ASCENDANT
RESOURCES INC.

GROWTH • PROFITABILITY • OPPORTUNITY

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2018

March 29, 2019

TABLE OF CONTENTS

GENERAL MATTERS

This annual information form (the "**AIF**") has been prepared by the management of Ascendant Resources Inc. ("**Ascendant**" or the "**Corporation**") in respect of the financial year of the Corporation ended December 31, 2018. Unless otherwise indicated or the context otherwise indicates, use of the terms "**Corporation**" and "**Ascendant**" in this AIF refer to Ascendant (including under its former name Morumbi Resources Inc.) and its direct and indirect subsidiaries, or other entities controlled by them, on a consolidated basis.

Unless otherwise indicated, all financial information in this AIF is prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This AIF and the documents incorporated herein by reference contain "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") within the meaning of applicable Canadian securities legislation. All information contained in this AIF and the documents incorporated herein by reference, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might" "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). Forward-looking information is also identifiable in statements of currently occurring matters which may continue in the future, such as "providing the Corporation with", "is currently", "allows/allowing for", "will advance" or "continues to" or other statements that may be stated in the present tense with future implications. All of the forward-looking information in this AIF and the documents incorporated herein by reference is qualified by this cautionary note.

Forward-looking information in this AIF and any documents incorporated herein by reference includes, but is not limited to, statements with respect to: operations at the El Mochito Mine, future financial and operating performance of the El Mochito Mine, the timing and amount of estimated production at the El Mochito Mine, the timing and focus of future exploration activities at El Mochito Mine and Lagoa Salgada, strategic plans, future operations, cost estimates, the results of economic analysis in respect of the El Mochito Mine, the impact on the Corporation's business of the Offtake Agreements (as defined herein), the estimation of mineral resources and mineral reserves, realization of mineral resources and mineral reserves, possible variations in mineral grade or recovery rates, results of exploration and development, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, road blocks, future work programs, capital expenditures and objectives, evolution and economic performance of development projects, timing of exploration and development projects, costs, timing and location of future drilling, timing of geological and/or technical reports, exploration budgets and targets, delays in obtaining governmental approvals, permits or financing in the completion of development or construction activities, favourable zinc, lead and silver prices, commodity market and currency fluctuations, title disputes or claims limitations on insurance coverage, contractual commitments, the timing and possible outcome of pending litigation,

environmental and reclamation expenses, continuous availability of required manpower and continuous access to capital markets.

In order to give such forward-looking information, the Corporation has made certain assumptions about the Corporation's business, the economy and the mining industry in general and has also assumed that contracted parties provide goods and services on agreed timeframes, plant and equipment work as anticipated, required regulatory approvals are received, no unusual geological or technical problems occur, no material adverse change in the price of zinc, lead, silver and any other relevant commodities occurs and no significant events occur outside of the Corporation's normal course of business. Although the assumptions were considered reasonable by management of the Corporation at the time the forward-looking information is given, there can be no assurance that such assumptions will prove to be accurate. In addition, the following are material factors that could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking information in this AIF and any documents incorporated herein by reference: the inability of the Corporation to maintain its interest in its mineral projects or to obtain or comply with all required permits and licenses, risks normally incidental to exploration, development and production of mineral properties, uncertainties in the interpretation of drill results, the possibility that future exploration, development or mining results will not be consistent with expectations, uncertainty of mineral resource and mineral reserve estimates, changes in governmental regulation adverse to the Corporation, environmental risks, economic uncertainties, the inability of the Corporation to obtain additional financing when and as needed, dependence on a small number of key personnel, competition from other mining businesses, dependence on Nyrstar and the Offtake Agreements for sales of mineral production, the future price of zinc, lead, silver and other metals and commodities, the Corporation's operating costs, the Corporation's ability to service debt obligations as they may arise, title defects and other related matters. Although the Corporation has attempted to identify material factors that could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking information, there may be other factors that could cause results to differ from what is anticipated, estimated or intended. Those factors are described or referred to elsewhere in this AIF under the heading "Risk Factors" and in other documents available on the Corporation's SEDAR profile at www.sedar.com. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently deems immaterial may also impair the Corporation's business operations.

Except as specifically noted otherwise, all forward-looking information contained in this AIF is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. Except as otherwise required under applicable securities laws, the Corporation disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking information contained herein to reflect any change in expectations, estimates and projections with regard thereto or any changes in events, conditions or circumstances on which any statement is based. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. In addition to the disclosure contained herein, for more information concerning the Corporation's various risks and uncertainties, please refer to the Corporation's periodic public filings available under its profile on SEDAR at www.sedar.com.

Cautionary Notes to U.S. Investors

The information concerning the Corporation's mineral properties has been prepared in accordance with National Instrument 43-101 ("**NI-43-101**") adopted by the Canadian Securities Administrators. In accordance with NI-43-101, the terms "mineral reserves", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014. While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized and required by NI 43-101, the U.S. Securities Exchange Commission ("**SEC**") does not recognize them. The reader is cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic value. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can be economically or legally mined. It cannot be assumed that all or any part of any inferred mineral resource will ever be upgraded to a higher category. Therefore, the reader is cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, you are cautioned not to assume that all or any part of a measured or indicated mineral resource will ever be upgraded into mineral reserves.

Readers should be aware that the Corporation's financial statements (and information derived therefrom) have been prepared in accordance with IFRS as issued by the International Accounting Standards Board and are subject to Canadian auditing and auditor independence standards. IFRS differs in some respects from United States generally accepted accounting principles and thus the Corporation's financial statements (and information derived therefrom) may not be comparable to those of United States companies.

CURRENCY AND EXCHANGE RATES

This AIF contains reference to both United States dollars and Canadian dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars, and Canadian dollars are referred to as "Canadian dollars" or "C$". For United States dollar to Canadian dollars, the average exchange rate for 2018 and the closing exchange rate at December 31, 2018, as reported by the Bank of Canada, were one United States dollar per 1.2962 and 1.3642 Canadian dollars, respectively. On March 28, 2019, the Bank of Canada daily average rate of exchange was one United States dollar per 1.3429 Canadian dollars.

OTHER IMPORTANT INFORMATION

Certain scientific and technical terms and abbreviations used in this AIF are defined in the "Glossary of Mining Terms" attached as Schedule "B".

Unless the context suggests otherwise, references to "we", "us", "our" and similar terms, as well as references to "Ascendant" and "Corporation", refer to Ascendant Resources Inc. and its direct and indirect subsidiaries.

CORPORATE STRUCTURE

Name and Incorporation

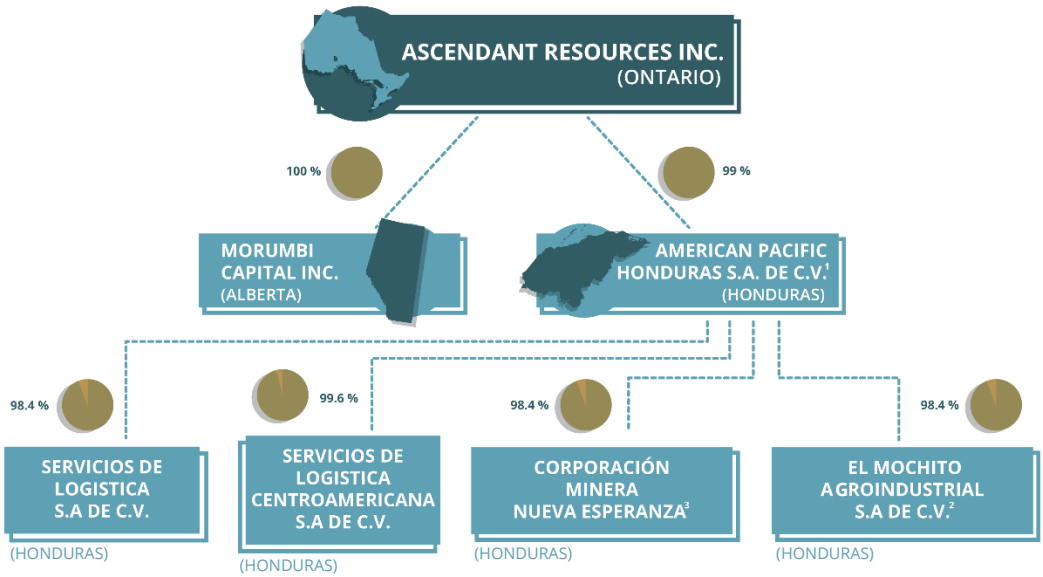
The Corporation was incorporated on August 17, 2006 under the *Business Corporations Act* (British Columbia) under the name 0766400 B.C. Ltd. On September 11, 2007, the Corporation changed its name to Blackburn Ventures Corp. On December 22, 2009 the Corporation completed a business combination involving the acquisition of Morumbi Capital Inc., pursuant to which the Corporation changed its name to Morumbi Oil & Gas Inc. and continued into Alberta under the *Business Corporations Act* (Alberta). On March 27, 2012, the Corporation changed its name to Morumbi Resources Inc. On October 11, 2014, the Corporation continued into Ontario under the *Business Corporations Act* (Ontario). On December 21, 2016 the Corporation completed an acquisition and changed its name to Ascendant Resources Inc.

The head and registered office of the Corporation is located at 110 Yonge Street, Suite 501, Toronto, Ontario, M5C 1T4. The Corporation is a reporting issuer in British Columbia, Alberta, Ontario and New Brunswick.

The common shares in the capital of the Corporation ("**Common Shares**") are listed on the Toronto Stock Exchange ("**TSX**") under the symbol "ASND" and are quoted in the OTCQX ® Best Market ("**OTCQX**") under the symbol "ASDRF" and the Frankfurt Exchange under the symbol "2D9". The Corporation's warrants are listed under the symbol "ASND.WT" on the TSX.

Intercorporate Relationships

The following organizational chart sets out all the subsidiaries of the Corporation, their jurisdictions of incorporation and the percentage of voting securities beneficially owned or controlled by the Corporation:



(1) Chris Buncic owns two (2) shares of American Pacific Honduras S.A. de C.V.
(2) Ascendant owns four (4) shares of el Mochito Agroindustrial SA de CV.
(3) Ascendant owns four (4) shares of Corporacion Minera Nueva Esperanza SA de CV.
(4) Ascendant owns four (4) shares of Servicios de Logistica SA de CV.
(5) Ascendant owns one (1) share of Servicios de Logistica Centroamericana SA de CV

GENERAL DEVELOPMENT OF THE BUSINESS

Summary Description of the Business

Ascendant is a Toronto-based mining company focused on its 100% owned producing El Mochito zinc, lead and silver mine (the "**El Mochito mine**" or "**El Mochito**") in west-central Honduras, and its exploration stage, high-grade polymetallic Lagoa Salgada VMS project (the "**Lagoa Salgada project**" or "**Lagoa Salgada**") located on the prolific Iberian Pyrite Belt in Portugal.

The flagship El Mochito mine was acquired through the Corporation's completion of the El Mochito Acquisition (as defined herein) on December 20, 2016. In connection therewith, the Corporation acquired 100% of the shares of AMPAC (as defined herein), the owner of the El Mochito Mine from affiliates of Nyrstar N.V. ("**Nyrstar**").

Since acquiring the El Mochito mine in December 2016, Ascendant spent 2017 and 2018 implementing a rigorous optimization program restoring the historic potential of El Mochito, a mine in production since 1948.

In 2017, Ascendant achieved several milestones with an 81% increase in production, a 31% decrease in direct operating costs and the generation of free cash flow. Throughout 2018, Ascendant continued to drive further operational improvements, achieving annual guidance with contained metal production of 91.4 million zinc equivalent pounds, as well as record head grades.

