Jumbo contains mineralization types 1, 3, and 4, representing 73% of the gold ounces within the deposit. Mineralization type 5 and 6 represent the remainder. Estimated extractions were reduced by 5% for lab-to-field scale-up and uncertainty. Table 1-3 summarizes the extractions for Jumbo.

Table 1-3: Jumbo Estimated Gold Extractions

Jumbo	Estimated Extraction	Mineralization Types	Proportion Of Gold Ounces
Main Zone	86%	1, 3, 4	73%
Hanging & Footwall Zone	57%	5, 6	27%
Weighted Extraction	78%		
Reduction	5%		
Estimated Extraction	**73%**		

Grey Eagle contains 99% of the gold ounces within the main zone represented by mineralization types 1, 2, and 3. Columns of 9.5-mm crush size were available representing each of the three mineralization types within the main zone. A very small portion of the ounces are located within the footwall zone. Table 1-4 presents the estimated gold extractions for Grey Eagle.

Table 1-4: Grey Eagle Estimated Gold Extractions

Grey Eagle	Estimated Extraction	Mineralization Types	Proportion Of Gold Ounces
Main Zone	77%	1, 2, 3	99%
Footwall Zone	66%	4	1%
Weighted Extraction	77%		
Reduction	5%		
Estimated Extraction	**72%**		

A similar process as outlined above was followed for estimated silver extraction for Jumbo. This resulted in an estimated silver extraction of 40%. Grey Eagle test work gave mixed results on silver. An extraction of 20% for silver was applied to the Grey Eagle deposit. Total silver contribution to project revenue is approximately 15%, with the Grey Eagle deposit contributing slightly greater than 1% of total project revenue.

Previous Resource Estimates and Economic Models

In 2012, HDG completed an initial Inferred resource on the Jumbo target area that estimated an Inferred 9,392,155 tonnes @ 0.57 g/t gold (Au) and 12.9 g/t silver (Ag) for a total of 173,115 troy ounces of Au and 3,880,745 troy ounces of Ag for a total of 233,344 troy ounces gold equivalent (AuEq) at a grade of 0.77 g/t (AuEq calculations reflected gross metal content using metal prices of $1,020/ounce[6] (oz) Au and $15.80/oz Ag and were not adjusted for metallurgical recoveries) (Armitage, 2012).

In 2013, the estimate was updated to an Inferred resource within the Jumbo and Grey Eagle areas of 19,373,085 tonnes @ 0.48 g/t Au and 10.4 g/t Ag for a total of 301,756 troy ounces of Au and 6,476,149 troy ounces of Ag. This equated to a AuEq grade of 0.67 g/t and a total of 415,254 AuEq ounces (AuEq calculations reflected gross metal content using metal prices of $1,600/oz Au and $28/oz Ag and were not adjusted for metallurgical recoveries) (Armitage, Allan, and Studd, Duncan, 2013).

In 2014, the resource was again updated by Kurt Katsura and Lane and Associates (L&A), leading to an Indicated resource of 21,289,000 tonnes @ 0.5 g/t Au and 9.8 g/t Ag for a contained 339,000 troy ounces Au and 6,687,000 troy ounces Ag plus an Inferred resource of 16,674,000 tonnes @ 0.4 g/t Au and 9.1 g/t Ag for an additional 214,000 troy ounces Au and 4,857,000 troy ounces Ag using a 0.2 g/t Au cutoff. This equated to an Indicated resource of 456,000 ounces AuEq averaging 0.67 g/t AuEq and an additional 299,000 ounces AuEq @0.56 g/t AuEq in the Inferred category (AuEq calculations reflected gross metal content using the Au/Ag price ratio of 57.14 and were not adjusted for metallurgical recoveries).

In 2014, L&A completed a Preliminary Economic Assessment (PEA) using the March 2014 updated Mineral Resource. To create the economic model for the PEA, L&A first developed a series of pit shells within the mineral resource block model using a range of Au and Ag prices and associated cutoff grades for Ag and Au, in order to establish the most profitable and robust mine plan. Mine schedules were developed for each of the resulting pit shells, using production rates appropriate to support an 8- to 10-year time frame for the project. These results became the basis for estimating capital and operating costs and developing an economic model for the project. Mining and process equipment were sized for each individual case. The analysis assumed a heap leach process with a Merrill-Crowe plant to recover gold and silver. The subsequent economic model used a base Au price of $1300/oz

[6] Note: use of the word “ounce” within this report is synonymous with “troy ounces.”

and Ag price of $21.00/oz. Pit shell 4, which was a $1,000 floating cone pit, with a cutoff grade of 0.222 ppm, was chosen for that study because it had the most robust economics over a range of gold prices. Two scenarios were considered, owner-operated mining and contractor mining. Under an owner-operated scenario, the capital costs were $85.6 million, with operating costs of $7.58 per tonne of leachable material. A pre-tax Net Present Value at a 5% discount rate (NPV_5) was $150.2 million with a pre-tax Internal Rate of Return (IRR) of 39.66%. The Contractor Mining scenario showed improved economics for the project. Capital costs decreased by about 30% to $57.5 million because the contractor would supply the fleet of mining equipment. Total operating costs per tonne of leachable material were about 7.5% higher for contractor mining at $8.16/tonne. Pre-tax NPV_5 for contractor mining was $162 million with an IRR of 57.5%. Utah Corporate Income tax and Nevada Net Proceeds of Minerals tax, both 5%, and Federal Income tax of 25% were factored into the economic analysis. Straight line depreciation of Capital Costs was also used in the economic analysis tax calculation. The after tax NPV_5 and IRR for owner operated mining was $98 million and 29%. The after tax NPV_5 and IRR with contractor mining was $109 million and 42%.

Updated Mineral Resource Estimate

In December 2014, GRE was contracted to complete an updated Mineral Resource and PEA incorporating the 2014 drilling. In 2014, TriMetals reviewed all drill hole logs and assigned lithologies and mineralization types to each sample interval. GRE incorporated the lithologies and "mineralization types" into the block models, generated a mineralization zone interval for each block model by creating a solid model in LeapFrog™, and developed an updated resource estimate incorporating those variables.

The 2015 Gold Springs Measured plus Indicated geologic model Mineral Resource is 30,046,000 tonnes @ 0.45 g/t Au and 9.6 g/t Ag for a contained 434,000 troy ounces Au and 9,296,000 troy ounces Ag plus an Inferred Mineral Resource of 20,887,000 tonnes @ 0.34 g/t Au and 6.9 g/t Ag for an additional 225,000 troy ounces Au and 4,613,000 troy ounces Ag using a 0.2 g/t Au cutoff. This equates to a Measured plus Indicated Mineral Resource of 597,000 ounces AuEq averaging 0.62 g/t AuEq and an additional Inferred resource of 306,000 ounces AuEq @0.46 g/t AuEq. AuEq calculations reflect gross metal content using the Au/Ag price ratio of 57.14 and have not been adjusted for metallurgical recoveries. Table 1-5 shows the updated Mineral Resource.

Table 1-5: Updated Mineral Resource

Estimate Method	Tonnes above cutoff (x1000)	Au		Ag		Au Equivalent	
		Above Cutoff (Troy oz)	Grade (g/tonne)	Above Cutoff (Troy oz)	Grade (g/tonne)	Above Cutoff (Troy oz)	Grade (g/tonne)
Grey Eagle							
Measured	3,368	63,000	0.582	736,000	6.797	76,000	0.702
Indicated	5,751	96,000	0.519	1,165,000	6.301	116,000	0.627
Measured Plus Indicated	9,119	159,000	0.542	1,901,000	6.484	192,000	0.655
Inferred	2,193	25,000	0.355	339,000	4.807	31,000	0.440
Jumbo							
Measured	6,209	90,000	0.451	2,468,000	12.36	133,000	0.666
Indicated	14,718	185,000	0.391	4,927,000	10.41	271,000	0.573
Measured Plus Indicated	20,297	275,000	0.409	7,395,000	10.99	404,000	0.600
Inferred	18,694	200,000	0.333	4,274,000	7.11	275,000	0.458
Grey Eagle Plus Jumbo							
Measured	9,577	153,000	0.497	3,204,000	10.41	209,000	0.679
Indicated	20,469	281,000	0.427	6,092,000	9.26	388,000	0.590
Measured Plus Indicated	30,046	434,000	0.449	9,296,000	9.62	597,000	0.618
Inferred	20,887	225,000	0.335	4,613,000	6.87	306,000	0.456

g – grams oz – ounces Note: due to rounding, some numbers may not added correctly.

Economic Model

To create the economic model for the updated PEA, GRE first developed a series of four sets of pit shells, one for Grey Eagle and one for Jumbo comprising each set, within the mineral resource block model using a range of Au and Ag prices in order to establish the most profitable and robust mine plan. Mine schedules were developed for each of the resulting sets of pit shells, using production rates of 10,000 tonnes per day (tpd) for the two smaller pits and 15,000 tpd for the two larger pits. A total of thirty-two cases were identified and evaluated. The variables

comprising the cases were: pit shell sets (1 through 4), cut-off grade (0.15 g/t, 0.20 g/t, 0.25 g/t, and 0.30 g/t), and owner or contractor operation. Capital and operating costs were developed for each case, along with sizing of mining and process equipment. The capital costs are based on quotations from equipment suppliers for the process and crushing plant, and from Infomine for other equipment. Operating costs are based on first principal calculations, Infomine data, and GRE experience. The analysis assumed a heap leach process with a Merrill-Crowe plant to recover Au and Ag.

The pit shell that was mined at Au and Ag prices of $1,200/oz and $21/oz, respectively, at a cut-off grade of 0.15 g/t and with contractor operation was selected as the base case for the economic model. The economic model used a base Au price of $1,300/oz (this is the Au price used to calculate project economics and should not be confused with the Au price used to generate the pit shell) and a Ag price of $21/oz, which are both commensurate with the 3-year trailing averages through May, 20 Table 1-6 shows the Mineral Resource for the $1200 pit at a 0.15 g/t Au cutoff.

Table 1-6: Mineral Resource for the $1200 Pit at 0.15 grams/tonne Au Cutoff

	Leach Tonnes	Waste Tonnes	Tuff Tonnes	Total Tonnes	Gold Ounces	Silver Ounces	Gold Grade (g/t)	Silver Grade (g/t)	Stripping Ratio
Jumbo	39,002	67,238	10,716	116,956	423	11,239	0.34	8.96	2.00
Grey Eagle	10,178	7,711	12,480	30,369	166	2,098	0.51	6.41	1.98
Grey Eagle Plus Jumbo	49,180	74,949	23,195	147,324	589	13,338	0.37	8.44	2.00

g/t – grams per tonne

The capital costs were $79.9 million, with initial capital costs of $55.0 million. Operating costs were $7.92 per tonne of leachable material. The project has direct mining costs of $4.22, processing costs of $3.07, G&A costs of $0.26, and operating contingency of $0.38/tonne of leachable material. Cash operating costs are $669/oz Au net of silver credit, and standalone project all-in sustaining cash costs are $863/oz Au net of the silver credit.

The before-tax NPV_5 was $137.4 million, with a before-tax IRR of 49.9%.

Depreciation of capital costs and depletion allowance were deducted from the income before taxes, depreciation, and depletion to determine taxable income. Federal Income tax of 35%, Nevada severance tax of 7%, and average state sales taxes of 6.2% were applied to the taxable income, generating income after tax. The depreciation and depletion allowance were then added back from taxable income to determine the final net cash flow after taxes. The after-tax NPV_5 and IRR were $92 million and 35.8%, respectively.

Additional analyses included a determination of after-tax NPV_5 sensitivity to changes in Au price, operating costs, and capital costs and a break even analysis. The sensitivity analysis indicated that the NPV_5 was most sensitive to changes in Au price, with the NPV_5 going negative at a Au price of approximately $943. The break-even analysis showed a project break even Au/Ag price (defined as 0% before-tax IRR) of $925/$14.94 (keeping the gold/silver price ratio at $1,300/$21 or 61.9).