In late 2018, the Corporation filed a Preliminary Economic Assessment regarding the optimization and expansion of the El Mochito mine, demonstrating the focus on driving long-term profitability. This Preliminary Economic Assessment was amended in February 2019 by the technical report entitled "NI 43-101 Technical Report, Amended Preliminary Economic Assessment for the Optimization and Expansion of the El Mochito Mine" dated February 27, 2019, effective October 22, 2018, prepared by Éric Vinet, P.Eng., Michael P. Cullen, P.Geo. and D. Grant Feasby, P.Eng.(the "**Technical Report**"), to provide for independent verification of depletion since January 2018.The Technical Report involves several contemporaneous projects that materially increase the production rate of the operation and reduce the operating costs.

The three principal areas of development considered by the Technical Report are:

- Installation of a new 442-metre-deep, rock-only hoisting, subvertical (or internal vertical) shaft, which results in shortening the average underground truck hauling distances by 26%, increasing hoisting capacity, ventilation, services access and mining capacities. Shorter distances translate into additional trucking capacity and under-utilized drilling and blasting equipment would be able to increase production by 26% without the need for additional mining equipment.

- Upgrading the underground pumping and water management system, reducing overhead costs by changing and reducing the number of pumps, rationalizing pumping lines and installing an effective water clarification system to pump clean water.

- Upgrading the crushing circuit, process plant, and tailings handling capacity to meet the increased production from the mine.

Key benefits of the expansion project include a project IRR of 58%, a construction period of approximately two years, a payback of two years, and a material reduction of the El Mochito mine's cash costs to $61.85/tonne or $0.58/lb ZnEq payable, and AISC to approximately $0.97/lb ZnEq payable. The project is expected to require an investment of $32.8 million, including contingency.

The Corporation's interest and option in the Lagoa Salgada project ("**Lagoa Salgada**") was acquired in June 2018, through an agreement with TH Crestgate GmbH to acquire an initial 25% interest in its Portuguese subsidiary Redcorp - Empreendimentos Mineiros, Lda (Redcorp), which holds an 85% interest in the polymetallic Lagoa Salgada volcanogenic massive sulphide (VMS) Project, as well as an option to earn up to an 80% interest in Redcorp upon completion of certain milestones.

The Lagoa Salgada project is located within the north-western section of the prolific Iberian Pyrite Belt in Portugal and represents an early-stage, potentially high-grade, polymetallic zinc-lead-copper exploration opportunity in a low risk, established and prolific jurisdiction. Lagoa Salgada represents a low-cost entry opportunity to gain exposure to a known, high-grade VMS deposit that has significant exploration potential to expand the resource in the near term.

Ascendant spent the latter half of 2018 executing a targeted and strategic exploration program at Lagoa Salgada. The results from this achieved the Corporation's goal of doubling total tonnes in the updated Technical Report (as defined herein) announced in February 2019. Given the success of the 2018 exploration program, the Corporation will look to develop and execute a follow up program in 2019.

Looking beyond El Mochito, Lagoa Salgada, and other areas of interest within Honduras and Portugal, the Corporation is also engaged in the evaluation of producing, advanced development stage, and other mineral resource opportunities on an ongoing basis.

Three Year History

The following is a summary of the key developments over the past three years.

2019

On March 28, 2019, the Corporation announced that it had entered into a silver purchase and sale agreement (the "Silver Purchase and Sale Agreement") with Maverix Metals Inc. ("Maverix") to support the Corporation's working capital position and provide financial stability in a non-dilutive manner. Maverix will make an upfront payment of US$7.5 million dollars to Ascendant for the right to purchase 22.5% of the life of mine payable silver production from the company's El Mochito mine in Honduras.

In addition to the initial payment, the Company will be entitled to an ongoing payment of 25% of the value of the corresponding portion of payable silver priced at the lesser of the average silver price during the preceding month or the price of silver at the time of delivery. The Agreement includes a step-down option whereby the stream percentage will be reduced from 22.5% down to 20% upon certain production milestones being met.

Upon the satisfaction of additional conditions, a mechanism exists to increase the value of the stream with an additional upfront payment of US$7.5 million for the right to purchase a combined total of 40% of the life of mine payable silver production from El Mochito under similar commercial terms. In this case, the stream percentage will be reduced to 30% once Maverix has purchased a cumulative total of 3,000,000 ounces of silver.

The Silver Purchase and Sale Agreement contains representations, warranties, covenants, security and other provisions customary for a transaction of this nature.

2018

Technical Report for the Expansion of the El Mochito Mine

On December 6, 2018, the Corporation announced that it had filed on SEDAR the technical report titled Preliminary Economic Assessment for the Expansion of the El Mochito Mine for its El Mochito Mine in Honduras. The technical report was prepared in accordance with National Instrument 43-101.

Revolving Credit Facility

On August 24, 2018, the Corporation announced that its wholly owned subsidiary, American Pacific Honduras S.A. de C.V. ("**AMPAC**") closed a US$ 5 million short-term revolving credit facility (the "**Credit Facility**") with Banco Financiera Comercial Hondurena S.A. ("**FICOHSA**"), based out of Tegucigalpa, Honduras. The Credit Facility has a 12 month term and bears interest at a rate of 8-13%, depending on currently draw down and it is renewable on an annual basis. The AMPAC Credit Facility is secured by a pledge of the Corporation's real estate assets at the port of Puerto Cores, Honduras as well as a corporate guarantee.

Lagoa Salgada

On August 1, 2018, the Corporation announced that it had acquired from TH Crestgate GMBH ("**Crestgate**") a 25% interest in Redcorp – Empreendimentos Mineiros, Lda ("**Redcorp**") which holds an 85% interest in the polymetallic Lagoa Salgada volcanic massive sulphide project (the "**Lagoa Salgada Project**"), located in the prolific Iberian Pyrite Belt in Portugal (the "**Lagoa Salgada Transaction**") and has an additional option to earn up to an 80% interest in Redcorp upon completion of certain milestones as set out below.

The consideration paid for the initial 25% interest was comprised of an upfront payment of US$2.45 million, with US$0.8 million being paid in cash (US$400,000 paid on the closing of the Lagoa Salgada Transaction and US$400,000 paid on July 15, 2018) and US$1.65 million satisfied through the issuance of 2,052,046 Common Shares at an implied Canadian dollar equivalent price of $1.08 per Common Share.

Under the terms of the Lagoa Salgada Transaction, Ascendant has the right to earn a further effective 25% interest in Redcorp, upon the completion of the following payment and funding obligations:

- investing a minimum of US$9.0 million in Redcorp within 48 months of the closing date of the Lagoa Salgada Transaction, to be used to fund exploration drilling, metallurgical test work, economic studies and other customary activities for exploration and development, and

- making payments totalling US$3.5 million to Crestgate according to the following schedule or earlier:
    - 6 months after the closing date: US$0.25 million (December 27, 2018);
    - 12 months after the closing date: US$0.25 million (June 27, 2019);
    - 18 months after the closing date: US$0.5 million (December 27, 2019);
    - 24 months after the closing date: US$0.5 million (June 27, 2020);
    - 36 months after the closing date: US$1.0 million (June 27, 2021); and
    - 48 months after the closing date: US$1.0 million (June 27, 2022).

Once the Corporation acquires a 50% interest in Redcorp, it has the option to earn an additional 30% equity interest (resulting in a total interest of 80%), by completing a feasibility study on the Lagoa Salgada Project within 54 months of the closing of the Lagoa Salgada Transaction and upon making a payment of US$2.5 million to Crestgate.

In connection with the Lagoa Salgada Transaction, Ascendant also entered into a shareholders' agreement which grants Ascendant a right of first refusal on the sale of the remaining equity in Redcorp. Under the shareholder agreement Ascendant has also agreed that once it holds 80% of the equity in Redcorp and provided that the board of directors of Redcorp have approved the advancement of commercial production, Ascendant will be responsible for funding 100% of the project expenditures required for the Lagoa Salgada Project to achieve commercial production and will recoup Crestgate's share of investment through cash flow until repaid.

The Corporation is optimistic about the long-term prospects of the Lagoa Salgada Project, but no preliminary economic assessment, feasibility study or other economic analysis under NI 43-101 has yet been conducted thereon. Since the Lagoa Salgada Project is an exploration-stage only project in which the Corporation currently holds only a minority interest (in contrast to El Mochito, a producing mine with a larger resource base, over seven decades of commercial production, significant annual mining revenue and in which the Corporation holds a 100% interest), the Corporation does not consider the Lagoa Salgada Project material to its business at this time.

Changes in Board of Directors and Management

On October 17, 2018, the Corporation announced that Mr. Renaud Adams had resigned as a director of the Corporation following his appointment as Chief Executive Officer at New Gold Inc.

On December 10, 2018, the Corporation announced that Mr. Robert Campbell had been appointed to the position of Vice President, Exploration while remaining as a Director of the Corporation.

2017

Board Appointments

During the year 2017 the Corporation strengthened its Board of Directors with the appointments of Mr. Renaud Adams, Mr. Guillermo Kaelin and Ms. Petra Decher and the designation of Mr. Stephen Shefsky as Lead Director.

Trading on the OTCQX

On September 5, 2017 the Corporation announced that its Common Shares had commenced trading in the United States under the symbol "ASDRF" on the OTCQX.

Listing on the TSX

On July 18, 2017 the Corporation announced that it had received final approval from the TSX to graduate from the TSX Venture Exchange ("**TSXV**") and list its Common Shares, and then listed common share purchase warrants, on the TSX effective July 20, 2017.

Executive Appointment and Change of Financial Year End

On March 9, 2017 the Corporation announced the appointment of Mr. Neil Ringdahl as Chief Operating Officer. Mr. Ringdahl is a senior mining executive with over 23 years of international mining experience and a strong technical and project background focused in Latin America and Africa.

On that same date, the Corporation announced that the Board (the **"Board"** or the **"Board of Directors"**) approved a change in the financial year-end from July 31 of a given calendar year to December 31 of a given calendar year. The Board determined it was in the best interest of the Corporation to align its financial year end with that of AMPAC (defined herein), which also has a financial year end of December 31.

Public Offering of Units

On March 7, 2017 the Corporation completed a public offering (the "**Unit Offering**") of 23,575,000 units of the Corporation ("**Units**") at a price of C$0.85 per Unit for aggregate gross proceeds of C$20,038,750 through a syndicate of underwriters led by Eight Capital (the "**Underwriters**"), which included the exercise in full by the Underwriters of an over-allotment option. The Unit Offering was completed pursuant to a (final) short form prospectus dated February 28, 2017. Each Unit is comprised of one Common Share and one-half of one detachable Common Share purchase warrant (each whole detachable Common Share purchase warrant, a "**2017 Warrant**"), and each Unit separated into its constituent components following closing of the Unit Offering. Each 2017 Warrant entitles the holder thereof to acquire one additional Common Share at an exercise price of C$1.25 per Common Share at any time up until March 7, 2022. As partial consideration for their services, the Underwriters received 1,414,500 Unit purchase warrants (the "**Broker Warrants**"). Each Broker Warrant is exercisable by the holder thereof to acquire one additional Unit at any time up until March 7, 2019.

2016

2016 Share Consolidation and Name Change

At the annual and special meeting of the holders of the Common Shares of the Corporation (the "**Shareholders**") held on January 15, 2016, Shareholders passed a special resolution authorizing the

Board of Directors of the Corporation to change the name of the Corporation from "Morumbi Resources Inc." to "Ascendant Resources Inc." (the "**Name Change**"). Subsequent thereto, at the special meeting of the Shareholders of the Corporation held on October 7, 2016, Shareholders passed a special resolution authorizing the Board of Directors to effect a consolidation of the issued and outstanding Common Shares (the "**2016 Consolidation**") on the basis of one (1) post-2016 consolidation Common Share for every five (5) pre-2016 consolidation Common Shares (the "**Consolidation Factor**").

In connection with the completion of the El Mochito Acquisition, (as defined herein) on December 21, 2016, following approval by the Board, the Corporation filed articles of amendment to effect the Name Change and Consolidation.

El Mochito Acquisition

On September 22, 2016, the Corporation entered into a share purchase agreement (the "**El Mochito Purchase Agreement**") with Breakwater Resources Ltd. ("**Breakwater**") and Nyrstar International B.V. ("**Nyrstar International**"), both subsidiaries of Nyrstar, as amended on November 30, 2016 and on December 12, 2016, pursuant to which the Corporation agreed to acquire 100% of the issued and outstanding shares of AMPAC (together with all issued and outstanding shares of each of the subsidiaries of AMPAC not otherwise owned by AMPAC) from Breakwater and Nyrstar International (the "**El Mochito Acquisition**").

Under the terms of the El Mochito Purchase Agreement, the aggregate purchase price payable by the Corporation to Nyrstar for 100% of the issued and outstanding shares of AMPAC and its subsidiaries was $500,000 (the "**Acquisition Purchase Price**").

In addition to the purchase price, the closing of the El Mochito Acquisition was also conditional on the Corporation and Nyrstar entering into offtake agreements (the "**Offtake Agreements**") pursuant to which the Corporation would sell to Nyrstar all of the Corporation's zinc and lead concentrate production for a period of ten years, and a transition services agreement (the "**Transition Services Agreement**") in mutually acceptable forms. It is important to note that the Offtake Agreements are rooted in International Benchmark commercial contracts for zinc and lead concentrates as are negotiated between syndicates of international miners and smelters annually, and are subject to LME quotations for both zinc and lead metal prices.

On December 20, 2016 all conditions were satisfied, and the Corporation completed the El Mochito Acquisition and entered into the Offtake Agreements and the Transition Services Agreement.

For further details regarding the El Mochito Acquisition and El Mochito Purchase Agreement please refer to the business acquisition report dated February 20, 2017, filed under the Corporation's profile on SEDAR.

Debenture Financing

On October 27, 2015, the Corporation announced the closing of a non-brokered private placement of 200 units of the Corporation at a price of $1,000 per unit, with each unit consisting of $1,000 principal amount of convertible unsecured debentures of the Corporation (the "**2015 Debentures**") due

October 31, 2018 and 20,000 detachable common share purchase warrants (the "**2015 Warrants**") for aggregate gross proceeds of C$200,000 (the "**2015 Debenture Financing**").

The 2015 Debentures bore interest at a rate of 15% per annum, payable in arrears. Pursuant to the terms of the 2015 Debentures, and subject to customary adjustments, the subscribers were entitled to, at any time prior to October 31, 2018, convert all or any part of the principal amount outstanding under the 2015 Debentures into Common Shares at a conversion price of C$0.05 per Common Share. On October 3, 2016, all of the 2015 Debentures were converted into Common Shares. Each 2015 Warrant is exercisable to acquire Common Shares at an exercise price of C$0.05 per Common Share at any time up until October 31, 2018.

On July 29, 2016, the Corporation announced the closing of a non-brokered private placement offering of 350 units of the Corporation at a price of C$1,000 per unit, with each unit consisting of C$1,000 principal amount of convertible unsecured debentures of the Corporation (the "**2016 Debentures**") due July 31, 2019 and 20,000 detachable common share purchase warrants (the "**2016 Warrants**" and, together with the 2015 Warrants the "**Pre-Consolidation Warrants**") of the Corporation for aggregate gross proceeds of C$350,000 (the "**2016 Debenture Financing**").

The 2016 Debentures bore interest at the rate of 15% per annum, payable quarterly in arrears. Pursuant to the terms of the 2016 Debentures, and subject to customary adjustments, the subscribers were entitled to, at any time prior to July 31, 2019, convert all or any part of the principal amount outstanding under the 2016 Debentures into Common Shares at a conversion price of C$0.05 per Common Share until July 31, 2017 and C$0.10 per Common Share thereafter. On October 3, 2016, all of the 2016 Debentures were converted into Common Shares. Each 2016 Warrant is exercisable to acquire Common Shares at an exercise price of C$0.05 per share at any time up until July 31, 2019.

Disposition of Subsidiary Companies

On April 28, 2016, the Corporation entered into a share purchase agreement with an arm's length third party purchaser pursuant to which the Corporation agreed to dispose of certain non-material subsidiaries through which it previously held its mineral property interests in Papua New Guinea, including the environmental licenses, which had been written down in 2013 and 2014. The purchase price for this sale was a nominal $1.

The disposal of these interests was undertaken to divest such legacy exploration properties and memorandums of understanding ("**MOUs**") which the Corporation considered non-core following the write downs of such assets in 2013 and 2014 and the Corporation's decision to cease activity in Papua New Guinea. The assets carried exploration expenditure and MOU commitments to maintain approximately $300,000 of negative working capital and the Corporation believed that by disposing of these subsidiaries it was better able to focus its resources on its core business leading up to the El Mochito Acquisition.

DESCRIPTION OF THE BUSINESS

General

Ascendant is a mining company whose primary business is operating the zinc, lead and silver producing El Mochito Mine in west-central Honduras, acquired through the Corporation's completion of the El Mochito Acquisition on December 20, 2016 and its exploration stage, high-grade polymetallic Lagoa Salgada project located on the prolific Iberian Pyrite Belt in Portugal. Additionally, the Corporation is also engaged in the evaluation of producing, advanced development stage, and other mineral resource opportunities on an ongoing basis.

The El Mochito Mine is located near the town of Las Vegas, Honduras, approximately 88 km southwest of the city of San Pedro Sula and 220 km northwest of Tegucigalpa, the capital of Honduras. The El Mochito Mine has been in near continuous production since 1948.

Historically, prior to acquiring the El Mochito Mine, the Corporation conducted mineral exploration and evaluation activities on several potential mineral properties in Papua New Guinea that did not proceed past the assessment stage. These properties were written down in 2013 and 2014 and disposed of in 2016. The Corporation also holds a legacy interest in a Canadian light oil and gas property, which was in commercial production but ceased production during the financial year of the Corporation ended July 31, 2013.

As of the date of this AIF, the El Mochito Mine is the only material asset of the Corporation. As the only material asset of the Corporation is located in a developing jurisdiction, the Corporation is subject to a number of risks and uncertainties associated therewith. Readers are encouraged to review carefully the information set out under the heading *"Risk Factors".*

Mining and Production Activities

Since the completion of the El Mochito Acquisition on December 20, 2016, the Corporation has been the 100% owner of AMPAC and the El Mochito Mine. There are no foreign ownership restrictions or resident shareholder requirements in Honduras and the Corporation retains 100% of the voting rights with respect to the election of the Board of Directors of AMPAC, thereby maintaining effective corporate control.

Operating the El Mochito Mine and implementing its capital improvement programs at the mine facility is the primary business of the Corporation.

The El Mochito Mine consists of an underground zinc-lead-silver mine and a 2,400 tpd nominal capacity concentrator producing zinc and lead concentrates.

Historical Production Statistics:

	2016	2017	2018
Tonnes Milled	515.6	656.3	756.0
Average tpd	1,409	1,889	2,154

Average Head Grades			
Zinc	3.40%	3.50%	4.28%
Lead	1.16%	1.39%	1.68%
Silver	46.0	42.0	54.0
ZnEq	5.8%	5.4%	6.5%
Average Recoveries			
Zinc	90.7%	88.9%	88.0%
Lead	73.3%	74.2%	77.8%
Silver	80.5%	77.4%	77.9%
Contained Metal Production			
Zinc (kpounds)	35.0	45.1	62.7
Lead (kpounds)	9.7	14.9	21.8
Silver (K)	614.3	698.5	1,001.5
ZnEq (MMlbs)	54.8	66.1	91.4

Products, Principal Markets and Economic Dependence

The Corporation's principal products are zinc and lead concentrates that also contain payable silver. Pursuant to the El Mochito Acquisition, Nyrstar and its affiliates have agreed to purchase 100% of the zinc and lead concentrate output of the El Mochito Mine. As a condition of the closing of the El Mochito Acquisition, on December 20, 2016 the Corporation entered into the Offtake Agreements with Nyrstar International and its sales and marketing affiliate to this effect. The Corporation currently sells all of its zinc and lead concentrates to affiliates of Nyrstar.

The full text of the Offtake Agreements, are available on SEDAR at www.sedar.com under the Corporation's profile.

Specialized Skills and Knowledge

The nature of the Corporation's business requires specialized skills, knowledge and expertise in the areas of geology, engineering, mine planning, metallurgical processing, mine operations, and environmental compliance. In addition to the specialized skills listed above, the Corporation also relies on staff members, local contractors and consultants with specialized knowledge of logistics and operations in Honduras.

In order to attract and retain personnel with the specialized skills and knowledge required for the Corporation's operations, the Corporation maintains remuneration and compensation packages it believes to be competitive. To date, the Corporation has been able to meet its staffing requirements. See also "*Risk Factors – Dependence on, and Risks Related to the Loss of, Key Personnel and Skilled Workers*".

Competitive Conditions

The mineral exploration and mining business is competitive. Though the Corporation sells all of its mineral output to affiliates of Nyrstar pursuant to the Offtake Agreements and does not face competition on a production sales basis, the Corporation does compete with numerous other

companies, including many large established mining companies having substantial capabilities and greater financial and technical resources than the Corporation in other areas. For example, such competition may result in the Corporation being disadvantaged in the acquisition of attractive mineral properties. The Corporation's ability to acquire mineral properties in the future will also depend on its ability to successfully operate the El Mochito Mine, and upon the terms and conditions from time to time of arrangements with third parties.

The Corporation also competes with other mining companies and other third parties over sourcing raw materials and supplies in connection with its production, construction, development and exploration operations, as well as for skilled experienced personnel and transportation capacity and the capital for the purposes of funding its projects. See also "*Risk Factors – Competition*".

Market Cycles

Demand for and the price of zinc, lead, silver and other precious metals is volatile and affected by numerous factors beyond the Corporation's control. The mining business generally is subject to global economic cycles that affect the marketability of products derived from mining. See also "*Risk Factors – Speculative Nature of Mining Operations*".

Employees

AMPAC employed a total of 659 full-time employees and 513 contractors as of December 31, 2018. Approximately 288 of the Corporation's employees are unionized and their employment is governed by collective bargaining or similar arrangements, which are renewable periodically.

Changes to Contracts

Following the completion of the El Mochito Acquisition, AMPAC recommenced negotiations with the union towards completion of the renewed collective bargaining agreement which was agreed and ratified by the Ministry of Labour of Honduras in April 2017. The collective bargaining agreement will expire in September 2019 and the Corporation is committed to take all necessary steps to carry on a smooth renewal process with the union. The Corporation is committed to, where possible, providing employment opportunities to members of local communities. See also "*Risk Factors – Labour and Employment Matters*".