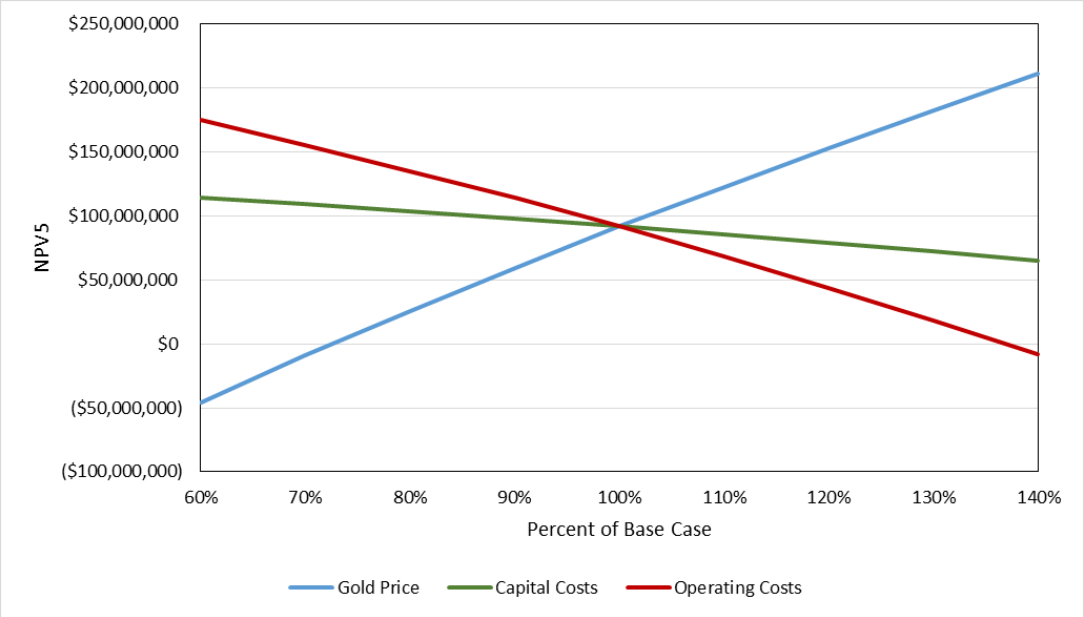
Highlights of the base case based on $1,300/oz Au price and $21/oz Ag price include:

- $4.22/t leachable material for mining costs (or $1.41/t mined)
- $3.07/t leachable material for processing costs
- $0.26/t leachable material for G&A costs
- $0.38/t leachable material for operating cost contingency
- Average annual production of 48,000 oz AuEq (Includes mining, processing, G&A, and operating cost contingency)
- Strip Ratio: 2.00:1
- Contractor mining
- Gold Recovery: 73% at Jumbo and 72% at Grey Eagle
- Silver recovery: 40% at Jumbo and 20% at Grey Eagle

- about 155 full time personnel
- Power requirements approximately 5 megawatts
- Power line construction approximately 14 km
- Water requirement approximately 1,000 gallons/min
- 9 year, 15,000 tpd “heap-leach” project
- pre-tax NPV_5 of $137.4 million ($92.1 million after-tax)
- pre-tax IRR of 49.9% (35.8% after-tax)
- initial capex of $55 million plus an additional $24.8 million in sustaining capital
- payback of 3.1 years
- $133 million after-tax cumulative cash flow
- 35% Federal tax rate
- 7% Nevada severance, Utah state tax and local tax
- 6.2% sales tax
- cash operating cost net silver credit of $669/oz Au (Includes mining, processing, G&A, and operating cost contingency)
- fully-loaded cost net silver credit of $863/oz Au (Includes mining, processing, G&A, operating cost contingency, sustaining capital, federal, state and local taxes)

Figure 1-1 shows the base case project sensitivity to capital and operating costs and gold price.

Figure 1-1: Base Case Sensitivity to Capital and Operating Costs and Gold Price



This PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves under National Instrument 43-101. Readers are advised that there is no certainty that the results projected in this preliminary economic assessment will be realized.

Further Exploration and Development

In 2015 the Company completed 14 reverse-circulation (“RC”) drill holes at Gold Springs. All drill holes were completed in Utah, in the Jumbo resource area. The 2015 drilling was conducted to extend and better define

the mineralization to the north, test for deeper mineralization to the east of the main zone, explore for down-dip extensions to the mineralization, and test a ZTEM geophysical anomaly located southwest of the southern extension of Jumbo.

The results of the 2015 drilling program showed an expansion of the mineralized zone at the North end of the Jumbo target, together with some high grade intercepts.

Hole J-15-003, in the central zone of the Jumbo target, was the best hole of the 2015 program with 106.7 m @ 0.81 g/t AuEq (gold equivalent using a gold/silver price ratio of 61.9 for the 2015 drilling program and not adjusted for metallurgical recoveries) and includes grades higher than those interpreted in the block model used to estimate the resource (NR 16-02, January 28, 2016). Drill hole J-15-003 is located 100 metres north of hole J-14-018 which was the best intercept from the 2014 drill program, and drill Hole J-15-001 was drilled approximately 50 metres below hole J-14-018. Both were designed to explore for extensions to the gold mineralization seen in hole J-14-018. Hole J-15-001 encountered a post-mineral dike (un-mineralized intrusive rock) in the expected location of the gold mineralization and failed to intersect the type of grades seen in hole J-14-018.

Drill holes J-15-004, J-15-005, J-15-011 and J-15-012 were drilled to the North of J-15-003, for the next two hundred metres, showing greater widths and better grades than had been seen in earlier drilling. Hole J-15-013 tested for extensions to the gold mineralization intersected in hole J-15-003, approximately 50 metres further south, and hole J-15-014 tested for extensions of the gold mineralization approximately 50 metres below hole J-15-003.

Holes J-15-002 and J-15-007 tested the down-dip extensions of the main Jumbo zone. Both holes encountered the same post-mineral dike seen in hole J-15-001 but included part of the mineralized interval.

Holes J-15-006 and J-15-008 tested the deep easterly extension of the system. These holes were drilled well into the hanging wall of the Jumbo mineral system, further east than prior drilling. Strong alteration of the rocks seen in these holes indicates that the mineral system is open to the east.

Hole J-15-009 was drilled at the south end of the Main Jumbo Zone and was designed to further define higher-grades from earlier drilling and to examine foot-wall mineralization in this area. Hole J-15-010 was drilled southwest of the southern Jumbo mineralization to test a ZTEM geophysical anomaly testing for a new zone of mineralization.

On January 27, 2016 the Company announced it had acquired the last remaining block of the 8-km Jumbo trend, a quarter section encompassing the historic Etna mine, which was a significant underground producer in the district. This will be an immediate priority for future resource development drilling.

On March 1, 2016, the Company announced the completion of the analysis of exploration data on and around the patented Talisman claim which includes portions of the historic Thor Vein located in Nevada very close to the Utah border. This area is comprised of a portion of 3 of the 26 areas of outcropping gold mineralization at Gold Springs (Silica Hill/Thor, Silica Hill Extension and North Jennie). This analysis has identified what the Company's management believes is a high-priority drill target defined by a combination of drill hole, outcrop, and float sample assays over a strike length of 1,100 metres.

As part of its overall exploration program at Gold Springs, the Company continued its metallurgical testing program during Q4 2015. Six mini-column (2 feet high) tests have been completed on six different ore types from Grey Eagle and Jumbo. These tests included reagent variations to enhance silver extraction. The metallurgical report received from these tests indicates that using a simple average, gold recoveries for the Grey Eagle and Jumbo areas were 77% and 68%, respectively. This does not take into account weighting of the recovery by proportion of rock type. Globally the recovery averaged 73% for gold. Silver recovery averaged 16% and 47% for Grey Eagle and Jumbo, respectively. The cause for the lower silver recovery experienced for Grey Eagle is unknown at this time. Additional metallurgical tests were completed to determine the grain size selection for large-column tests. These additional tests known as "bucket" tests were completed on nine ore types at four different grain sizes with the largest being one inch. A summary of the results was reported in the updated PEA. These results were used to choose the 0.75 inch grain size for the column tests, similar sized material to that which would be used in a "heap leach" mine. Three 2-metre high column-tests are underway on three different Jumbo ore types using 0.75 inch material. These columns are still under test which has included periods of leaching and periods of rest.

The Company completed a short core drilling program in November 2014 to obtain additional materials for metallurgical testing, as well as geotechnical analysis, geochemistry and geology. Two core holes were drilled at each the Jumbo and Grey Eagle resource areas providing material from all of the different ore types in both areas. This material was utilized in the bucket and full sized (2-metre high) column tests described above.

On March 27, 2014, the US Bureau of Land Management ("BLM") Caliente Office of the State of Nevada accepted the Company's Environmental Assessment ("EA") covering the Nevada portion of the Gold Springs project (NR 14-07, April 3, 2014). On September 22, 2015, the BLM Cedar City Office of the State of Utah accepted the Company's EA covering the Utah portion of the Gold Springs project (NR 15-11, September 29, 2015). The acceptance of the EA by the BLM offices of both States means that the Company's exploration and resource expansion activities are now authorized to proceed in Nevada and Utah without the need for additional permitting. The Company envisions staged exploration activities focused on the expansion of the Jumbo and Grey Eagle resource estimates, the future testing of the 8-kilometre long Jumbo trend, and the exploration of the other outcropping gold targets that are located in Utah and Nevada.

Each of the Company's news releases referenced above is publicly available under the Company's profile at www.SEDAR.com and on the Company's website at www.trimetalsmining.com.

Escalones (Chile)

The Escalones copper-gold porphyry project is located approximately 100 kilometres south-east of Santiago by road in central Chile. The 100% controlled 69 square kilometer property is 35 kilometres east of El Teniente, one of the world's largest underground copper mine. Escalones has an indicated resource of 232.6 million tonnes of mineralized material containing 1.6 billion lbs of copper, 31.9 million lbs of molybdenum, 498,000 ounces of gold and 4.9 million ounces of silver (1.9 billion lbs. of copper equivalent[7] using a 0.38% copper equivalent cut-off grade) and an inferred resource of 527.7 million tonnes of mineralized material containing 3.9 billion lbs of copper, 79.5 million lbs of molybdenum, 609,000 ounces of gold and 14.4 million ounces of silver (4.7 billion lbs. of copper equivalent using a 0.4% copper equivalent cut-off grade). The most recently completed technical report for Escalones showed the deposit remains open to expansion laterally and at depth. The project's infrastructure includes road access and a gas pipeline that crosses the property. The Company is currently seeking a joint venture partner for the Escalones project.

Chilean Mining Laws

In Chile, all mineral deposits are the property of the State, with the exploration and exploitation of mineral deposits by private companies and individuals, either local or foreign, permitted through mining concessions granted by the courts. The ownership rights of concession holders are protected by law and the Chilean constitution. Once a mining concession is granted, the concession holder is entitled to explore and exploit all the concessionable mineral deposits located within the territory covered by the concession and owns all mineral substances removed from the land.

Unlike exploitation concessions which have an indefinite duration, exploration concessions are limited to a two year term, subject to renewal on a one time basis for up to another two years provided that the concession holder reduces the surface area of such concession to at least half of its original area. During the initial two year period or during the renewal period, the concession holder may at any time convert the concession from an exploration to an exploitation concession. Exploration concession holders are barred from any exploitation activities and contravention of this rule may cause the lapsing of the concession and cancellation of the corresponding registration of title. Holders of exploitation and exploration concessions are required to pay an annual mining patent fee in March of each year of approximately[8] US$6.70 and US$1.40 per ha. per year, respectively, and failure to do so may result in the respective concession being sold in a public auction unless the holder pays double the amount of the outstanding patent fee.

The Chilean Mining Code does not convey surface rights to owners of the mining concessions. However, the owners of the concessions are entitled to the establishment of the necessary easements for mining exploration

[7] Copper Equivalent (Cu Eq) calculations reflect gross metal content using approximate 3 year average metals prices as of June 25th, 2013 of $3.71/lb copper (cu), $1549/oz gold (Au), $30.29/oz silver (Ag), and $14.02/lb molybdenum (Mo) and have not been adjusted for metallurgical recoveries. The grade of each metal is disclosed under the heading "Description of the Business – Escalones (Chile) – The Escalones Report."
[8] As of March 22, 2016; subject to increase or decrease, including changes due to exchange rate fluctuations.

and exploitation. The establishment of necessary easements, the exercise thereof, and the compensation therefor, are agreed upon between the concession owner and the surface owner, or may be established by a court under a special procedure provided for under Chilean law.