Foreign Operations

The Corporation's primary mining and mineral exploration operations are conducted in Honduras, and as such, the Corporation's operations are exposed to various levels of foreign, political, economic and other risks and uncertainties. See also "*Risk Factors – Operation in Emerging Foreign Jurisdictions".*

Environmental Protection

The Corporation's mining operations in Honduras are subject to municipal, department and federal laws and regulations relating to the exploration and extraction of mineral resources and the protection of the environment, including requirements for environmental mitigation.

Surface tenure is recorded via public deeds registered at the municipal level in property registries; AMPAC's real property is recorded in the property registry of the municipality of Las Vegas in the

department of Santa Barbara. Additional lots where AMPAC maintains warehouses are recorded in the property registry of the municipality of Puerto Cortes, in the department of Cortes.

The Secretaria de Energia, Recursos Naturales, Ambiente y Minas ("**Ministry of Energy, Natural Resources, Environment and Mines**" or "**MiAmbiente**") grants regulatory approvals to operate property subject to the environmental laws of Honduras, which approvals are known as "Environmental Licenses".

AMPAC requires separate Environmental Licenses for its mining operations, its tailings storage facility and its concentrates storage facility. AMPAC is in possession of Environmental Licenses for the tailings, concentrate storage facility and mining activities. AMPAC is also in possession of a water concession contract for the use in its operations of a body of water near the municipality of Las Vegas.

At a corporate level, business operating permits are required to conduct operations within a particular municipality of Honduras. All of AMPAC's mining operations take place in the municipality of Las Vegas in the department of Santa Barbara, while certain transport, storage and shipping activities take place in the municipality of Puerto Cortes in the department of Cortes. Municipal operating permits have a term of one year and are renewable annually in the normal course, with renewals occurring in January of each year. AMPAC is in possession of operating permits from the municipality of Las Vegas for 2019 and for the Municipality of Puerto Cortes for 2019.

There are no specific funding requirements in Honduras for environmental protection requirements. The Corporation expects to fund any environmental obligations through cash flow from operations.

See "*Risk Factors – Operations in Emerging Foreign Jurisdictions*", "*Risk Factors – Licenses, Permits and Governmental Regulation" and "Risk Factors – Environmental Risks and Hazards*".

Social and Environmental Policies

Ascendant's operating practices are governed by the principles set out in its Safety, Environmental and Social Responsibility Policy and its Code of Business Conduct and Ethics. The Health, Safety, Technical and Operations Committee of the Corporation's Board provides oversight in occupational, health and safety, community relations, environmental and operational management.

AMPAC has been awarded for nine years in a row the recognition for being a socially responsible company from the Fundacion Hondurena de Resonsabilidad Social Empresarial.

AMPAC, through its management team maintains excellent and cordial relations with the municipality of Las Vegas and local authorities. The Corporation is committed to the sustainable development of its operations and the local community, making positive contributions through the various programs on safety, training, community development and environmental protection. AMPAC has developed and manages the potable water supply for most of the residents of the town of Las Vegas, built the local fire station, carries vaccination campaigns and 'feed the elderly' campaigns throughout the year.

In addition to an emergency ambulance service, AMPAC also operates a fully equipped hospital at site accessible by its employees and their dependents as well as non-employees at a normal rate.

AMPAC supports the technical college, Vocational Education Center El Mochito by contributing approximately eighty percent (80%) of its total annual operational cost. Approximately 100 students graduate each year, specializing in various fields such as mine survey, geology, mining, electrician, welding and mechanics. AMPAC also provides internships for between 15 to 40 people every year.

AMPAC also runs a scholarship program benefiting the children of its employees. Over 200 additional children, from the poorest areas of the community receive shoes, notebooks and backpacks each year. Additionally, donations to schools are made in the form of meal programs in rural areas around AMPAC's property.

From an environmental perspective, AMPAC makes daily analysis of water samples from the area of influence of the mine operation. In addition to the normal practices of regular reporting, monitoring and control of all mine discharges, the environment department at site is also responsible for the collection and classification of waste materials including scrap metals, plastic, cardboard, aluminum and copper for recycling. Used oil and grease is sent to a cement factory for final disposal. Employees are trained on waste management practices.

AMPAC carries an extensive reforestation and revegetation program that includes the management of 400Ha of forest biosphere on the mine property and of potable water. Much of the remaining surface tenure includes timber and coffee plantations which are regularly cleaned, fertilized and managed for pest control. Activities include revegetation and recovery of slopes, exploration platforms and other intervened areas, protection and forest management of local water sources, management of AMPAC's orchid nursery and the prevention of invasions from local communities.

MATERIAL MINERAL PROJECT

Overview

The El Mochito Mine is the only material mineral project of the Corporation. The scientific and technical information appearing in and incorporate by reference into this AIF relating to the El Mochito Mine is supported by, is derived from, and in some instances is a direct extract from the technical report entitled "NI 43-101 Technical Report, Amended Preliminary Economic Assessment for the Optimization and Expansion of the El Mochito Mine" dated February 27, 2019, effective October 22, 2018, prepared by Éric Vinet, P.Eng., Michael P. Cullen, P.Geo. and D. Grant Feasby, P.Eng.

The Technical Report, which constitutes the current technical report for the El Mochio Mine, is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the Technical Report, which has been filed with the applicable Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Corporation's profile on SEDAR at www.sedar.com.

The scientific and technical information contained in this AIF was prepared by or under the supervision of a "qualified person" and "independent" of the Corporation for the purposes of NI 43-101. Additionally, Robert A. Campbell, M.Sc, P.Geo has reviewed and approved the contents of this AIF. Mr. Campbell is a "qualified person" for the purposes of NI 43-101.

With the exception of the boldfaced note included under the subheading *"Note on Exclusion of Mineral Reserves*", the following is an extract of *Section 1 – Summary* of the Technical Report prepared by InnovExplo Inc. ("**InnovExplo**"), in collaboration with Mercator Geological Services Limited ("**Mercator"**) and P&E Mining Consultants Inc. ("**P&E**"). The balance of the Technical Report is incorporated herein by reference. The Technical Report presents El Mochito as a preliminary economic assessment level study, notwithstanding that previous technical reports prepared in accordance with NI 43-101 have classified mineral reserves at the El Mochito Mine. Given that each year approximately 25% of the depleted mined tonnage is derived from inferred mineral resources, a new mining approach is being applied. The Corporation determined that a mine plan that more precisely reflected the actual mining activities undertaken at El Mochito, which include inferred mineral resources, would provide more accurate, complete and useful information to investors.

Pursuant to NI 43-101 and CSA Staff Notice 43-307, no economic analyses, cash flow models or production scenarios that combine or integrate outcomes based on mineral reserves with outcomes that include inferred mineral resources are permitted. Consequently, all previous mineral reserves have been reclassified back to measured, indicated and inferred mineral resources and the Corporation has not classified any mineral reserves in the Technical Report. As a preliminary economic assessment, the Technical Report is permitted to present an economic model that includes inferred mineral resources, which in the Corporation's view, presents a most accurate and realistic economic model for El Mochito.

See the subheading "*Note on Exclusion of Mineral Reserves*" below.

Nature of Technical Report Amendment

Mr. Patrick Toth, P. Geo., who is an employee of Ascendant, was responsible for Section 24 of the original Technical Report dated October 22, 2018 and provided a December 6th, 2018 signature date on that report. Subsequently, it was determined that an author independent of Ascendant must take responsibility for Section 24 of the Technical Report. Mr. Michael Cullen, P. Geo., of Mercator, an independent co-author of the Technical Report as defined under NI 43-101, is responsible for this section at the current signature date. Minor modifications to original report text have been entered to address this change in responsibility. There has been no change to the Technical Report Effective Date of October 22, 2018 and no changes in any of the conclusions, interpretations or recommendations presented in the original report.

Reliance on Other Experts

The Technical Report was prepared by InnovExplo, Mercator and P&E and the information, conclusions and recommendations contained therein are based upon information available at the time of report preparation. This includes data and reports made available by Ascendant as well as publicly available reporting. Sources of such information are referenced in the report and are detailed in the "References Cited" section of the report. Information contained in the Technical Report is believed to be reliable, but parts of the report are based upon information not within the control of InnovExplo, Mercator and P&E. InnovExplo, Mercator and P&E have no reason, however, to question the validity of data used in the report. Comments and conclusions presented therein reflect the authors' best judgment at the time of Technical Report preparation.

Mercator relied upon Ascendant with respect to provision of opinions and information regarding Honduran mining law and regulations, mineral titles, surface titles and mineral agreements that pertain to the El Mochito Mine operation and related exploration holdings. Mercator also relied upon Ascendant with respect to provision of opinions on site environmental liabilities and details of current status and nature of site environmental and production permits that exist for the El Mochito operation.

Property Description and Location

The El Mochito Mine along with six exploitation concessions (the "**Concessions**") and related surface titles (collectively, the "**Property**") are located adjacent to the town of Las Vegas, Santa Barbara Department, in the west-central area of Honduras, Central America. The Property is held by Ascendant's wholly-owned Honduran subsidiary, AMPAC, and covers approximately 10,000 ha of surface area. Titles to all six Concessions were confirmed in 2014 by the Honduran Institute of Geology and Mining ("**INHGEOMIN**", or Instituto Hondureño de Geologia y Mineras). In Honduras, concessions are held under the terms of the Mining General Law (2013) that is administered by INHGEOMIN. The Concessions grant AMPAC the exclusive right to explore for and produce metals from included areas, subject to acquisition of requisite environmental and operating permits. AMPAC separately holds surface rights over a substantial portion of the area covered by the Concessions, including all of the mine's operational and infrastructure areas.

Ascendant has advised that, at the effective date of the Technical Report, it was not aware of any environmental liabilities on the Property that are not addressed under the terms of existing mining, milling and environmental certificates, permits or authorizations issued by the government of Honduras. No other significant factors or risks were identified that would affect the issuer's ability to perform work on the Concessions.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Property is located adjacent to the town of Las Vegas, Santa Barbara Department. The capital city of Honduras, Tegucigalpa (population ~1.2 million), is situated 220 km to the southeast and the regional center of San Pedro Sula (population ~1.2 million) is located 88 km to the northeast. Both are accessible from the mine site via paved highway CV-5 and associated secondary highways that connect the site with highway CV-5. Las Vegas (population ~25,000) is the residential community for most of the mine's work force.

Within the El Mochito operating site, access to all facilities is gained through an extensive system of good quality gravel roads that are maintained by the issuer. Access to Concession areas located away from the mine site is more limited and typically takes the form of single lane roads or farm trails.

The climate in this area of Honduras is humid-subtropical, with average maximum temperatures ranging from 29ºC to 34ºC. Weather conditions at the El Mochito site do not typically impede normal mine operations, which are carried on continuously on a year-round basis.

The El Mochito operation currently employs approximately 1,200 people, most of whom reside in either the nearby community of Las Vegas or in smaller outlying communities. Las Vegas provides access to basic goods and services, but specialized mechanical or professional services must be accessed from further afield in such locations as San Pedro Sula or Tegucigalpa. International and

domestic airline services are available at both locations and paved highway access exists northwestward through Guatemala to Mexico and the United States. Access to ocean-going commercial vessels is primarily through port facilities at Puerto Cortés on the Atlantic coast, approximately 55 highway km to the north of San Pedro Sula or 155 km from El Mochito, however another smaller port is available on the southern, Pacific coast at San Lorenzo at a distance of 289 km by paved road from the mine.

Electrical power for El Mochito is provided through connection to a 34.5 kV line from the national electrical grid operated by government-owned National Electric Power Company. Backup electrical generation capacity owned by AMPAC is required due to frequent power outages.