In November 2014, the Company was granted an environmental permit to construct 20 drill pads from which 20,000 metres of diamond drilling can be performed. The permit authorizes work to be completed over 3 drilling seasons, which typically extend from October to May.

The Escalones Report

A technical report dated August 12, 2013 and amended on July 11, 2014 in respect of the Escalones prospect (the "Escalones Report") was prepared by Jeffrey Choquette, P.E. and Jennifer J. Brown, P.G. of Hard Rock Consulting, LLC ("HRC") and David Dreisinger, Ph.D., P.Eng. of Dreisinger Consulting Inc., each a "Qualified Person" as such term is defined in NI 43-101. The Escalones Report has been filed on SEDAR and can be found at www.SEDAR.com under the Company's profile. The following summary is reproduced from the Escalones Report, which is hereby incorporated into this Annual Information Form by reference.

Summary

1.1 Property Description and Ownership

The Escalones Property ("Property") is located within the Santiago Metropolitan Region, in Central Chile, approximately 97 km southeast of Santiago and nine km west of the border between Chile and Argentina. A gas pipeline and associated service road pass through the western part of the Property and provide easy access from Santiago.

The total property position controlled by TriMetals Mining Inc. ("TMI"), formerly South American Silver Corp. consists of 9,389 hectares, of which 4,689 hectares are exploitation concessions that are the subject of an option agreement dated February 26, 2004 entered into by South American Silver Chile SCM ("SCM"), with Juan Luis Boezio Sepulveda, as amended (the "Boezio Option"). The remaining 4,700 ha are held 100% by SCM and are exploration concessions. The exploitation and exploration concessions can be maintained indefinitely by paying annual dues in March of each year of approximately[9] US$8.02 and US$1.60 per hectare respectively.

1.2 Geology and Mineralization

The Escalones Property lies within the Miocene to Pliocene age Pelambres-El Teniente Porphyry copper belt, which hosts the world's largest underground copper mine at El Teniente, as well as other large copper deposits at Los Bronces-Andina, Pelambres and Bajo La Alumbrera in Argentina. Exploration at Escalones has demonstrated that copper mineralization occurs in two forms, (1) as skarn and structurally controlled mineralization hosted by altered sediments and intrusive dykes and sills, and (2) as porphyry style disseminated and stockwork mineralization hosted by an underlying intrusive granodiorite-diorite stock. Rock geochemistry from surface and drill hole samples shows anomalous levels of gold, silver and molybdenum that are spatially associated with the copper mineralization. This spatial relationship may also be due to separate pulses of mineralization or zoning within a much larger porphyry system.

The principal mineralization observed at Escalones consists of metasomatic replacement or skarn-type mineralization hosted by calcareous sediments overlying and adjacent to an intrusive porphyry system. High grade copper ores (>10% copper) were historically mined at Escalones from exposures of magnetite skarn at Escalones Alto and prospects along Escalones Bajo. Previous drilling has demonstrated that high grade magnetite skarn extends to the east and south from outcroppings at Escalones Alto. Drill intercepts of skarn, up to 113 m, exhibit grades of >1.0% copper with localized intervals grading up to 3.6 g/t gold. Individual narrower drill intervals of 40-75 m contain grades averaging 1.7% copper and values up to 0.48 g/t for gold.

[9] As of the effective date of the Escalones Report; subject to increase or decrease, including changes due to exchange rate fluctuations.

1.3 Status of Exploration

In addition to the skarn mineralization, the drilling has encountered copper mineralization as disseminated and stockworks hosted in a sequence of non-calcareous pelitic hornfels, which underlies the skarn, and as disseminated and stockworks hosted by a variety of intrusive rocks, including andesite sills and dykes, and the granodiorite stock. In the Escalones Bajo area, anomalous rock geochemistry in road cuts indicate a stockwork style of mineralization. Porphyry style mineralization was first intersected in drill hole ES-25 in the granodiorite beneath the Meseta, between Escalones Alto and Escalones Bajo. Drilling results show 293 m grading 0.36% copper and 0.09 g/t gold within the granodiorite. It is believed that both the porphyry and skarn mineralization targets in the project area are genetically related components to a larger porphyry system. The drill program in 2012 and 2013 focused on drilling to find the extent of the porphyry mineralization so that it could be added to the resource.

SP, IP, magnetic and ZTEM geophysical surveys have produced several anomalies indicating the presence of buried sulfide mineralization, which has been supported by drilling. The analysis of the ZTEM conductivity data suggests that in addition to the mineralization drilled to date, there may be additional sulphide and secondary mineralization located in a broad zone extending for several kilometres located east of the Meseta paralleling the Arguelles valley as seen in drill hole ES-35. Interpretation of magnetic data shows anomalies that appear to be related to extensions of the skarn mineralization for several kilometres to the north-north-west, east and southeast of Escalones Alto, towards the Rio Arguelles.

Drilling in 2012-2013 completed 9,070m in 18 holes for a total of 24,939m in 53 diamond drill holes drilled at Escalones. The program included re-opening access roads and the project camp, interpretation of the ZTEM geophysics, environmental work and the drilling.

Interpretation of both the resistivity and magnetic results of the ZTEM survey suggest that both the magnetite skarn and associated sulfide bodies are much larger than indicated by present drilling and that there is considerable potential for a significant expansion of the skarn resource and a new sulphide/secondary sulphide/oxide resource that lies stratigraphically above the skarn striking parallel to the Arguelles valley.

1.4 Mineral Resource Estimate

The resource estimate was completed and reported in a news release issued on June 28th, 2013 (filed on SEDAR). The resource included indicated and inferred resources as shown below:

- The updated resource dated 28 June, 2013 includes:
    - Indicated resource of 1.9 billion pounds CuEq* at a CuEq* grade of 0.38%
    - Inferred resource of 4.7 billion pounds CuEq* at a CuEq* grade of 0.40%
- The deposit includes a higher grade portion particularly within the skarn using a 0.35% CuEq* cut-off
    - Indicated resource of 235 million pounds CuEq* at a CuEq* grade of 0.65%
    - Inferred resource of 2.0 billion pounds CuEq* at a CuEq* grade of 0.58%
- Copper Equivalent (CuEq*) calculations reflect gross metal content using approximate 3 year average metals prices as of June 25th, 2013 of $3.71/lb copper (cu), $1549/oz gold (Au), $30.29/oz silver (Ag), and $14.02/lb molybdenum (Mo) and have not been adjusted for metallurgical recoveries. An economic cut-off grade of 0.25% copper equivalent was assumed for this report. Contained metal values may vary from calculated values due to rounding.

The Escalones mineral resource estimate is based on 53 diamond drill holes (24,939 meters) and 15,880 associated assay values collected through June 28, 2013. The resource estimate is categorized as indicated and inferred as defined by the CIM guidelines for resource reporting. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources will be converted into mineral reserves after economic considerations are applied. The Mineral Resource Estimate reported for the Escalones Property is presented in Table 1-1.

Table 1-1: Mineral Resource Estimate

Classification	CuEq% Cutoff	Tonnes * 1,000	Cu %	Cu lbs * 1,000	Au g/t	Au Oz	Ag g/t	Ag oz	Mo %	Mo lbs	CuEq% [1]	CuEq lbs * 1,000
Indicated	0.15	405,242	0.243	2,170,281	0.052	673,999	0.528	6,879,224	0.006	51,308,289	0.302	2,701,842
Indicated	**0.25**	**232,561**	**0.308**	**1,578,329**	**0.067**	**498,012**	**0.661**	**4,938,667**	**0.006**	**31,908,650**	**0.380**	**1,947,232**
Indicated	0.35	107,885	0.393	935,279	0.082	284,745	0.877	3,041,487	0.006	14,730,116	0.477	1,134,703
Indicated	0.45	43,319	0.507	484,661	0.092	127,714	1.329	1,850,716	0.006	5,665,736	0.602	574,524
Indicated	0.55	19,395	0.634	271,048	0.098	60,973	1.948	1,214,926	0.005	2,341,742	0.737	315,284
Indicated	0.75	6,141	0.860	116,456	0.107	21,198	2.760	544,871	0.005	722,393	0.979	132,489
Indicated	1.00	1,974	1.120	48,753	0.127	8,091	3.294	209,076	0.004	163,188	1.251	54,456
Inferred	0.15	1,023,299	0.253	5,712,479	0.028	931,176	0.624	20,520,258	0.006	132,275,704	0.300	6,768,823
Inferred	**0.25**	**527,667**	**0.343**	**3,992,410**	**0.036**	**609,437**	**0.849**	**14,397,830**	**0.007**	**79,488,676**	**0.401**	**4,664,903**
Inferred	0.35	233,140	0.463	2,378,257	0.047	349,019	1.205	9,029,026	0.008	40,503,161	0.535	2,750,819
Inferred	0.45	129,938	0.572	1,638,097	0.049	203,645	1.471	6,146,340	0.008	22,270,448	0.648	1,857,501
Inferred	0.55	73,690	0.688	1,117,424	0.051	120,870	1.622	3,841,986	0.007	11,658,186	0.765	1,243,336
Inferred	0.75	24,609	0.950	515,222	0.057	45,400	1.875	1,483,881	0.006	3,224,734	1.029	558,488
Inferred	1.00	8,622	1.300	247,098	0.055	15,342	1.792	496,792	0.003	661,249	1.368	260,062

1) Copper Equivalent (CuEq *) calculations reflect gross metal content using approximate 3 year average metals prices as of June 25th, 2013 of $3.71/lb copper (cu), $1549/oz gold (Au), $30.29/oz silver (Ag), and $14.02/lb molybdenum (Mo) and have not been adjusted for metallurgical recoveries. An economic cut-off grade of 0.25% copper equivalent was assumed for this report. Contained metal values may vary from calculated values due to rounding.
2) Mineral resources are not reserves and do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing or other relevant issues and are subject to the findings of a full feasibility study.
3) The quantity and grade of reported inferred mineral resources are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

1.5 Conclusions and Recommendations

HRC recommends that exploration, environmental and engineering studies be continued on the property with the intent to demonstrate the economic viability of the deposit. The size of the budget depends on the rate at which the Company wishes to progress, however a sensible next step might include 20-50 drill holes with associated geology and geochemistry, together with additional metallurgy and early stage engineering studies (PEA), together with the needed environmental studies and permits required to do this.

The budget for this program would include:

- Drilling, 10,000-20,000 meters - US$2,500,000 - US$5,000,000[10]
- Road and trenches - US$400,000
- Geochemistry, ~7,000-15,000 samples - US$250,000 – US$550,000
- Geological/Engineering personnel - US$200,000
- Metallurgy - US$200,000
- Engineering studies – US$300,000
- Environmental studies and permitting – US$200,000
- Other costs – US$200,000

Total: US$4,250,000 to US$7,050,000

[10] Estimate as of the date of the Escalones Report. As of March 22, 2016, the Company estimates the cost of the recommended drilling program to be US$4,000,000 - US$8,000,000.

Malku Khota (Bolivia) – International Arbitration Claim

On July 10, 2012, the Bolivian government announced to the media its intention to nationalize the Malku Khota project and on August 1, 2012, issued Supreme Decree No.1308 nationalizing the Malku Khota project. In October 2012, the Company's wholly-owned subsidiary, South American Silver Limited, delivered a formal letter to the Plurinational State of Bolivia notifying it of an investment dispute. The dispute has arisen as a result of acts and omissions of the Government of Bolivia including the issuance of Supreme Decree No.1308. The Decree revoked mining concessions held by CMMK, a wholly-owned subsidiary of South American Silver Limited, without any compensation. South American Silver Limited is a protected investor under the Bilateral Investment Treaty between the Government of the United Kingdom and the Government of Bolivia, and the actions and omissions of the Bolivian Government are in violation of that Treaty and of international law. Notification of the investment dispute triggered a six-month cooling-off period during which the disputing parties could negotiate a settlement.

In April 2013, following the six month cooling off period, South American Silver filed for international arbitration under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) for Bolivia's breach of the Treaty and international law. Bolivia has breached the Treaty's requirement to provide full protection and security to foreign investors and their investments, as well as the Treaty's protections against, among other things, expropriation without just and effective compensation, unfair and inequitable treatment, and less favorable treatment than afforded to Bolivian nationals or nationals of third states. Arbitration provides an internationally-recognized forum to pursue fair compensation for the expropriation of the Malku Khota project.

Since the expropriation the Company has appointed the international legal firm, King & Spalding, to prepare and handle the claim. King & Spalding is being supported by prominent local counsel in Bolivia. Financial experts to assess the value of the damages have also been appointed.

In May 2013, the Company entered into an agreement with a third party funder (the "Fund") pursuant to which the Fund will cover most of South American Silver's future costs and expenses related to the international arbitration proceedings against Bolivia. The Fund will not cover the salaries or travel expenses of the employees and executives of the Company when working on arbitration related matters. The funding is on a non-recourse basis and includes costs and expenses of the enforcement of any award rendered by the arbitral tribunal. The Fund specializes in the funding of international arbitration proceedings and in providing assistance in connection with the enforcement of arbitration awards.

South American Silver Limited continues to have control over the conduct of the international arbitration proceedings and to have the right to settle with Bolivia, discontinue proceedings, pursue the proceedings to trial and take any action it considers appropriate to enforce any resulting judgment or award. Under the terms of the privileged arbitration funding agreement, the Company has given certain warranties and covenants to the Fund and has provided security for its obligations. In consideration for the funding, South American Silver Limited and the Company have agreed to pay to the Fund a portion of any recoveries received by South American Silver Limited pursuant to the arbitration proceedings or any settlement with Bolivia.

A large majority of the costs of the arbitration to be incurred by South American Silver Limited or the Company are payable only in the event there is an award in favour of South American Silver Limited and will be paid out of the proceeds of any such award. These costs include certain fees and other expenses incurred in connection with the arbitration, including the Fund's portion of any recoveries received pursuant to the arbitration proceedings or any settlement with Bolivia, the contingent success fee payable to South American Silver Limited's lead arbitration counsel and other commitments. These fees, costs and expenses will be paid out of any such award, thus potentially reducing funds received by South American Silver Limited by as much as one-third of the amount of any award in its favour.

Concurrent with the Notice of Arbitration issued to Bolivia, South American Silver Limited appointed its arbitrator to the arbitral tribunal. On June 28, 2013 the Bolivian Government responded to the Notice of Arbitration and appointed its own arbitrator. Each party challenged the appointment of the other party's arbitrator on grounds of justifiable doubts as to his independence and impartiality but the challenges were ultimately rejected by the Permanent Court of Arbitration. The appointed arbitrators could not agree on the appointment of a third arbitrator to act as president of the three-person arbitral tribunal so on January 22, 2014 the Secretary General of the PCA appointed the presiding arbitrator.

On May 13, 2014, South American Silver Limited attended its first Procedural Meeting with representatives of the Government of Bolivia and the three members of the Arbitral Tribunal, Messrs. Eduardo Zuleta Jaramillo (President), Francisco Orrego Vicuña and Osvaldo Guglielmino, at the Center of Arbitration and Conciliation of the Bogota Chamber of Commerce in Bogota, Colombia under the oversight of the Permanent Court of Arbitration.

On June 3, 2014, South American Silver Limited received Procedural Order No. 1 from the Arbitral Tribunal, which constitutes the Tribunal's binding decisions on procedural matters. With Procedural Order No. 1 the Tribunal fixed the place of arbitration at The Hague, the Netherlands (where the arbitration is considered held from a legal point of view) and stated that the meetings and hearings will take place in Bogota (Colombia) or Washington D.C .(U.S.A.), to be determined by the Tribunal after consultation with the parties before each hearing or meeting. Procedural Order No. 1 also includes a procedural calendar with two rounds of pleadings (4 months to each party for the first round and 3 months to each party for the second round, with an additional 1 month to South American Silver Limited for a potential rejoinder on jurisdiction). The Tribunal also limited the document production phase to approximately 5 months. Based on the procedural calendar, South American Silver Limited's statement of claim and memorial on the merits was filed on time on September 24, 2014. South American Silver Limited seeks monetary compensation for damages in the amount of US$385.7 million, which includes US$307.2 million for all of its losses caused by Bolivia's breaches of the UK-Bolivia Treaty, plus US$78.5 million in pre-award interest but excludes fees and costs incurred in connection with the arbitration proceeding. Alternatively, South American Silver Limited seeks restitution of the Malku Khota project along with monetary damages in the amount of US$176.4 million, including pre-award interest.

On March 31, 2015, Bolivia filed its statement of defense and counter-memorial marking the conclusion of the preliminary written pleadings phase of the arbitration and the beginning of the document production phase. In accordance with the procedural calendar SASL's reply to Bolivia's statement of defense and counter-memorial was filed on November 30, 2015. Pursuant to a 21-day extension granted by the Tribunal, Bolivia's rejoinder was filed on March 21, 2016. On April 30, 2015, after consultations with the parties, the Tribunal decided to postpone the oral hearing from May 2016 to July 2016. The oral hearing is expected to last for approximately 10 days.

Orders of the Tribunal, including any awards, and pleadings (but not exhibits, witness statements or expert reports) are posted on the Permanent Court of Arbitration's website at www.pca-cpa.org.

Based on the procedural calendar included in Procedural Order No.1, as amended in April 2015, June 2015 and January 2016, and unless there is a negotiated settlement of the dispute, it is expected that any actual cash award, if there is one, would not be received until several months after the July 2016 hearing in Washington D.C.

Other Properties

Through HDG, the Company also has a 100% interest in the San Antonio project in Sonora, Mexico.

San Antonio (Mexico)

Since 2005, HDG has staked a number of properties in the northern State of Sonora, Mexico. In addition to Canasta Dorada and associated properties transferred to Highvista Gold Inc., HDG also has a 100% interest in San Antonio. The San Antonio property was the focus of both historic small-scale underground mining at the turn of the century and a small surface excavation which was completed within the past 20 years. The surface excavation consists of a cut approximately 110 metres long, 5-10 metres wide and 10-30 metres deep. The material from the excavation was placed on heaps for leaching with the higher grade material trucked offsite for processing. Bulk sampling by HDG of the material on one of the old leach pads returned average values of 1.8 g/t gold and 35.3 g/t silver. Bulk sampling of a smaller pad, which does not appear to have been subjected to leaching, returned average values of 3.1 g/t gold and 40.4 g/t silver.

While the Sonora Gold Belt is recognized as a world-class gold and silver mining region, there has been little to no modern exploration within 80 km. of HDG's San Antonio gold project.

HDG sampling indicates that the mineralized zone is over one kilometre long. The zone is not continuously exposed due to alluvial and thin volcanic cover. However, HDG has located a small window within the volcanic cover 650 metres along strike from the trench which exposes weakly silicified and iron stained carbonates returning

values of 0.352 g/t gold, 5 g/t silver, 0.16% lead and 0.27% zinc, indicating that the mineralized system continues under the volcanic cover.

A total of 187 samples have been collected from the HDG property position. Values range from 0.05 to 100 g/t gold and from 0.08 to 492 g/t silver.

HDG holds four concessions which cover a total of approximately 772 ha.

Results of an initial drill program announced by HDG via news release on May 11, 2011 included:

From (m)	To (m)	Thickness (m)	Gold (g/t)	Silver (g/t)
0.0	25.8	25.8	1.394	11.1
including				
13.7	24.3	10.6	3.029	22.3
includes				
19.8	24.3	4.5	5.722	24.4

Risk Factors

There are certain risks associated with owning Common Shares and/or Class B Shares of the Company that holders should carefully consider. The risks and uncertainties below are not the only risks and uncertainties facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business, operations and future prospects of the Company and cause the price of the Common Shares and/or Class B Shares to decline. If any of the following risks actually occur, the business of the Company may be harmed and its financial condition and results of operations may suffer significantly. In that event, the trading price of the Common Shares and/or Class B Shares could decline, and holders of the Common Shares and/or Class B Shares may lose all or part of their investment. In addition to the risks described elsewhere and the other information contained in this Annual Information Form, holders of Common Shares and/or Class B Shares of the Company should carefully consider each of, and the cumulative effect of all of, the following risk factors.

Financing

The Company currently has no revenues from operations. The Company has in excess of 12 months of funding in place to advance the Gold Springs project and a funding agreement in place to finance the costs associated with the arbitration proceedings of SASL regarding the Malku Khota project. In order to further fund the Company's business plans, additional funds will be required. The only sources of future funds presently available to the Company are the sale of additional equity capital, the sale of debt instruments or credit agreements, the sale of a future gold, copper or other metal stream from a property, the sale of a production royalty, the entering into of a metal or concentrate off-take type agreement, the sale or leasing of the Company's interest in a property or the entering into of a joint venture arrangement or other strategic alliance in which the funding source could become entitled to an interest in one or more of the assets of the Company. The Company's capital resources are largely determined by the strength of the junior resource market, which has significantly weakened in recent years, and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There is no assurance that the Company will be successful in raising additional funds in the future. If the Company does not have the necessary capital to meet its obligations under its contractual obligations, the Company may have to forfeit its interest in properties or prospects earned or assumed under such contracts. In addition, if the Company does not have sufficient funds to pursue its exploration and development programs and other plans, the viability of the Company could be jeopardized.

International Arbitration

On August 2, 2012, the Company received a Nationalization Decree from the Bolivian government revoking the concessions held by CMMK without any compensation. The Company is vigorously pursuing international arbitration proceedings against Bolivia to recover full compensation based on the fair market value of the Malku Khota project. The Company, however, cannot provide assurances with respect to the outcome of the

international arbitration, the amount, timing or form of any settlement or award, or its ability to enforce any award against Bolivia.

Class B Shares

The holders of the Class B Shares have contingent rights to receive a *pro rata* share of 85% of the net cash proceeds, if any (after deducting all costs, tax and expenses and the third party funder's portion thereof), received by the Company pursuant to any award or settlement agreement entered into in respect of the South American Silver Limited's arbitration claim against the Government of Bolivia. The holders of Class B Shares will not realize any value if: (i) no award or settlement agreement is reached; (ii) no cash payment is included in the award or settlement agreement; or (iii) the costs of obtaining a cash payment on, or enforcement of, the award or settlement agreement exceeds to amount of such cash payment. South American Silver Limited has sole discretion and decision making authority over when and whether to pursue any particular course of action in respect of the arbitration proceedings, including whether to negotiate or enter into a settlement agreement and including whether to accept non-cash consideration pursuant thereto.

In addition, the accrual of value on the Class B Shares may be significantly delayed. The international arbitration process can take several years before an award is rendered or settlement reached. Once an award is rendered or settlement is reached, enforcing the award or settlement agreement could take additional several years and the full amount of any award or settlement may not ultimately be received, which would reduce the amount, if any, payable to the holders of Class B Shares.

Commodity Prices

The profitability of the Company's operations, if ever established, will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, sales of copper, gold and silver by central banks, forward sales by producers, production, industrial and jewellery demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable.

The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper, gold, silver, or molybdenum. The prices of these commodities are affected by numerous factors beyond the Company's control.

Dilution

Issuances of additional securities will result in dilution of the equity interests of the Company's shareholders. The Company may issue additional Common Shares in the future as further capital is required and on the exercise of outstanding options or other convertible securities issued from time to time. The Company may also issue a limited number of additional Class B Shares on the exercise of outstanding options or warrants. Sales or issuances of substantial amounts of additional securities, or the availability of such securities for sale, could adversely affect the market prices for the Company's securities. A decline in the market prices of securities of the Company could impair the Company's ability to raise additional capital through the sale of new Common Shares should it desire to do so. In addition, if additional Common Shares or securities convertible into Common Shares are sold or issued, such sales or issuances may substantially dilute the equity interests of the Company's holders of Common Shares.