The Property is located along the southeast side of the Santa Barbara mountain, with elevation at the mine site being approximately 900 meters above mean sea level. The mine site itself is within the northeast trending Mochito Graben, a topographic depression that trends northerly and measures approximately 6 km across. Other than within the community of Las Vegas, the area consists of predominantly forested land with farming of coffee, sugar cane and bananas taking place on sites located along valley bottom and slope areas.

History

Significant events in the history of the El Mochito mining operation are summarized below:

- The El Mochito deposit was originally discovered in 1938.
- In 1946, the New York & Honduras Mining Company (later Rosario Resources Corporation) purchased the property and began construction of a processing plant.
- Underground production began in 1948, with the initial zinc products being a jig concentrate containing native silver, a bulk flotation concentrate and a silver product.
- In 1960, increased volumes of sulphide material produced from deeper levels in the mine allowed the economic preparation of separate zinc and lead concentrates.
- In 1973, the company was renamed Rosario Mining Corporation, which was acquired by Amax Inc. in 1980 and operated as a subsidiary.
- The mine ceased production for several months in 1987 due to higher than acceptable costs related to taxation, labour and operations.
- AMPAC purchased the El Mochito Mine, concentrator and Concessions from Amax Inc. in 1987, along with a concentrate storage facility warehouse in Puerto Cortés and the San Juancito exploration property.
- Breakwater acquired AMPAC in 1990 by way of an amalgamation of AMPAC with a wholly-owned subsidiary, Santa Barbara Mining Company, Inc.
- Nyrstar Group ("**Nyrstar**") acquired Breakwater in August of 2011, inclusive of the El Mochito Mine and concentrator and the port facilities at Puerto Cortés.

- Morumbi Resources Inc. ("**Morumbi**") acquired the El Mochito Mine, concentrator and port facilities from Nyrstar in December of 2016 and then changed the company name to Ascendant Resources Inc.

- The concentrator has been expanded several times during the operational project life and had a nominal nameplate capacity of 2,300 metric tonnes per day ("**tpd**") at the time of acquisition by Morumbi (Ascendant).

The El Mochito Mine has operated on an essentially continuous basis since 1948 and an extensive system of underground workings has been established during that time. At the time of acquisition by Morumbi (Ascendant) in 2016, mining had reached a depth slightly in excess of 1,067 m (3,500 ft) below surface, with most production coming from mine levels below 610 m (2,200 ft) from surface.

Silver-rich, chimney-style mineralization was mined in the early years of mine operation and, with increasing depth of exploitation, was followed by the mining of mineral with increased zinc and lead levels and decreased levels of silver. All metal concentrations of economic interest are associated with calc-silicate skarns. Chimney-style mineralization predominates from surface to the top of the Mochito Shale. Stratabound (manto) mineralization along the margins of large chimney deposits such as San Juan, Port Royal and McKenny below the Mochito Shale have contributed locally to historical production, but the extensive, lower grade manto deposits that occur in association with the Cantarannas Formation-Atamia Formation contact have predominated in mineral resource and mineral reserve estimates since completion of mining in the large high-grade chimneys.

Over the 10-year production period beginning in 2006 and ending in 2015, the last full year preceding acquisition of the El Mochito operation by Ascendant, average metal grades of yearly production had gradually declined from 6.0% Zn, 2% Pb and 92 g/t Ag at a production rate of ~690,000 metric tonnes per year ("**tpy**") in 2006 to 3.52% Zn, 1.7% Pb and 51.79 g/t Ag at a production rate of ~766,000 tpy in 2015.

Geology and Mineralization

Geology

The El Mochito district is located within the Chortis Block of the Carribean crustal plate in an area crossed by major northeast trending normal faults that define a regional rift basin named the Honduran Depression. Within this broad, extensional setting, subsidiary north-trending rifted sub-basins are present, and these manifest in the Property area as the Mochito Graben. Upper Jurassic to Quaternary age sedimentary and volcanic rocks occur within the Mochito Graben and are cut by graben-defining northeast trending faults as well as northwest and east trending faults of lesser dimension. These introduce structural complexity at both property and mine scales and to varying degrees-controlled localization of skarn-associated zinc, lead and silver mineralization in the district.

The stratigraphic succession present within the El Mochito Graben is dominated by interbedded Cretaceous limestones and shales of the Yojoa Group's Atima Formation. These are overlain disconformably to unconformably by clastic red beds of the Cretaceous Valle de Angeles Group, which are in turn overlain by Quaternary unconsolidated alluvium and soils that represent the youngest material deposited in the graben.

The base of the Cretaceous Atima Formation marks the Cretaceous-Jurassic boundary in the graben area, where limestone and argillaceous limestone of the transitional Cantarannas Formation overly quartz-rich sandstone and interbedded conglomerate of the Jurassic Todos Santos Formation. Bedding dips within the graben are typically shallow to flat but become moderate to steep and may show associated folding in close proximity to cross cutting faults or mafic dikes that may have been emplaced along faults.

Substantial portions of the Atima, Todos Santos and Cantarannas formations have been affected by development of skarn characterized by weak to very strong development of calc-silicate mineral assemblages (dominated by pyroxene and garnet) that are related to passage of high temperature volcanic-related fluids through the graben fill succession along the various faults systems.

Andesite dykes intrude the entire Mochito Graben stratigraphic section and show K-Ar whole rock radiometric ages ranging from 16.7 (±0.7) to 9.4 (±0.4) million years as reported by P. Dilles (Skarn formation and mineralization within the lower Cretaceous Cantarannas, 1982). In contrast, the nearby Yojoa Eruptive Complex that occurs 13 km northeast of the El Mochito Mine is younger.

Major northeast trending faults form the main architecture of the Mochito Graben and take the form of stepped structures connected by relay ramps and transfer zones. Northeast faults cut most of the other faults, including those that trend east northeast. Skarn localization and the later superimposed base metal mineralization at El Mochito were strongly controlled by fault structures that provided fluid flow pathways for multiple phases of hot hydrothermal fluid flow.

Mineralization

Zinc-lead-silver mineralization of economic interest at El Mochito occurs in association with calc-silicate bearing skarn intervals hosted by limestone and calcareous shale of the Upper and Lower Atima Formation, in calcareous units of the Atima Formation's main subunit, the Mochito Shale, in calcareous siltstone and shale of the Cantarannas Formation and in quartz rich sandstones and siltstones of the siliciclastic-dominated Todos Santos Formation, which underlies the Cantarannas Formation. The stratigraphic section within which economic mineralization occurs at El Mochito slightly exceeds 1,250 m in true thickness.

Mineralization consisting of sphalerite, galena, argentite, tetrahedrite, acanthite, pyrrhotite and magnetite is associated with garnet and pyroxene skarn zones that are both structurally and stratigraphically controlled. The distribution of skarn directly reflects the geometry of the complex graben-related fault systems that channeled hot hydrothermal fluids through graben fill sequences to sites where they selectively reacted with calcareous wall rock to create siliceous, garnet and pyroxene dominated skarn. Introduction of zinc-lead-silver mineralization on existing skarn zones reflects continued capacity of the graben's fault systems to conduct the large volumes of hydrothermal fluid necessary to create this district's high metal endowment.

Two main styles of zinc-lead-silver mineralization are present at El Mochito, these being mantos and chimneys, both of which show genetic association with hydrothermal fluid-controlling fault systems. The largest mantos occur as stratabound replacement zones within the Lower Atima Formation, near its lower contact with the calcareous Cantarannas Formation. Manto style mineralization is also encountered in the central portion of the Atima Formation, along the upper and lower contacts of the

Mochito Shale unit, typically adjacent to large chimney structures, and also within quartz rich clastic sediments of the Todos Santos Formation.

Chimney-style mineralization occurs as pipe-like accumulations of sulphides and associated skarn assemblages that are discordant to stratigraphy, often at high angles, and are spatially controlled by discrete zones of structural ground preparation which typically coincide with fault intersection zones or with dilational zones related to orientation changes or transfer zones along strike slip or dip slip fault systems. Chimneys at El Mochito are frequently rooted in zones of well-developed manto mineralization at the base of the Atima Formation and extend upward through that formation for substantial vertical intervals, with some passing through the Mochito Shale and onward to near surface elevations.

Manto and chimney deposits differ in their metal grade characteristics, with higher zinc lead and silver values and massive to submassive sulphide zones being more commonly seen in chimneys.

Deposit Type

The zinc-lead-silver mineralized zones that comprise the El Mochito deposit are classified for current report purposes as distal zinc skarns as defined by L.D. Meinert (Skarns and Skarn Deposits, Geoscience Canada Volume 19, Number 4).

Exploration

Since acquisition of El Mochito in late 2016 Ascendant has not carried out a substantial amount away from mine exploration. Efforts have instead been focused on completion of detailed core drilling to support the mineral resource and mineral reserve delineation programs described in the report. However, late in 2017 a compilation of historical exploration was initiated by site staff and a relatively small amount of exploration core drilling from underground was completed in conjunction with the large mineral resource and mineral reserve delineation drilling programs, which are not classified as exploration. A small program of several short surface drill holes was also completed to check geology in one surface prospect area.

The data review and compilation program begun in 2017 is focused on historical surface exploration results from the entire Ascendant concession portfolio and was ongoing at the effective date of the Technical Report. Ascendant initiated an extensive soil geochemistry program in early 2018 over the main Concession based on initial results of the compilation work. Although initial field aspects of the program had been completed by the report date, laboratory results had not been received. Ascendant also initiated a review of mining records and drilling results that pertain to the old mine workings area located above the Mochito Shale unit, where production had occurred in the early decades of mine operations. Production from this area had primarily focused on high grade silver-bearing chimney deposits that extend down to, and sometimes through and below, the Mochito Shale. This program was in an early stage of data assessment and historical drilling data compilation at the report date and had not yet progressed to the point of defining any new exploration target areas.

The history of the El Mochito operation is characterized by consistent replacement of mined mineral reserves through systematic step out exploration drilling along the historical mineralized corridor structural trends that host many associated chimney and manto style zinc-lead-silver deposits. This trend continued for Ascendant in 2017 and 2018, with the majority of drilling being related to mineral

resource and mineral reserve delineation programs and associated step-out programs. The exploration drilling targeted areas marginal to the limits of current mineral resources on the Deep East, Esperanza, Santa Elena and Victoria mineralization trends and in each case returned positive results that fully warrant follow-up through infill and additional step out drilling to define new mineral resources.

Drilling

Core drilling carried out for the purpose of either exploration or mineral resource and reserve definition purposes has been carried out on the Property since deposit discovery in 1938 and increased substantially on an annual basis after initiation of mine production in 1948. A summary review of mine records by Mercator in early 2018 showed 8,821 drill holes in the GEMS™ database up to the effective date of the Technical Report. The drilling database does not contain all historical drill holes in the mine area for which drill logs exist. Additional historical holes were being added by Ascendant in 2018 through compilation efforts. The technical report titled "NI43-101 Technical Report on the El Mochito Zinc-Lead-Silver Mine, Honduras, for Morumbi Resources Inc., dated September 9, 2016" prepared by Micon International Limited, reported that through the 1948 to 2015 period a total of at least 1,168,887 m of core drilling had been completed on the Property, including both exploration and delineation categories. With the addition of 2016 meterage drilled by Nyrstar and 26,876 m drilled by Ascendant in 2017, the total rose to 1,226,802m, the majority of which was carried out from underground workings. To the end of August 2018, Ascendant completed an additional 24,434 m of primarily mineral resource infill and step out programs. Surface drilling has not been as extensively applied at El Mochito since its early history of near-surface mining due to difficulties encountered in drilling deep holes through karsted limestone sections.