Uncertainty of Resource Estimates

The Company announced resource estimates on the Gold Springs and Malku Khota projects and the results of its preliminary economic studies on such projects. The Company has announced resource estimates for the Escalones property. The statements of mineral resources disclosed in this Annual Information Form and in the Company's public disclosure are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. In addition, for the Malku Khota project, no assurance can be given as to the value to be given to the resource estimates in the arbitration process.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. Until they are categorized as "mineral reserves", the known mineralization is not determined to be economic ore. The mining and exploration business relies upon the accuracy of determinations as to whether a given deposit has significant mineral reserves and resources. Mineral reserve and resource estimates are based on limited sampling, and inherently carry the uncertainty that samples may not be representative. Such estimates necessarily include presumptions of continuity of mineralization which may not actually be present. Mineral reserve and resource estimates may require revision (either upward or downward) based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain mineral resources uneconomic. Inaccurate estimates may result in a misallocation of resources such that an excess amount could be allocated to a less than economic deposit or, conversely, failure to develop a significant deposit. Greater assurance will require completion of final comprehensive feasibility studies that conclude a potential mine at the Gold Springs or Escalones project is likely to be economic, but such studies remain subject to the same risks and uncertainties.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally associated with the exploration for and the development of mineral properties. Each of Gold Springs and Escalones is still in the advanced exploration stage. Mineral exploration and exploitation involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain necessary permits, adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise.

Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining. There can be no assurance that commercial quantities of ore will be discovered. There is also no assurance that even if commercial quantities of ore are discovered, that the properties will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Company. There can be no assurance that the Company's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern". The recoverability of the carrying value of its mineral properties and the Company's continued existence is dependent, in part, upon the preservation of its interest in its properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to obtain financing or, alternatively, upon the Company's ability to dispose of its interests on an advantageous basis.

Portions of the Company's interests in the Escalones and Gold Springs projects are subject to option or lease agreements which require the Company to make periodic payments over a varying number of years to maintain its interest in those portions of those projects. The Company can cancel any of these agreements at any time without completing the remaining payments and without further obligation.

Exploration and Operation Risks

In common with other enterprises undertaking business in the mining sector, the Company's mineral exploration and project development activities are subject to conditions beyond its control. The success of the Company will be dependent on many factors including: the discovery and/or acquisition of mineral reserves and mineral resources; the successful conclusions to feasibility and other mining studies; access to adequate capital for project development and sustaining capital; design and construction of efficient mining and processing facilities within capital expenditure budgets; the securing and maintaining of title to properties; obtaining permits, consents and approvals necessary for the conduct of exploration and potential mining operations; complying with the terms and conditions of all permits, consents and approvals during the course of exploration and mining activities; access to competent operational management and prudent financial administration, including the availability and reliability

of appropriately qualified employees, contractors and consultants; the ability to procure major equipment items and key consumables in a timely and cost-effective manner; the ability to access full power supply; and the ability to access appropriate road and port networks for shipment of any mineral production. There can be no assurance that the Company will ever be able to develop any of its mineral properties at all or on time or on budget. Should any of these events occur, it would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Although the Company has implemented comprehensive safety and environmental measures designed to comply with or exceed government regulations and ensure safe, reliable and efficient operations in all phases of its operations, accidents, environmental hazards or degradation, unusual and unexpected geological formations, seismic activity, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavorable operating conditions and losses may still occur.

Environmental Regulations

The Company's activities are subject to foreign environmental laws and regulations which may materially adversely affect its future operations. These laws and regulations control the exploration and development of mineral properties and their effects on the environment, including air and water quality, mine reclamation, waste handling and disposal, the protection of different species of plant and animal life, and the preservation of lands and glaciers. These laws and regulations require the Company to acquire permits and other authorizations for certain activities. There can be no assurance that the Company will be able to acquire such necessary permits or authorizations on a timely basis, if at all.

The Company cannot predict what environmental legislation or regulations will be enacted or adopted in the future or how future laws and regulations will be administered or interpreted. Compliance with more stringent laws and regulations, as well as potentially more vigorous enforcement policies or regulatory agencies or stricter interpretation of existing laws, may materially adversely affect the Company's future operations.

Mineral exploration and development in the United States are subject to various U.S. federal and state and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties. There can be no assurance that the Company will be able to meet all the regulatory requirements in a timely manner or without significant expense or that the regulatory requirements will not change to prohibit the Company from proceeding with certain exploration and development.

In late 2012 new environmental legislation related to mineral exploration came into effect in Chile. Amongst other things, the new legislation provided the Ministry of Environment with the resources to review the compliance by companies with their environmental permits and put the onus on companies to advise the Ministry of project status by January 22, 2013. This new legislation increases the likelihood that the Company's exploration activities at Escalones will be subject to more frequent and rigorous review of the permit conditions and compliance with those conditions. Although the exploration activities of the Company at Escalones are currently carried out substantially in accordance with all applicable environmental rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof, could have a material adverse impact on the Company.

Permits and Government Regulation

The Company requires licenses and permits from various governmental authorities in Chile to carry out exploration and development at Escalones and in Nevada and Utah to carry out exploration and development at Gold Springs. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future

operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

The mineral exploration activities of the Company are also subject to various laws governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. Although the exploration activities of the Company at Gold Springs and Escalones are currently carried out substantially in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

Infrastructure

Development and exploration activities depend on adequate infrastructure, including reliable roads, power sources and water supply. The Company's inability to secure adequate water and power resources, as well as other events outside of its control, such as unusual weather, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect the Company's operations and financial condition.

Foreign Currency Risk

A portion of the Company's expenses are now, and are expected to continue to be, incurred in foreign currencies. The Company's business will be subject to risks typical of an international business including, but not limited to, differing tax structures, regulations and restrictions and general foreign exchange rate volatility. The Company's financial results are reported in U.S. dollars. Fluctuations in the exchange rate between the U.S. dollar and such other currencies may have a material effect on the Company's business, financial condition and results of operations and could result in losses from currency exchange rate fluctuations. The Company does not actively hedge against foreign currency fluctuations.

Foreign Political Risk

Exploration in Chile and Mexico and the maximization of the value from the Malku Khota project in Bolivia expose the Company to risks that may not otherwise be experienced if operations were domestic. Real and perceived political risk in some countries may also affect the Company's ability to finance exploration programs and future mine development opportunities.

Although Chile has a mature and stable political system and enjoys one of the best country risk ratings of the region, there is always the potential for changes in mining policies, royalties, taxes or shifts in political attitude towards foreign investment in natural resources. Changes, even if minor in nature, may adversely affect the Company's operations.

The Company's operations and investments may be adversely affected by political instability and legal and economic uncertainty that might exist. The risks associated with the Company's foreign operations may include political unrest, labour disputes, invalidation of governmental orders, permits or agreements, war, civil disturbances, criminal and terrorist actions, arbitrary changes in laws, regulations and policies, taxation, price controls, exchange controls, delays in obtaining or the inability to obtain necessary permits, import or export restrictions, opposition to mining from local, environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on mineral exports, government participation, royalties, duties, rates of exchange, high rates of inflation and increased financing costs, currency fluctuations, and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation. These risks may limit or disrupt the Company's arbitration proceedings, projects or operations, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization, expropriation or other means without fair compensation.

Title to Properties

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or governmental actions. The Company can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property. The occurrence of any such event could have a material adverse effect on the Company and its prospects.

The Boezio Option grants the Company the right to earn a 100% interest in a significant portion of the Escalones property, but to earn its full interest in that portion of the property the Company is required to make certain cash payments as more fully described in the Company's financial statements. Similarly, portions of the Gold Springs property, including the Jumbo resource area, are subject to option or lease agreements requiring cash payments. If the Company fails to make these payments, the Company may lose its right to that portion of the property and forfeit any funds previously expended to acquire such interest.

Key Management

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits and developing those deposits depends on a number of factors, not the least of which is the technical skill of the personnel involved. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success. The Company has not purchased any "key-man" insurance with respect to any of its officers or key employees and has no current plans to do so.

Conflicts of Interest

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the *Business Corporations Act* (British Columbia), a director or senior officer who has a material interest in a contract or transaction or a proposed contract or transaction that is material to the Company, or a director or senior officer who is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction, is required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract or transaction. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. However, circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to the Company.

Further, the non-management directors and Vice-President of Metallurgy of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these persons and these persons will not devote all of their time to the business and affairs of the Company.

Uninsurable Risks

The Company maintains liability, property and other insurance, where reasonably available, in such amounts it considers prudent. The Company may become subject to liability for hazards against which it is not insured or which it may have elected not to insure against because of high premium costs or other reasons.

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding, earthquakes and other environmental occurrences, may occur. It is not always possible to fully insure against such risks and the Company may decide not take out insurance against such risks as a result of high premiums or other

reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Competition

The mining industry is intensely competitive in all of its phases and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties and the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects in the future.

Acquisition of Additional Mineral Properties

There is no assurance that the Company will be able to acquire other mineral properties of merit, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

Expected Continued Operating Losses

The Company has experienced losses from operations in previous financial years and had an accumulated deficit of US$62,589,596 as of December 31, 2015. The Company expects to incur losses for the foreseeable future.

No History of Dividends

The Company has never paid a dividend on its Common Shares and does not expect to do so in the foreseeable future. The Company intends to retain earnings and other cash resources for its business. Any future determination to pay dividends will be at the discretion of the board of directors and will depend upon the capital requirements of the Company, results of operations and such other factors as the board of directors considers relevant. Accordingly, it is likely that for the foreseeable future holders of Common Shares will not receive any return on their investment in the Common Shares other than possible capital gains.

Litigation Risk

Companies in all industries, including the mining industry, are subject to legal claims from time to time, some of which have merit and others of which do not. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on the Company's financial position, results of operations or the Company's property development.

Repatriation of Earnings

There is no assurance that any countries other than Canada in which the Company carries on business or may carry on business in the future will not impose restrictions on the repatriation of earnings to foreign entities.

PFIC Status

The Company believes that it was classified as a "passive foreign investment company" under Section 1297(a) of the U.S. Internal Revenue Code (a "PFIC") during the tax year ended December 31, 2015 and may be a PFIC in future tax years. If the Company is a PFIC for any year during a U.S. shareholder's holding period, then such U.S. shareholder generally will be required to treat any gain realized upon a disposition of shares, or any so-called "excess distribution" received on its shares, as ordinary income, and to pay an interest charge on a portion of such gain or distributions, unless the shareholder makes a timely and effective "qualified electing fund" election ("QEF Election") or a "mark-to-market" election with respect to the shares. A U.S. shareholder who makes a QEF Election generally must report on a current basis its share of the Company's net capital gain and ordinary earnings for any year in which the Company is a PFIC, whether or not the Company distributes any amounts to its shareholders. U.S. taxpayers should be aware that there can be no assurance that the Company will satisfy record-keeping requirements or that it will supply U.S. taxpayers with required information under the QEF rules, in event that the Company is a PFIC and a U.S. taxpayer wishes to make a QEF election. This shall not be construed as tax advice given by the Company and U.S. taxpayers are encouraged to consult with their tax advisor regarding the tax

consequences of holding shares in the Company. U.S. Shareholders can visit the Company's website, www.trimetalsmining.com and download the Company's PFIC Annual Information Statement for 2015.

Employees

As of December 31, 2015, the Company had 12 employees and also makes use of a variable number of consultants as required for operations. The Company is subject to applicable labour laws and regulations in the countries of employment. None of the Company's employees is covered by a collective agreement.

Corporate Responsibility Policies and Practices

The Company's success depends on how well it manages the economic, environmental and social impacts of its operations on the communities surrounding its properties. In the past sixteen years, the mining industry has undergone a significant shift in its thinking about corporate social and environmental responsibility. Groups such as the International Council on Mining and Metals (ICMM) and the Alliance for Responsible Mining have set new industry standards to encourage mining companies to strike a balance between environmental and economic responsibility by developing and implementing plans that reduce environmental impact on the local land, water, air and people.

The Company is committed to conduct its business activities in full compliance with recognized international and local environmental standards and in a manner that promotes sustainable development and an improvement in the social welfare of the regions in which it operates. It continuously strives to limit the impact of its activities on the natural environment and the surrounding communities. The Company's fundamental policy is to conduct its business responsibly and in a manner designed to protect its representatives, the community and the environment. Its commitment is to conduct its business in a manner that provides a safe and healthy workplace and environment for its representatives.

Environmental Policy

Mining, by its nature, has an impact on the environment. The Company has systems in place to educate the local communities about the effects on the local environment from our exploration and development activities, and to monitor and manage the potential effects on the environment.

The environmental policy of the Company provides that the Company is committed to balancing good stewardship in the protection of the environment with the need for economic growth. In particular, it is the Company's policy: to measure, maintain and improve the Company's compliance with environmental laws and regulations; to place a high priority on environmental considerations in planning, exploring, constructing, operating and closing facilities; to place primary responsibility for compliance with environmental laws with operations management; in the absence of any regulation, to recognize and cost-effectively manage environmental risks in a manner that protects the environment and the Company's economic future; to promote employee involvement in implementing its policy; and to encourage employee reporting of suspected environmental problems. The Company ensures that all personnel and consultants working for the Company are aware of the importance of preserving the environment, that the Company's exploration and development activities are designed to have as small an impact as is practical while still achieving the exploration and development goals and that the Company only carry out activities that are condoned by the authorities in each area in which the Company operates.

With the exception of the new environmental legislation in Chile disclosed above under "Risk Factors – Environmental Regulations", there are no environmental regulation issues which, to the Company's knowledge, have an adverse impact on the current exploration programs of the Company. To the Company's knowledge, its operations are in compliance with applicable environmental laws in the countries in which it is carrying out its exploration.

The Board is responsible for assisting and guiding management in management's development of the Company's environmental policy to maintain environmental excellence, and ensuring compliance with such policy.

DIVIDEND POLICY

Although the Company has not declared or paid dividends on any shares since incorporation and does not anticipate declaring or paying dividends in the foreseeable future, the board of directors of the Company may declare from time to time such cash dividends out of the monies legally available for dividends as the board of directors considers advisable. Any future determination to pay dividends will be at the discretion of the board of directors and will depend on the capital requirements of the Company, results of operations and such other factors as the board of directors considers relevant.

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized capital consists of an unlimited number of Common Shares without par value and up to 127,328,790 Class B Shares without par value. As at March 22, 2016, the Company had 135,738,714 Common Shares and 116,278,647 Class B Shares outstanding. As at March 22, 2016, the Company also had CAD$2,296,000 in convertible debentures, 7,446,486 warrants and 11,746,916 stock options, issued and outstanding, (with associated tandem share appreciation rights) exercisable into Common Shares. 3,416,666 of the 11,746,916 stock options are also exercisable into Class B Shares. The material provisions of the Common Shares, Class B Shares, warrants and stock options are summarized below.

Common Shares

The holders of the Common Shares, as such, are entitled to receive notice of and to attend at general meetings of shareholders of the Company and entitled to one vote for each Common Share held. The holders of the Common Shares are also entitled to receive dividends if, as and when declared by the board of directors. Dividends, which the board of directors determines to declare and pay, shall be declared and paid in equal amounts per share on the Common Shares at the time outstanding without preference or distinction. Subject to the rights of holders of the Class B Shares described below, holders of Common Shares are entitled to receive on a *pro rata* basis the remaining property or assets of the Company in the event of any liquidation, dissolution or winding-up of the Company.

Class B Non-Voting Shares

This summary of the rights attached to the Class B Shares is qualified in its entirety by reference to the full provisions of the Class B Non-Voting Shares which are set out in Section 27 of the Company's articles filed and publicly posted on SEDAR on December 30, 2013 and which are incorporated by reference into this Annual Information Form. Shareholders should refer to the full provisions of the Class B Shares for complete details of the rights and restrictions attached to the Class B Shares. Capitalized terms used in this section not otherwise defined in this Annual Information Form are defined in the full provisions of the Class B Shares.

Voting Rights

The holders of the Class B Shares are not entitled as such to receive notice of or to attend any meeting of the shareholders of the Company or to vote at any such meeting, except that (i) the holders of the Class B Shares are entitled to notice of meetings of the shareholders called for the purpose of authorizing the dissolution of the Company or the sale, lease or exchange of all or substantially all of the property of the Company other than in the ordinary course of business of the Corporation and (ii) the approval of the holders of the Class B Shares is required to add to, vary or delete the special rights and restrictions attaching to the Class B Shares.

Class B Share Entitlement

For purposes of the special rights and restrictions attaching to the Class B Shares, the Class B Share Total Entitlement is:

(a) nil, until the Final Award is issued or a Settlement Agreement is entered into and either:

  (i) the full Malku Khota Award or Settlement Amount, if any, is received by South American Silver Limited ("SASL") or any of its affiliates, or

(ii) SASL determines, in its absolute discretion, that enforcement actions in respect of the collection of such Malku Khota Award or Settlement Amount are sufficiently exhausted and should cease;

(b) nil, if the Final Award is issued and SASL is not awarded any relief payable in cash to it or any of its affiliates, or if a Settlement Agreement is entered into and no cash is payable thereunder to SASL or any of its affiliates; or

(c) an amount equal to 85% of the amount, if any, by which the Malku Khota Award or Settlement Amount exceeds the Malku Khota Arbitration Expenses, if the Final Award is issued in favour of SASL or a Settlement Agreement is entered into and either:

(i) the full Malku Khota Award or Settlement Amount is received by SASL or any of its affiliates, or

(ii) SASL determines, in its absolute discretion, that enforcement actions in respect of the collection of such Malku Khota Award or Settlement Amount are sufficiently exhausted and should cease.

The holders of Class B Shares will not realize any value if: (i) no award or settlement agreement is reached; (ii) no cash payment is included in the award or settlement agreement; or (iii) the costs of obtaining a cash payment on, or enforcement of, the award or settlement agreement exceeds to amount of such cash payment. South American Silver Limited has sole discretion and decision making authority over when and whether to pursue any particular course of action in respect of the arbitration proceedings, including whether to negotiate or enter into a settlement agreement and including whether to accept non-cash consideration pursuant thereto.

Redemption Rights

All but not less than all of the Class B Shares shall be redeemed by the Company on the Redemption Date (as defined below) for an amount per share equal to the total of the Class B Share Entitlement. The Redemption Date is the date that is 60 days after the earliest of the following dates:

(a) where SASL enters into a Settlement Agreement, the date which is the earlier of (i) the date the full amount of the Malku Khota Award or Settlement Amount is received by SASL or any of its affiliates; or (ii) the date on which SASL determines, in its absolute discretion, that enforcement actions in respect of the collection of such Malku Khota Award or Settlement Amount are sufficiently exhausted and should cease;

(b) where the Final Award is issued and SASL or its affiliates is awarded relief payable in cash, the date which is the earlier of (i) the date the full amount of the Malku Khota Award or Settlement Amount is received by SASL or any of its affiliates; or (ii) the date on which SASL determines, in its absolute discretion, that enforcement actions in respect of the collection of such Malku Khota Award or Settlement Amount are sufficiently exhausted and should cease;

(c) the date on which the Final Award is issued and no relief payable in cash is awarded to SASL;

(d) the date on which SASL enters into a Settlement Agreement pursuant to which no cash settlement or award will be payable to SASL; and

(e) the date the Malku Khota Arbitration Proceedings are otherwise terminated and the limitation period for SASL to file a challenge or appeal in respect of such termination has expired.

Notwithstanding the foregoing, MK Acquisition Corp. or another affiliate of the Company has the overriding right to purchase all but not less than all of the Class B Shares on the Redemption Date for the same amount as would have been paid on redemption.

Retraction Rights

A holder of Class B Shares is entitled after the Retraction Right Trigger Date (as defined below) to require the Company to redeem any or all of the Class B Shares held by it for an amount for each share equal to the Class B Share Entitlement. The Retraction Right Trigger Date is the date, after the Final Award is issued or a Settlement Agreement is entered into, that is 60 days after the earlier of (i) the date the full amount of the Malku Khota Award or Settlement Amount is received by SASL or any of its affiliates; or (ii) the date on which SASL determines, in its absolute discretion, that enforcement actions in respect of the collection of such Malku Khota Award or Settlement Amount are sufficiently exhausted and should cease.

Notwithstanding the foregoing, MK Acquisition Corp. or another affiliate of the Company has the overriding right to purchase all but not less than all of the Class B Shares otherwise to be retracted for the same amount as would have been paid pursuant to a retraction request.

Rights on Liquidation

In the event of the liquidation, dissolution or winding up of the Company or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, each holder of a Class B Share will be entitled to its *pro rata* shares of the Class B Share Total Entitlement, if any. Notwithstanding the foregoing, MK Acquisition Corp. or another affiliate of the Company has the overriding right in the event of any proposed liquidation, dissolution or winding up of the Company to purchase all but not less than all of the Class B Shares for the same amount as would have been paid on such liquidation, dissolution or winding-up.

Until (a) the Final Award is issued or a Settlement Agreement is entered into and (i) the Malku Khota Award or Settlement Amount is received by SASL or any of its affiliates or (ii) SASL determines, in its absolute discretion, that enforcement actions in respect of the Malku Khota Award or Settlement Amount are sufficiently exhausted and should cease, or (b) the Malku Khota Arbitration Proceedings are otherwise terminated, as a condition to any liquidation, dissolution or winding-up of the Company or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, each holder of a Class B Share will be issued, in such manner as determined by the Company in its sole discretion, in exchange for each Class B Share a right to their proportionate share of the Malku Khota Award or Settlement Amount.

Convertible Debentures and Warrants

On July 23, 2015 the Company completed a non-brokered private placement of units consisting of CAD$2,296,000 principal amount convertible notes bearing 6% interest and maturing July 23, 2018 (the "Notes") and 7,446,486 common share purchase warrants (the "Warrants") for gross proceeds of CAD$2,296,000.

If the repayment of the Notes on the maturity date would expose the Company to undue financial hardship, then the Company has the right to extend the maturity date to July 23, 2020 for no additional consideration.

Notwithstanding the foregoing, if the Company receives a cash payment pursuant any award or settlement in the arbitration by its subsidiary against Bolivia of at least USD$ 5 million (after the payment of all Malku Khota Arbitration Expenses and the Class B Share Entitlement, each as defined in the Company's Articles), the holders shall have the right to demand repayment of the outstanding principal amount of the Notes and accrued interest thereon, in cash, within 60 days of the first public disclosure by the Company of receipt of such net cash payment.

The holders of the Notes have the option to convert all or any portion of the outstanding principal amount of the Notes into common shares of the Company at any time at the conversion price of CAD$0.20 per share. If the closing price of the common shares of the Company on the TSX is at least CAD$0.40 for 10 consecutive trading days, the Company has the right to convert all or any portion of the outstanding principal amount of the Notes into common shares, without penalty. Shares issued to repay the principal amount of the Notes shall be issued at the Conversion Price, while accrued interest on the converted portion of the Notes shall be paid in cash.

The Notes are secured by a pledge of approximately 20.7% of the shares of TriMetals Mining Chile SCM (formerly South American Silver Chile SCM), a wholly owned subsidiary of the Company.

Each Warrant is exercisable to purchase one common share of the Company at the exercise price of CAD$0.10 per share until July 23, 2017.

Stock Options

As of March 22, 2016, the Company has 11,746,916 stock options outstanding. Each option is subject to the Share Incentive Plan described below and includes a tandem share appreciation right as described below. Each of the outstanding options issued by the Company prior to the Arrangement and outstanding as of March 22, 2016 (3,416,666 options) is exercisable for one Common Share and one Class B Share. All other options (8,330,250) are each exercisable for one Common Share.

Share Incentive Plan

The Company has established a share incentive plan (the "Share Incentive Plan") for the benefit of full-time and part-time employees, officers, directors and consultants of the Company and its affiliates.