Although more than 10,000 core drilling holes have been completed to date on the Property, a substantially smaller subset contributed directly to the mineral resource and mineral reserve estimates supported by the Technical Report. The twenty-seven named mineral resource areas referred to in the Technical Report are intersected by a total of 2,245 core drilling holes that were used in the current estimation programs. These define a chronological period from 1977 through 2017 and reflect a total of 392,413 m of core drilling.

Ascendant owns its own surface and underground core drilling equipment and employs experienced staff drillers and helpers. In this manner, it meets all of its mineral resource and mineral reserve delineation, exploration and geotechnical core drilling requirements. Core loss is not considered problematic with respect to impacts on geological interpretations and associated mineral resource and mineral reserve modeling of mineralization.

Results of Ascendant's 2017 delineation program drilling are reflected in the mineral resource estimate described in section 10 of the Technical Report. Drilling results from 2018 programs are not reflected in the current mineral resource estimate.

Sample Preparation, Analysis and Security

Ascendant operates its own analytical laboratory and preparation facility at the El Mochito site and these provide preparation and analytical services to support day to day mine sampling operations. Core samples were processed at this laboratory prior to 2016 when a protocol requiring that all drill core produced from both exploration and deposit delineation drilling programs be prepared and

analyzed at an independent, fully accredited commercial laboratory was instituted. Ascendant has continued with this protocol and sends samples to the Bureau Veritas International preparation facility in Guatemala City, Guatemala, for preparation prior to analysis at the Bureau Veritas Canada Ltd (Acme) laboratory in Vancouver, BC, Canada, which is accredited to the ISO/IEC 17025-2005 standard. Analysis of samples for zinc, lead, copper, silver and iron levels is typically by Atomic Absorption Spectroscopy methods after multi-acid digestion, with assay quality determinations for over limits values. A quality assurance and quality control program that includes insertion of coarse blank and certified reference material samples into the core sample stream and analysis of duplicate split pulp samples is applied and monitored by Ascendant.

Mercator is of the opinion that Ascendant's sample preparation, analysis and security programs meet current industry standards and that monitoring of mine-laboratory results prior to 2016 was carried out in a professional manner.

Data Verification

Data verification activities carried out by Mercator include completion of two site visits to the El Mochito operation, independent desktop data verification checks of GEMS™ drilling database records that support the current mineral resource estimate, a limited drill hole coordinate check program for currently accessible surface exploration holes, a detailed core review study of core from 18 drill holes representative of both manto and chimney styles of mineralization, collection and analysis of 11 quarter core check samples from mineralized drill core intercepts from holes within current mineral resource limits.

Based on results of the above programs, Mercator is of the opinion that Ascendant's drilling database and related mine modeling data and procedures are consistent with current industry standards.

Mineral Processing and Metallurgical Testing

A review of Ascendant's 2016-2017 grade-recovery data from the on-site metallurgical laboratory shows that recovery of zinc is relatively independent of feed grade, while lead is considerably more dependent on feed grade. Silver reporting to either lead or zinc concentrates depends on silver content in the mineralized material; however, total silver recovery is relatively independent of feed grade. El Mochito has introduced an argentite (silver sulphide) specific flotation agent to increase silver recovery in the lead concentrate.

Mineral Resource Estimate

The 2018 mineral resource estimate was prepared by Mercator in accordance with NI 43-101 and the CIM Definition Standards for Mineral Resources and Mineral Reserves and appears in the table below. It has an effective date of January 1, 2018.

El Mochito Mine Mineral Resource Estimate – Effective January 1, 2018

Cut off Value ZnEq.%	Category	Tonnes	Grade				Contained Metal			
		kt	Zn %	Pb %	Ag g/t	ZnEq %	Zn Mlbs	Pb Mlbs	Ag Moz	ZnEq Mlbs

3.1	Measured	1,100	5.5	2.0	65	8.2	134	48	2.3	198
	Indicated	6,452	5.2	1.7	41	7.2	735	241	8.4	1,019
	Measured and Indicated	**7,553**	**5.2**	**1.7**	**44**	**7.3**	**869**	**289**	**10.7**	**1,216**
	Inferred	4,972	5.1	1.4	33	6.7	556	156	5.4	739

Notes:

- Tonnage and grade values have been rounded and totals may vary due to rounding.
- Price assumptions used were 1.21 $/lb Zn, 1.06 $/lb Pb and 18 $/troy oz Ag. Zinc equivalent metal grade (ZnEq%) was calculated as ZnEq% = Zn% + (Pb% * 0.82) + (Ag g/t * 0.0149) and is based on recoveries of 88.9% Zn, 74.3% Pb, and 77.7% Ag.
- A cut-off of 3.1% ZnEq was used to estimate mineral resources and is based on fourth quarter marginal direct operating costs.
- Results of an interpolated bulk density deposit model have been applied and contributing 1.52 m (5 ft) downhole assay composites were capped at 38% Zn, 36% Pb, and 2,000 g/t Ag.
- Mineral resources that are not mineral reserves do not have demonstrated economic viability
- The inferred mineral resource in this estimate has a lower level of confidence than that applied to an indicated mineral resource and must not be converted to a mineral reserve. It is reasonably expected that the majority of the inferred mineral resource could be upgraded to an indicated mineral resource with continued exploration.

The El Mochito Mine mineral resource estimate is based on a three-dimensional block model developed using Geovia Surpac ® Version 6.8.1 modeling software and includes 27 separate named areas of "manto" and/or "chimney" style skarn mineralization.

Mineral Reserve Estimate

This section is not relevant at this stage of the project.

Note on Exclusion of Mineral Reserves

Given that each year approximately 25% of the depleted mined tonnage is derived from inferred mineral resources, existing mineral reserves are no longer current, and a new mining approach is being applied. All mineral reserves have been reclassified back to measured, indicated and inferred mineral resources for the purposes of the Technical Report. As such, previously disclosed mineral reserves for El Mochito are no longer applicable. Mineral resources depleted in the life of mine of the preliminary economic assessment plan have been constrained by the mine design and the applicable modification factors for mineral loss and mining dilution have also been applied.

Mining Methods

The El Mochito Mine is in its 70th year of operation and the mining infrastructure is expansive. The existing underground workings at the El Mochito Mine covers approximately 3,000 m in the east-west direction, 1,200 m north-south and vertically from surface to a depth of up to 1,300 m (-1,000 m below the shaft collar).

The mine employs a combination of long hole, cut & fill and conventional mining methods to exploit the mineral from mineralized zones of different shapes and sizes. A predominately trackless mining fleet is used in mining and hauling the mineral to the vertical shafts through multiple ramp systems that are essentially a result of a series of stope access development that have been linked together, creating a complicated, inefficient and tight transport network of tunnels.

Mining operational costs are consequently relatively high and reflect this deep mining environment with long hauling distances, coupled with high pumping and pump maintenance costs. As the mine grows deeper, transport distances will further increase. As expected, this would result in increasing the size of the trucking fleet and manpower and increasing maintenance cost and mechanical parts inventory. There would also be negative impact on the ventilation circuit, and the water pumping system is old, very extended and inefficient.

The El Mochito Mine expansion project (the "**Expansion Project**") proposes to address these challenges through the upgrade of infrastructure and mining and mineral processing systems across the mine, which will result in the following:

- Improvements to underground mineral transportation;
- Improvements to the underground pumping and water management system;
- A crushing circuit, processing plant and tailings handling capacity that can meet the increased production from the mine.

The centre of gravity of the bulk of new and potential mineral resources is found below the current position of the two surface shafts (No. 2 and No. 3), and to the north and east of them. This presented a good potential area of focus for the development of new infrastructure.

Improving underground mineral transportation comprise the installation of a new 442 m subvertical (or internal, vertical) shaft used for rock hoisting only, and bringing mine services to the lower levels. With this new No. 8 shaft, a new grizzly and crushing circuit would be located on the 3360L with a nameplate capacity of 2,800 tpd, augmenting the existing crusher on 2350L in the western side of the mine. The new subvertical shaft would consist of a 5.1 m raise bore hole between levels 2100L and 3250L. The final portion of the shaft in between level 3250L and final shaft bottom level 3530L representing approximately 94 m would be raise bored or drop raised to accommodate shaft loading, cleaning and pumping arrangements.

The raise bore hole would be equipped with two 6.5 t skips running on rope guides, power cables, backfill piping, compressed air piping, dewatering columns and a service water column.

This new internal shaft would be tied in with the current No. 2 shaft, just 200 m away, which has a 200 tph hoisting capacity to surface from 2450L. The positioning would overlap vertically over two levels and allow for transfer of mineralized material from the new No. 8 shaft to the current No. 2 shaft via the existing rail transportation system used on 2350L.

Figure 16.1 of the Technical Report illustrates the proposed internal No. 8 shaft, mineral resource under the current No. 2 shaft, the current horizontal haulage route and the proposed route. Figure 16.4 of the Technical Report illustrates a cross section through the No. 8 shaft showing the required development.

El Mochito management has determined that the upgrade of the underground pumping and water management system would materially reduce overhead costs by changing and reducing the number of pumps, rationalizing pumping columns and installing an effective water clarification system to pump clean water. See Figure 16.17 of the Technical Report for the new proposed water management configuration.

The Expansion Project represents a significant opportunity to bring the all-in sustaining costs ("**AISC**") down to less than 0.97 $/lb zinc equivalent per pound payable approximately two years after the construction period is complete. This cost figure would support the longevity of the operation and robust free cash flow even in an environment of sustained depressed metal prices.

The major impact on production from this new No. 8 shaft will be the shortening of average underground truck hauling distances by 26%. The shorter distances will translate into additional trucking capacity. By moving mineralized material and waste more rapidly, the operation will react positively by reducing the underutilized equipment especially in drilling, blasting and support. With the shorter haul distances, it becomes possible to increase production by 26% without the need for additional mining equipment.

The Technical Report also considers an increase in mining and processing capacity to approximately 2,800 tpd (1 million tpy) from 2,200 tpd (750,000 tpy) without significantly interfering with ongoing operations. In addition to increased revenues, the major benefit of the program is an expected reduction in operating costs of 17.76 $/t processed below the anticipated life of mine average without the proposed infrastructure changes as the mine gets deeper.

The table below illustrates the production expected over the life of mine.

Production by stoping methods including mineral development

	Mineral Development (t)	Cut and Fill (t)	Long Hole (t)	Shrinkage (t)	Conventional (t)	Total (t)
2019	190,406	54,046	371,147	-	173,909	**789,509**
2020	198,099	87,717	501,295	-	107,955	**895,066**
2021	219,298	83,668	467,507	-	206,375	**976,847**
2022	225,605	173,095	432,535	-	161,773	**993,008**
2023	251,902	139,085	425,861	-	186,318	**1,003,166**
2024	226,149	211,883	376,833	-	180,648	**995,514**
2025	237,234	124,975	429,514	9,750	205,972	**1,007,445**
2026	200,284	156,387	397,139	14,624	229,445	**997,880**
2027	288,467	149,284	344,052	-	216,444	**998,247**
2028	273,370	81,817	254,058	-	389,846	**999,091**
Total	**2,310,816**	**1,261,957**	**3,999,940**	**24,374**	**2,058,686**	**9,655,774**
% Total	**23.90%**	**13.10%**	**41.40%**	**0.30%**	**21.30%**	**100.00%**
% Stope	**N/A**	**17.20%**	**54.50%**	**0.30%**	**28.00%**	**100.00%**

Mining development rate used in the Technical Report reflects current mining practices and achievements. The following table illustrates the advance in feet per day considered in development.

Estimated daily advance rates

Development (In either waste or mineral)	Life of mine plan description Type	Excavation size m (ft)	Advance m/d (ft/d)
Jumbo	Hz Development, Jumbo @ 15'×15'	4.47 m x 4.47 m (15 ft x 15 ft)	19.2 (63)
Jackleg	Hz Development, Jackleg @ 10'×12'	2.74 m x 2.74 m (9 ft x 9 ft)	6.4 (21)
	Subhorizontal Raise, Jackleg @ 6'×9'	3.66 m x 3.66 m (12 ft x 12 ft) W Slusher	5.5 (18)
	Sublevel, Jackleg @ 6'×6'	1.82 m x 1.82 m (6 ft x 6 ft) W Slusher	3.7 (12)
	Sublevel, Jackleg @ 9'×9'	2.74 m x 2.74 m (9 ft x 9 ft)	5.5 (18)
Raises	Subvertical Alimak, Stoper @ 8'×8'	2.44 m x 2.44 m (8 ft x 8 ft) W Alimak	2.1 (7)
	Subvertical Raise, Borer @ 5'Ø	1.52 m x 1.52 m (5 ft x 5 ft) W Raise	7.3 (24)
	Subvertical Raise, Stoper @ 5'×5'	1.52 m x 1.22 m 5 ft x 4 ft W Raise	3.0 (10)

- Ramp Access Mechanized Cut & Fill
- Long Hole Stoping
- Shrinkage Stoping
- Conventional Slusher/Panel mining

The following table represents the parameters used for mineral production including the mining recovery and mining dilution assumptions which have been calculated based on current performance is observed.

Stoping parameters

Stoping Methods	Productivity tpd	Mining Recovery %	Dilution %
Cut & Fill	337	92	10
Long Hole	1,152	90	18

Shrinkage	48	90	7
Conventional Stoping	622	92	10

Mining services in the El Mochito Mine includes electrical, communication, fuel mechanical shop and a sandfilling system throughout the actual mine.

Mineral Processing

Run of mine ("**ROM**") material is delivered to a crushing facility adjacent to the main No. 2 El Mochito shaft and minus ¾ in (19 mm) crushed material is then transported to the process plant 1.3 km away where it is ground to a fine size in rod and ball mills. Separate lead and zinc concentrates are produced by froth flotation. These are dewatered and bulk transported by truck as moist concentrates 175 km to the coastal port or Puerto Cortés. Process plant tailings are normally processed in a mine backfill plant located near the crusher plant and the remaining fines are returned to the process plant for pumping 4.5 km to a lined tailings management facility.

The overall process plant facilities have a nameplate capacity of 2,300 tpd, but a normal process throughput of 2,450 tpd or more is frequently achieved. The primary grind is performed in open circuit by two rod mills in parallel followed by a secondary ball mill in open circuit and a tertiary ball mill in closed circuit. The overflows from the cyclones in the milling circuit report to the differential lead and zinc flotation circuits. The separate zinc and lead concentrates are thickened, then filtered using vacuum disc filters with the concentrates being stored in a shed before being trucked to the concentrate warehouse in Puerto Cortés.

Metallurgical recoveries have recently improved and are typically in the range of 74% to 78% Pb, 86% to over 90% Zn, and 75% to 79% Ag (payable silver content is in both Pb and Zn concentrates). The process plant and crushing facilities (including laboratory) have a staff of 124 people and operate on a 3-shift daily basis. A one day per month maintenance shutdown is scheduled. Unscheduled interruptions are mainly due to power shortages from the Honduras power grind. Site standby power is dedicated to mine needs.

Significant operational challenges include very wet ROM material, uncontrollable flotation cells, concentrate moisture exceeding transport criteria and a tailings line that 'sands out' on power interruption.

El Mochito has developed a plan to increase the process plant capacity to 2,800 tpd. Several components of the process plant will be upgraded – the most significant being the installation a crusher feed washing facility, replacement of grinding cyclones with screens, the installation of modern flotation cells and the replacement of disc concentrate filters with plate-and-frame pressure filters. The buried tailings line and pumping system will be upgraded, and the existing tailings line converted to tailings water reclaim for process plant water supply. Existing, idle, magnetic separators and thickener will be redeployed to remove the gangue mineral magnetite from either the lead or the zinc flotation circuit. The isolation and sale of magnetite will improve concentrate grade and will reduce tailings storage requirement.

The plant capacity and process improvement plan will cost $6.3 million and will take 9 months to complete. Process plant operations will not be disrupted during the proposed changes.

Project Infrastructure

The El Mochito Mine facility is a mature zinc, lead and silver producing underground mine and surface processing plant located in northwest Honduras, near the town of Las Vegas, approximately 88 km southwest of San Pedro Sula and 220 km northwest of the capital city, Tegucigalpa. The processing plant nameplate capacity is 2,300 tpd. Production began in 1948 and has continued almost continuously for 70 years. The principle property infrastructure consists of a shaft-accessed underground mine and a concentrator producing separate zinc and lead concentrates. Concentrates are trucked daily to Puerto Cortés for storage and are shipped by ocean freighters once sufficient material has been stockpiled at the port.

The mine site has two shafts: the No. 2 vertical shaft which is 747 m (2450 ft) deep and has a production capacity of 3,500 tpd, and the No. 3 shaft of the same depth, used for hoisting personnel and materials. Mineralized material is mined by trackless and conventional underground mining methods, transported, partially crushed underground and then hoisted largely through the No. 2 shaft. Waste is largely repacked underground as waste-fill to augment cycloned tailings backfill and minimize hoisting costs.

Zinc and lead concentrates are produced by differential flotation and shipped to a warehouse at the port of Puerto Cortés, 35 km north of San Pedro Sula on the Gulf of Honduras, 168 km by paved road from the mine. Approximately 30% of process tailings are used as backfill for the mined stopes.

The El Mochito infrastructure includes service shops, administration buildings as well as a well-established, traditional mine village. Three tailings facilities have been used, with the third active one comprising several future years' storage capacity.

Market Study

Zinc, lead and copper concentrate offtake agreements are in place with Nyrstar Sales and Marketing AG, for a period of 10 years from December 2016 at international benchmark terms, as defined by average respective commodity price on the London Metal Exchange for the relative shipping period. InnovExplo has not reviewed these contracts.

Mine closures and environmental regulations have driven concentrate stocks to 10-year lows. These supply deficits drove prices to a 10-year high of 1.63 $/lb in January 2018.

Modest global growth expectations for gross domestic profit imply a strengthening demand by ~400 kilotons per year ("**ktpy**") of additional new supply required to feed the 12.6 million metric tons ("**Mt**") global market for zinc metal. Commodities analysts also predict that Chinese mines will scale up production to close the gap between demand and supply figures.

Among the three metals produced by the El Mochito Mine, the price of silver appears to be the most volatile with large price swings largely due to its small relative size to other commodity markets.

The life of mine metal prices of zinc, lead and silver used in the current economic analysis and in calculation of resources and reserves cut-off grades are average values provided by the issuer and reviewed and endorsed by InnovExplo. The pricing assumptions used are: 1.21 $/lb Zn, 1.09 $/lb Pb and 15.00 $/oz Ag.

Based upon review of relevant market study reporting, the issuer and InnovExplo have concluded that zinc macro-fundamentals are positive.

Environmental Studies, Permitting and Social or Community Impact

There are several environmental permits currently in place to cover mining and processing operations at El Mochito. These typically take the form of a certificate and a contract. At the present time, operations are carried out under terms of a water use permit, a mining operations environmental permit and an environmental licence for the La Soledad tailings storage facility. All of these are issued through the Ministry of Natural Resources and Environment. The company also has an environmental permit for its concentrate storage facility located in Puerto Cortés, which is issued by the Municipal Environmental Department. In addition, Ascendant maintains a forestry management plan authorized by The National Institute for Conservation and Forest Development, Protected Areas, and Wildlife.

Capital and Operating Costs

The capital and operating cost estimates presented in the Technical Report for the El Mochito Mine are based on the Expansion Project including a new internal shaft (No. 8 shaft), an upgrade the underground pumping and water management system, and process plant from over 2,200 tpd (796 ktpy) to 2,800 tpd (1,000 ktpy).

Preparation of the site capital ("**Capex**") and operating cost ("**Opex**") estimate was developed using first principles and applying direct applicable project experience and avoiding the use of general industry factors. The site operating cost is based on owner-owned and operated mining/services fleets. All of the estimate inputs were derived from engineers, contractors, and suppliers who have provided similar services to existing operations and have demonstrated success in executing the plans set forth in this study.

All costs are presented in 2018 US dollars on a calendar year basis. No escalation or inflation is included. Operating costs were estimated using 2018 actual operating costs as a base, with projected cost savings calculated from the anticipated improvements arising from the Expansion Project. The Expansion Project would result in economic benefits.

Capex is divided into two sections. The first is "**Sustaining Capex**", which is the annual capital expenditure in maintaining and sustaining ongoing operations every year in the traditional sense. These expenses are incurred concurrently with the Expansion Project which takes place in parallel. The second is "**Expansion Project Capex**" or project development Capex, which encompasses all capital expenditures occurred in additional to Sustaining Capex during the first two years but specifically related to the Expansion Project, including the following:

- the construction and commissioning of the No. 8 subvertical shaft;
- the upgrade of the underground pumping and water management system; and
- the modification of the processing facilities to accommodate the anticipated increase in production from the mine, including surface crushing, concentrator, floatation, filtration and tailings disposal sections.

Operating cost

Total Opex is estimated to be 61.85 $/t milled after commission of the Expansion Project, and 63.55 $/t milled including variable and fixed costs over the life of mine (see Table 21.1 of the Technical Report).

The implementation of the Expansion Project has the effect of reducing operating costs per tonne mined in the following ways:

- underground truck hauling variable costs reductions, due to materially lower haul distances;
- labour cost reductions through improved tonnage efficiencies (26% increase in tonnes milled)`;
- pumping and power cost reductions as a result of the reduced number of pumps and lower pumping efficiencies generated by the improved water management and clarification systems; and
- increased production revenue as a result of the higher throughput.

The above savings are partially offset by the following:

- higher power usage costs from increased volumes mined and 8% increase volumes pumped as the mine grows;
- higher labour costs during construction and partially higher after commissioning due to the increase in conventional mining methods; and
- higher overall mining and maintenance costs as a result of increased utilization of equipment, even though unit maintenance costs per tonne will be lower.

Capital cost

Total life of mine Capex for El Mochito amounts to $162.5 million and includes site Sustaining Capex of $129.7 million as well as the Expansion Project Capex estimate of $32.8 million over the first two years of anticipated 10-year life of mine.

The total capital cost for the Expansion Project is $32.8 million including $4.3 million in contingency. This expenditure is expected to take place over the first 24 months development period after financing and includes funding for construction of the new subvertical shaft which will open the door to a ramp up in production volumes, an improved underground water pumping system and processing upgrades.

The capital cost presented in the report have been estimated in conjunction with El Mochito's management, operation team and engineering department, along with several manufacturers, contractors and consulting groups that have provided quotes for specific portions discussed in the report.

Economic Analysis

The economical/financial assessment of the Expansion Project was carried out using a discounted cash flow approach on a pre-tax and after-tax basis on the incremental production against the same

mine plan at current production rates. An exchange rate of CAD1.30=USD1.00 was assumed to convert CAD cost components into USD.

The financial assumptions used for the financial model life of mine plan are summarized in Table 22.1 of the Technical Report.