The objectives of the Share Incentive Plan are to:

- assist the Company in recruiting and subsequently retaining highly qualified directors, officers, employees and service providers by offering an overall compensation package which is competitive with that offered by other mining companies at the Company's stage of development;
- align the interests of participants with the long-term interests of shareholders by encouraging the acquisition and ownership of the Company's Common Shares; and
- motivate participants to achieve important corporate and individual performance objectives and reward them when such objectives are met.

For the purposes of the Share Incentive Plan, a "Common Share" means a common share of the Company, as adjusted in accordance with the provisions of Share Incentive Plan, including the plan of arrangement of the Company with an effective date of December 20, 2013, and for greater certainty, in regards to awards issued by the Company prior to December 20, 2013 and outstanding on December 20, 2013, a "Common Share" means one Common Share and one Class B Share.

The fixed maximum percentage of Common Shares issuable under the Share Incentive Plan as a whole is 10% of the issued and outstanding Common Shares from time to time. The Share Incentive Plan automatically "reloads" after the issuance of Common Shares under an award provided that the number of Common Shares issuable under the Share Incentive Plan as a whole does not then exceed the maximum percentage of 10%. For purposes of these provisions, so long as any awards issued by the Company prior to December 20, 2013 continue to be outstanding, the shares available under the Plan also include that number of Class B Shares as are required to be issued by the Company upon the exercise of such awards pursuant to the adjustment provisions in the Share Incentive Plan.

The number of Common Shares (a) issued to insiders (as defined by the TSX) of the Company, within any one year period; and (b) issuable to insiders of the Company, under the Share Incentive Plan, or when combined with all of the Company's other security based compensation arrangements (as defined by the TSX), may not exceed 10% of the Company's total issued and outstanding Common Shares, respectively.

As at March 22, 2016, an aggregate of 11,746,916 stock options with associated share appreciation rights are outstanding under the Share Incentive Plan.

Stock Award Plan

Under the stock award plan (the "Stock Award Plan"), options and share appreciation rights ("SARs") may be granted to full-time and part-time employees, officers and directors of, or consultants to, the Company or its affiliates. Awards granted under the Stock Award Plan may be stock options, free-standing SARs, or SARs that are granted in tandem with a related option ("Tandem SARs").

The Board determines the participants who may participate in the Stock Award Plan, as well as the number and the exercise price of each option or the basis value of each SAR at the time the option or SAR, as applicable, is granted. The exercise price of an option or the basis value of a SAR cannot be lower than the most recent closing price of the Common Shares on the TSX, or other stock exchange where the majority of the trading volume and value of the Common Shares occurs, at the time the option or SAR is granted.

The period of time during which a particular option or SAR may be exercised is determined by the Board, subject to any Employment Contract or Consulting Contract (both as hereinafter defined), provided that no such period shall exceed 10 years. If an option or SAR expiration date falls within a "black-out period" (a period during which certain persons cannot trade Common Shares pursuant to a policy of the Company respecting restrictions on trading), or immediately following a black-out period, the expiration date is automatically extended to the date which is the tenth business day after the end of the black-out period, provided that no such extended exercise period shall exceed 10 years.

Upon exercise of a SAR, the participant is entitled to receive payment from the Company in an amount determined by multiplying the excess of the market price of a Common Share on the date of exercise over the basis value at which the SAR was originally granted. All payments are made in Common Shares, the number of which is calculated by dividing the payment amount by the market price of the Common Shares on the exercise date. For SARs issued prior to the Arrangement, the participant is entitled to receive payment from the Company in an amount determined by multiplying the excess of the aggregate market price of a Common Share and Class B Share on the date of exercise over the basis value at which the SAR was originally granted and payments are made in an equal number of Common Shares and Class B Shares, the number of which is calculated by dividing the payment amount by the aggregate market price of a Common Share and Class B Share on the exercise date.

Tandem SARs are SARs granted in tandem with a related option or added to an outstanding option which give the awardee the right to surrender to the Company the vested portion of the option and to receive a distribution of Common Shares (including a Class B Share, if applicable) in an amount equal to the excess of the market price of a specified number of shares as of the date the SAR is exercised over the exercise price of the related option. To the extent a Tandem SAR is exercised, the related option will terminate at the time of such exercise.

Unless otherwise determined by the Board, each option or SAR becomes exercisable as to 33⅓% on a cumulative basis, on each of the date of grant and the first and second anniversaries of the date of grant.

Options and SARs may terminate prior to expiry of the exercise period in the following circumstances:

- on death of an awardee, options and SARs held as at the date of death become immediately exercisable notwithstanding any vesting provisions thereof and remain exercisable until the earlier of 12 months from such date and expiry of the exercise period; and

- if an awardee ceases to be a director, officer, employee and consultant of the Company or an affiliate for any reason other than death, including receipt of notice from the Company of the termination of his, her or its Employment Contract or Consulting Contract, all unvested options and SARs are cancelled as at the date of termination, and all vested options and SARs held as at the date termination remain exercisable until the earlier of 60 days following such date and expiry of the exercise period,

subject however to any contract between the Company and any employee relating to, or entered into in connection with, the employment of the employee or between the Company and any director with respect to his or her directorship or resignation therefrom (an "Employment Contract"), any contract between the Company and consultant relating to, or entered into in connection with, services to be provided to the Company (a "Consulting Contract") or any other agreement to which the Company is a party with respect to the rights of such person upon termination or change in control of the Company.

In order for options granted to U.S. participants to be considered Incentive Stock Options ("ISOs") for U.S. tax purposes, the maximum number of shares available for ISOs must be set out in the Stock Award Plan. Accordingly, the Stock Award Plan provides that not more than 3,000,000 Common Shares will be available for issuance pursuant to ISOs. There is no obligation on the Company to issue that number of ISOs and the inclusion of

this maximum does not in any way restrict the number of Common Shares available for issuance otherwise pursuant to the Stock Award Plan. To date, no ISOs have been granted under the Stock Award Plan.

General

Rights under the Share Incentive Plan, including options and SARs, are not assignable or transferable except on the death of the participant.

If there is a consolidation, merger, take-over, amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities, a transfer of all or substantially all of the assets of the Company to another entity, or a transaction of similar effect all unvested options, SARs and Tandem SARs will become vested and the holder shall be entitled to exercise such awards immediately prior to such event, unless the Board otherwise determines the basis upon which it shall be exercisable. In such event and in the event of a securities exchange take-over bid, the Corporation may, in certain circumstances, provide holders with the choice of exchanging their options if replacement options are offered.

The Board may from time to time in its absolute discretion amend, modify and change the provisions of the Share Incentive Plan or any awards granted thereunder, provided that any amendment, modification or change to the provisions of the Share Incentive Plan or any awards granted pursuant thereto shall:

- not adversely alter or impair any award previously granted except as permitted thereunder;
- be subject to any regulatory approvals, where required, including the approval of the TSX, where required;
- be subject to shareholder approval in accordance with the rules of the TSX in circumstances where the amendment, modification or change to the Share Incentive Plan or award granted thereunder would:
    - reduce the exercise price of an option held by an insider of the Company,
    - extend the term of an award held by an insider beyond the original expiration date (other than as permitted under the Share Incentive Plan),
    - remove or to increase the insider participation limit under the Share Incentive Plan.
    - increase the fixed maximum percentage of Common Shares which may be issued under the Share Incentive Plan, or
    - grant additional powers to the Board to amend the Share Incentive Plan;
- not be subject to shareholder approval in any circumstance (other than as set out above), including, but not limited to, circumstances where the amendment, modification or change to the Share Incentive Plan or award would:
    - be of a "housekeeping nature", including any amendment to the Share Incentive Plan or an award granted thereto that is necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange and any amendment to the Share Incentive Plan or an award granted thereto to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;
    - change the exercise price of an option, unless the change is a reduction in the exercise price of an option held by an insider of the Company
    - alter, extend or accelerate any vesting terms, hold period or conditions in the Share Incentive Plan or any awards granted thereto;

- amend or modify any mechanics for exercising any award;
- change the expiration date (including acceleration thereof) or change any termination provision in any award, provided that such change does not entail an extension beyond the original expiration date of such award (subject to such date being extended by virtue of the black-out period provisions of the Share Incentive Plan);
- introduce a cashless exercise feature, payable in securities, whether or not such feature provides for a full deduction of the number of underlying securities from the Share Incentive Plan maximum;
- change the application of the consolidation, merger, take-over bid, etc.; adjustment in number of shares subject to the Share Incentive Plan; or securities exchange take-over bid provisions of the Share Incentive Plan;
- add a form of financial assistance or amend a financial assistance provision which is adopted;
- change the eligible participants of the Share Incentive Plan; and
- add a deferred or restricted share unit provision or any other provision which results in participants receiving securities while no cash consideration is received by the Company.

The Board may discontinue the Share Incentive Plan at any time without consent of the participants thereunder provided that such discontinuance shall not adversely alter or impair any award previously granted.

MARKET FOR SECURITIES

The Common Shares and Class B Shares of the Company are listed on the TSX under the symbols "TMI" and "TMI.B", respectively. The below trading information chart chronicles the Company's monthly trading history on the TSX for the fiscal year ended December 31, 2015.

Common Shares

Month	High (CDN$)	Low (CDN$)	Share Volume
January	0.115	0.08	2,026,474
February	0.095	0.075	1,133,520
March	0.08	0.055	1,576,562
April	0.075	0.055	4,376,118
May	0.075	0.065	1,301,740
June	0.07	0.055	824,858
July	0.065	0.035	1,311,719
August	0.08	0.05	1,616,229
September	0.075	0.065	432,008
October	0.13	0.065	957,554
November	0.10	0.075	717,725
December	0.08	0.06	1,672,819

Class B Shares

Month	High (CDN$)	Low (CDN$)	Share Volume
January	0.13	0.10	1,163,773
February	0.135	0.10	565,502
March	0.145	0.12	1,005,519
April	0.20	0.13	5,430,089
May	0.145	0.13	480,036
June	0.15	0.135	303,297
July	0.145	0.14	457,077

Month	High (CDN$)	Low (CDN$)	Share Volume
August	0.16	0.14	440,509
September.....	0.16	0.145	387,465
October	0.15	0.115	146,700
November	0.135	0.105	369,328
December.....	0.125	0.11	1,347,990

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth the name, province or state and country of residence, position held with the Company, principal occupation and shareholdings of each of the directors and executive officers of the Company. Directors of the Company hold office until the next annual meeting of shareholders or until their successors are duly elected or appointed.

Name and Province/State and Country of Residence	Position held with the Company	Principal Occupation	Director Since	Number of Voting Securities Owned (4)
Ralph G. Fitch Colorado, USA	President, Chief Executive Officer and Chairman	Officer of the Company	September 28, 2006 (Incorporation)	4,565,533
Antonio Canton(2)(3) Gingins, Switzerland	Director	Independent Consultant for international companies in marketing, finance and real estate	June 4, 2010	Nil
Victor Dario Zurich, Switzerland	Director	Divisional Head Corporate Finance, CGZ Consulting Group Zurich Inc. (consulting company)	May 20, 2015	Nil
Paul Haber (1)(3) Ontario, Canada	Director	Managing Director, Haber and Co. Ltd. (consulting company)	December 1, 2006	140,145
Roman Mironchik(1)(2)(3) London, U.K	Lead Director	Managing Director, Izurium Capital (private equity firm)	May 24, 2012	Nil
Paul Sheehan (1) Hong Kong	Director	Chief Executive Officer, Sheehan Far East Limited (investment fund)	August 27, 2013	20,000
Muqit Teja London, U.K.	Director	Director, Zamadini Advisors Ltd. (financial advisory services)	July 9, 2013	Nil
Robert van Doorn British Columbia, Canada	Director	Consultant to the mining business	May 20, 2015	425,000
Tina Woodside (2) Ontario, Canada	Director	Partner, Gowling WLG (Canada) LLP (law firm)	September 28, 2006 (Incorporation)	314,340
Matias Herrero British Columbia, Canada	Chief Financial Officer	Officer of the Company	-	83,474

Name and Province/State and Country of Residence	Position held with the Company	Principal Occupation	Director Since	Number of Voting Securities Owned (4)
Randall Moore Oregon, USA	Executive Vice-President of Exploration – North America	Officer of the Company	-	361,048
Felipe Malbran Santiago, Chile	Executive Vice-President of Exploration – South America	Officer of the Company	-	1,837,464
David B. Dreisinger British Columbia, Canada	Vice-President of Metallurgy	Professor, University of British Columbia (educational institution)	-	28,263

Notes:
(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Corporate Governance and Nominating Committee.
(4) The information as to the number of Common Shares, being the only class of voting securities, beneficially owned, directly or indirectly, or over which control or direction is exercised, by the directors and executive officers, but which are not registered in their names and not being within the knowledge of the Company, has been furnished by such directors and officers.

Each of the foregoing individuals has been engaged in the principal occupation set forth opposite his or her name during the past five years or in a similar capacity with a predecessor organization except for Matias Herrero who, from February 2010 to July 2012, was Chief Financial Officer of Rusoro Mining Ltd. (gold mining company). As at March 22, 2016, the directors and executive officers of the Company and its subsidiaries as a group, beneficially owned, directly or indirectly, or exercised control or direction over 7,776,267 Common Shares of the Company, being approximately 5.7% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

The following information has been furnished by the directors and executive officers of the Company.

No director or executive officer of the Company is, as at the date hereof or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

- was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Company or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the directors and officers of the Company and its subsidiaries are also directors, officers and shareholders of other companies and conflicts may arise between their duties as directors or officers of the Company and its subsidiaries and as directors, officers or shareholders of other companies. All such possible conflicts in duty are required to be disclosed in accordance with the requirements of the *Business Corporations Act* (British Columbia) and the Company's Code of Business Conduct and Ethics and those concerned are required to govern themselves in accordance with the obligations imposed upon them by law and such code.

LEGAL PROCEEDINGS

There are no legal proceedings material to the Company to which the Company or any of its subsidiaries is or was a party or of which any of the Company's properties is or was the subject matter during the year ended December 31, 2015 and no other such proceedings are known to the Company to be contemplated, other than the investment dispute and arbitration between South American Silver Limited and Bolivia described under the heading "Description of the Business – Malku Khota (Bolivia) – International Arbitration Claim".

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, and no associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries, other than certain directors and executive officers of the Company held securities of the Company and/or HDG that were exchanged or adjusted in accordance with the Arrangement, however all such securities were treated in the same manner under the Arrangement as securities held by all other securityholders of the Company and HDG.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company's Common Shares and Class B Shares is CST Trust Company, P.O. Box 700, Station B, Montreal, QC, H3B 3K3 . The register of transfers of the Company's Common Shares and Class B Shares are located in Toronto, Ontario and can also be accessed from the Company's office in Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business and not required to be filed under Section 12.2 of *National Instrument 51-102 – Continuous Disclosure Obligations*, ("NI 51-102") there are no contracts which are regarded as material and which were entered into by the Company within the most recently completed financial year or before the most recently completed financial year that are still in effect.

INTERESTS OF EXPERTS

The following is a list of persons or companies whose profession or business gives authority to a statement made by the person or company named as having prepared or certified a report, valuation, statement or opinion described, included or referred to in a filing made by the Company under NI 51-102 during or related to the year ended December 31, 2015:

- Jeffery W. Choquette, P.E. and Jennifer J. Brown, P.G., of Hard Rock Consulting, LLC, are responsible for the preparation of one or more sections of the Escalones Report.

- David Dreisinger, Ph.D., P.Eng., of Dreisinger Consulting Inc, is responsible for the preparation of one or more sections of the Escalones Report. Mr. Dreisinger is the Company's Vice President of Metallurgy.

- Terre Lane and Rick Moritz, of Global Resource Engineering, Ltd., are responsible for the preparation of the one or more sections of the Gold Springs Report.

- Kurt Katsura is responsible for the preparation of the one or more sections of the Gold Springs Report.

To the Company's knowledge, none of the persons referred to above and the designated professionals of the entities through which they provided their services to the Company, held, received or is to receive securities representing 1% or more of the securities of such class.

PricewaterhouseCoopers LLP is the auditor of the Corporation and has advised that they are independent of the Corporation in accordance with the Code of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.SEDAR.com under the Company's profile.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's information circular for its most recent annual meeting of security holders involving the election of directors.

Additional financial information is provided in the Company's financial statements and MD&A for its most recently completed financial year.

AUDIT COMMITTEE INFORMATION

The following information is provided in accordance with Form 52-110F1 under the Canadian Securities Administrators' National Instrument 52-110 – Audit Committees ("NI 52-110").

The Audit Committee's Charter

The text of the Company's Audit Committee Charter is set out in Schedule "A" hereto.

Composition of the Audit Committee

Currently, the audit committee of the Company (the "Audit Committee") is composed of the following three directors: Messrs. Haber (Chair), Sheehan and Mironchik. All three members are considered "independent" and "financially literate" (as such terms are defined in NI 52-110).

Relevant Education and Experience

Each member of the Audit Committee is financially literate, i.e., has the ability to read and understand financial statements. Collectively, the Audit Committee has the education and experience to fulfill the

responsibilities outlined in the Audit Committee Charter. The education and current and past experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is summarized below:

Name	Education and Experience
Mr. Haber (Chair)	Mr. Haber is a Chartered Accountant and a Certified Public Accountant. He is the Managing Director of Haber and Co. Ltd., which provides CFO consulting services, and has been the Chief Financial Officer of various TSX and TSX Venture Exchange listed companies since 2004. He is also the Chairman and Managing Director of BlackBirch Capital Inc. which provides capital and strategic, business, and financial expertise to developing private and public companies.
Mr. Sheehan	Mr. Sheehan's background is focused on international finance and was the CEO and a founder of Thaddeus Capital Limited, a Hong Kong–based hedge fund. He was also previously associated with ING Bank NV in Hong Kong and with Lehman Brothers Asia where he was a Vice President and co-head of Asian bank research. Mr. Sheehan has been both an investor and lender in multi-commodity resource projects throughout Asia, Africa and South America. Mr. Sheehan's education includes a BA in economics from the University of Albany, State University of New York, and a Masters Degree in Public and Private Management from the Yale School of Management. He also completed course work in Financial Risk Management at New York University.
Mr. Mironchik	Mr. Mironchik is a partner at Izurium Capital, an independent investment firm headquartered in London. Mr. Mironchik has extensive experience in assisting investee companies with budgeting, strategic planning, financing and M&A activities.

External Auditor Service Fees (By Category)

For the years ended December 31, 2015 and 2014, PricewaterhouseCoopers LLP and its affiliates billed or accrued fees to the Company and its subsidiary entities as detailed below:

	December 31, 2015 (CDN$'000)	December 31, 2014 (CDN$'000)
Audit Fees	67	79
Audit-Related Fees	-	-
Tax Fees[(1)]	87	129
All Other Fees	-	-
Total Fees	154	208

Note:
(1) Tax Fees include costs incurred in respect of tax compliance and tax planning matters.

SCHEDULE A

AUDIT COMMITTEE CHARTER

I. Mandate and Purpose of the Committee

The Audit Committee (the "Committee") of the board of directors (the "Board") of TriMetals Mining Inc. (the "Company") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

(a) the integrity of the Company's financial statements;

(b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;

(c) the qualifications, independence and performance of the Company's auditor;

(d) internal controls and disclosure controls;

(e) the performance of the Company's internal audit function;

(f) consideration and approval of all related party transactions; and

(g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

II. Authority

The Committee has the authority to:

(a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and

(b) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

III. Composition and Expertise

The Committee shall be composed of a minimum of three members, each whom is a director of the Company. Each Committee member must be "independent" and "financially literate" as such terms are defined in applicable securities legislation.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

IV. Meetings

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its

duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

V. Committee and Charter Review

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Toronto Stock Exchange and shall recommend changes to the Board thereon.

VI. Reporting to the Board

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

VII. Duties and Responsibilities

(a) Financial Reporting

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, MD&A and related news releases, before they are released.

The Committee is also responsible for:

(i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;

(ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;

(iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability thereof;

(iv) discussing with management any significant variances between comparative reporting periods; and

(v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) Auditor

The Committee is responsible for recommending to the Board:

(i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and

(ii) the compensation of the Company's auditor.

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

(c) Relationship with the Auditor

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

(i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;

(ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;

(iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and

(iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) Accounting Policies

The Committee is responsible for:

(i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;

(ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;

(iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;

(iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and

(v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) Risk and Uncertainty

The Committee is responsible for reviewing, as part of its approval of the financial statements:

(i) uncertainty notes and disclosures; and

(ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal financial risks of the Company. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) Controls and Control Deviations

The Committee is responsible for reviewing:

(i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and

(ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) Compliance with Laws and Regulations

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

(i) tax and financial reporting laws and regulations;

(ii) legal withholdings requirements;

(iii) environmental protection laws; and

(iv) other matters for which directors face liability exposure.

(h) Related Party Transactions

All transactions between the Company and a related party (each a "related party transaction"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term "related party" includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the Securities Act (Ontario)), as well as all entities with common directors, officers, employees and consultants (each "general related parties"); and (ii) all other individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly, securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities (each "10% shareholders").

Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

VIII. Non-Audit Services

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

IX. Submission Systems and Treatment of Complaints

The Committee is responsible for establishing procedures for:

(a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Company has adopted a Code of Business Conduct and Ethics (the "Code") and a Whistle Blower Policy (the "Policy") (a copy of the Policy is attached as Appendix A to this charter), which provides for the reporting and treatment of complaints and concerns. The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chair of the Audit Committee in accordance with the provisions of the Code and the Policy and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

X. Hiring Policies

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

Appendix A
To Audit Committee Charter

WHISTLE BLOWER POLICY

The policy of the Corporation is that all complaints and concerns made to the Company regarding (i) accounting, internal accounting controls, or auditing matters and (ii) any actual or potential violation of the Company's Code of Business Conduct and Ethics (collectively referred to as "Complaints") may be made on an anonymous basis and shall be received, retained and investigated in a formalized, ethical and confidential manner.

The following procedures have been established regarding the submission and investigation of Complaints:

1. The Company shall forward to the Audit Committee of the Board of Directors any Complaints that it has received.

2. Any employee of the Company may submit, on a confidential, anonymous basis if the employee so desires, a Complaint by sending such Complaint in writing and forwarding it in a sealed envelope to:

> Chair of the Audit Committee
> TriMetals Mining Inc.
> 580 Hornby Street, Suite 880
> Vancouver, British Columbia, V6C 3B6

The envelope is to be clearly marked, "Confidential – For the Chair of the Audit Committee". The Complaint should be specified in detail, including all information the complainant knows relating to the Complaint and any available corroborating information.

Any such envelopes received by the Company shall be forwarded promptly to the Chair of the Audit Committee.

3. Contact information including a phone number and e-mail address shall be published for the Chair of the Audit Committee on the Company's website for those people wishing to contact the Chair directly.

4. At each of its meetings following the receipt of any information pursuant to this Appendix A, the Audit Committee shall review and consider any Complaints and take any action that it deems appropriate in the circumstances to investigate the Complaint, including the use of internal and external resources.

5. All Complaints will be treated in confidence and investigations of Complaints shall be carried out in a manner to ensure confidentiality of the matter and will involve only those individuals who need to be involved in order to conduct the investigation of the Complaint. If requested by the complainant, the investigation will be carried out in a manner to protect the anonymity of the complainant.

6. There shall be no reprisal or other action taken against any employee who, in good faith, brings forward a Complaint. Retaliation against anyone who makes a good faith report is prohibited under Canadian law. Anyone engaging in any form of retaliatory conduct will be subject to disciplinary action, which may include termination of employment.

7. All investigations of Complaints will be fully documented in writing. The Audit Committee shall retain all Complaints along with the material gathered and prepared in connection with its investigation for a period of no less than seven (7) years. Such records will be held on behalf of the Audit Committee by the Audit Committee Secretary.

8. This Appendix A shall appear on the Company's website as part of this Charter.

9. This Whistle Blower Policy will be reviewed by the Audit Committee at least annually and updated as required.