Lead and zinc concentrate net smelter return estimates are based on produced lead concentrate grades of 60% Pb and zinc concentrate grades of 50% Zn.

An 8% discount rate was applied to the cash flow to derive the net present value for the Expansion Project on a pre-tax and after-tax basis. The after-tax financial model resulted in an internal rate of return of 58% and net present value of $83.0 million with a discount rate of 8%.

The results for the project net present value and internal rate of return are based on the sensitivities assumed in Table 22.2 of the Technical Report.

The life of mine direct operating cost is 0.58 $/lb Zinc equivalent ("**ZnEq**") payable after construction and the life of mine AISC is expected to be 0.97 $/lb ZnEq payable after construction.

The economic analysis is based on mineral resources considered in the mining plan.

Inferred mineral resources have a lower level of confidence than that applied to an indicated mineral resource. There is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. It is reasonably expected that the majority of the inferred mineral resources could be upgraded to an indicated mineral resource with continued exploration and definition drilling.

Adjacent Properties

The authors are not aware of any adjacent properties as defined under NI 43-101 that are pertinent to the mineral resource and mineral reserve estimates that are the focus of the report.

Other Relevant Data and Information

Mr. Patrick Toth, P. Geo., who is an employee of Ascendant, was responsible for Section 24 of the original Technical Report dated October 22, 2018 and provided a December 6th, 2018 signature date on that report. Subsequently, it was determined that an author independent of Ascendant must take responsibility for Section 24 of the Technical Report. Mr. Michael Cullen, P. Geo., of Mercator, an independent co-author of the Technical Report as defined under NI 43-101, is responsible for this section at the current signature date.

For Mercator to take responsibility for the information presented originally in Table 24.1 of the original Technical Report, it was necessary to access and review the technical records and digital block model files that were used by Ascendant staff to generate the data presented in the original table. This included depleted digital resource solid model files, digital mining solid model files and spreadsheet files documenting monthly mine production and mill processing for the period from January 1st to August 31st, 2018. These files and information were applied to the current Mineral Resource block model to check figures previously presented in Table 24.1 of the Technical Report.

In Mercator's opinion, results of the current review acceptably confirm the earlier figures presented below and in Table 24.1 of the Technical Report, and do not materially affect the context of the Preliminary Economic Assessment described in the Technical Report.

Actual and Forecasted Production in 2018 which was Removed/Depleted from Available Mineral Resources Ahead of the Life of Mine Planning Process

Category	Units	Measured Mining Production (Jan-Aug 2018)	Forecast Mining Production (Sep-Dec 2018)	Total 2018
Mined	kt	515	254	769
Zinc Grade	%	4.3	4.0	4.2
Lead Grade	%	1.6	1.7	1.6
Silver Grade	g/t	45	52	48

The term date of both the Preliminary Economic Assessment and the life of mine in the Technical Report is ten years, commencing January 1, 2019. For greater clarity, the cash flow analyses included in the Technical Report commence on January 1, 2019 as well and not to be confused with the effective date of the Technical Report, which is October 22, 2018. The life of mine plan of the Preliminary Economic Assessment considers the Mineral Resources associated with the actual and forecasted production presented in Table 24.1 of the Technical Report, as being mined out at January 1, 2019 and not available for inclusion in the PEA.

Interpretations and Conclusions

InnovExplo interpretation and conclusion

The El Mochito Mine is in its 70th year of operation and the mining infrastructure are expansive. Exploration drilling has demonstrated that the mineral resource is expected to increase in the eastern part of the mine as shown in Figure 16.1 and Figure 16.2 of the Technical Report. These new horizons are lower than the current bottoms of the No. 2 and No. 3 shafts.

In the last 18 months, the issuer has made substantial progress in reducing costs by over 30% as mentioned in the October 22, 2018 press release on the Expansion Project.

The issuer remains focused on creating value at the El Mochito Mine and to unlock its full potential to deliver robust economics and free cash flow over the long term in any reasonable price environment.

The Expansion Project presented in the Technical Report consists of the following three principal areas of development:

- installing of a new 442 m subvertical (or internal, vertical) rock-only hoisting shaft shortening the average underground truck hauling distances by 26%, increasing hoisting capacity, ventilation, services access and mining capacities. Shorter distances translate into additional

trucking capacity and underutilized drilling and blasting equipment would be able to increase production by 26% without the need for additional mining equipment;

- upgrading the underground pumping and water management system, reducing overhead costs by changing and reducing the number of pumps, rationalizing pumping columns and installing an effective water clarification system to pump clean water; and
- upgrading the crushing circuit, process plant and tailings handling capacity to meet the Expansion Project, which has the objective of continuing the optimization and growth strategy of the issuer.

With an increase in production of 27% in tonnes milled to 2,800 tpd or 1 Mt per year, an average annual operating cost saving of 17.76 $/t milled is anticipated against projected costs without this proposed infrastructure and a similar amount lower than reported mining costs at the time of writing. The Expansion Project represents a significant opportunity to bring the AISC down to less than 0.97 $/lb payable zinc equivalent per pound produced two years after the commencement of construction.

Apart from the cost benefits there would be improved and safer conditions underground as well as better ventilation. Clean water would be pumped to the surface of the mine, and more people will have work as a result of this project.

Risk and opportunities in relation to this project are outlined in Section 25.3 of the Technical Report.

InnovExplo concludes that the Technical Report can advance to detailed design and construction given that the mine is already producing and has the management team and third party support to execute on the project.

Mercator interpretation

The current mineral resource estimate prepared by Mercator in conjunction with Ascendant staff during the August 2017 through January 2018 period established a substantial new mineral resource base for the El Mochito Mine. The new mineral resource estimate represents a significant increase in global tonnage and slight increase in ZnEq grade in comparison with the historical mineral resource base present at the time of Ascendant's acquisition of the El Mochito Mine from Nyrstar in late 2016. The increase in mineral resources reflects substantial expenditure by Ascendant, particularly related to underground delineation, infill and step-out drilling in near-mine positions such as Imperial-Barbasco (Esperanza), Salva Vida, Victoria, Porvenir and Santa Elena.

Mercator believes that near-mine strike extensions of the main mineralized zones along their currently defined trends represent the highest priority and lowest risk exploration target areas for continued near-term definition of new mineral resources at the mine. Very good exploration opportunities also exist along the known mineralized corridors at substantial distances from the operating mine, as exemplified by earlier success at the Big Fuzzy target area on the Victoria trend in 2007. Additional surface exploration to assess such away from mine target areas, initially sited along the strike extensions of the main mineralized corridors, could result in discovery of completely new mineralized centers having the potential to be similar in size and metal grades to those mined to date. These targets could be efficiently tested from surface using drilling equipment owned by Ascendant and should be systematically pursued in future. Careful interpretation of mineralizing system proximity indicators that are currently being collected by El Mochito staff, such as zonation trends in metals, calc-silicate mineral assemblage ratios, calcite fluorescence mapping and pyroxene mineral

chemistry, also have potential to play key roles in development and assessment of new exploration drilling targets. These should be collectively applied to maximum advantage.

Sustained access to both surface and underground core drilling meterage on a yearly basis will be required to properly address ongoing mineral resource definition, infill, step out and exploration requirements at the El Mochito Mine. Continuation of core drilling programs at the current level of approximately 40,000 m/y will be necessary to keep pace with planned production and associated depletion of mineral resources. This level of drilling is fully warranted, based upon the demonstrated strong potential for both expansion of mineral resources and discovery of entirely new mineralized zones in and around the El Mochito Mine.

P&E interpretation and conclusion

A fully credible strategy has been developed to increase the processing plant capacity to 2,800 tpd. This strategy addressed seven different bottlenecks and would cost US$6.2 million. Major process improvements include modifications to handle very wet ROM mineralized materials, installation of screens in grinding and the installation of modern flotation equipment. Concentrate filtration is also a capacity bottleneck – poorly performing disc filters will be replaced by industry-standard pressure filters that will reduce concentrate moisture to acceptable levels for transport.

Tailings pumping capacity will also be increased and clarified tailings water will be returned to the process plant. Magnetite is a significant gangue mineral in the El Mochito mineralization and tends to report to lead and zinc concentrate, reducing product grade. A process modification is under development to remove some of the magnetite using existing, idle magnetic separators. A magnetite concentrate would be sold or stockpiled for future sale.

The pre-engineering and planning of all of the debottlenecking and process improvements are well laid out and will be implemented without process plant interruptions.

Recommendations

InnovExplo recommendations

Several recommendations are proposed for the Expansion Project that have the same objectives of reducing the risk to the operation and maximizing the chance of success.

The issuer's estimation of costs and proposal for the No. 8 shaft are based on several quotes dating from spring of 2018. With the Technical Report demonstrating positive results, InnovExplo's view is that all quotes should be confirmed along with the contractor's execution timing. Contacting other contracting firms could also reposition costs and time frame for job completion.

The lower portion of the No. 8 shaft including the shaft orepasses, belt level and shaft bottom will be situated in Todos Santos sandstone formation, which presents some geotechnical challenges. Mining development in this type of ground will have to be done at a slower pace with shorter advances per blast and be adequately supported to suit the poorer ground conditions. The use of shotcrete in these types of permanent excavation is strongly recommended. This may increase ground support costs and time to complete when comparing with standard ground support in more competent ground.

In mineral movement from the No. 8 shaft discharge bin to the No. 2 shaft bin could be automated and this option should be analyzed. Horizontal mineral movement on 2350L level has traditionally been by track and train, which involves manpower. Mine personnel are subjected to shift change restrictions and must be evacuated when blasting occurs in the mine. While these are normal and good practices regarding employee safety, the result is a non-productive period. The option of automation and the use of another system like a conveyor belt could help maintain productivity even between shifts. This option, or an alternative, could be attractive in a case like this with a short distance of approximately 200 m. When looking at a production increase to 1 Mt per year, mineral hoisting may need to take place over 2.5 shifts per day with exceptions for shaft maintenance and repairs. With the automation of a transport system, the operation could be carried out from surface and under camera surveillance.

The development rate estimates used in the Technical Report reflect what is currently achieved by mining operations.

Estimated daily advance rates

Development (In either waste or mineral)	**Life of mine plan description Type**	**Excavation size m (ft)**	**Advance m/d (ft/d)**
Jumbo	Hz Development, Jumbo @ 15'×15'	4.47 m x 4.47 m (15 ft x 15 ft)	19.2 (63)
Jackleg	Hz Development, Jackleg @ 10'×12'	2.74 m x 2.74 m (9 ft x 9 ft)	6.4 (21)
	Subhorizontal Raise, Jackleg @ 6'×9'	3.66 m x 3.66 m (12 ft x 12 ft) W Slusher	5.5 (18)
	Sublevel, Jackleg @ 6'×6'	1.82 m x 1.82 m (6 ft x 6 ft) W Slusher	3.7 (12)
	Sublevel, Jackleg @ 9'×9'	2.74 m x 2.74 m (9 ft x 9 ft)	5.5 (18)
Raises	Subvertical Alimak Stoper @ 8'×8'	2.44 m x 2.44 m (8 ft x 8 ft) W Alimak	2.1 (7)
	Subvertical Raise, Borer @ 5'Ø	1.52 m x 1.52 m (5 ft x 5 ft) W Raise	7.3 (24)

	Subvertical Raise, Stoper @ 5'×5'	1.52 m x 1.22 m 5 ft x 4 ft	3.0 (10)

In order to sustain these development rates over the life of mine, the mechanical availability of fixed mobile equipment will be very important. The percentage of availability mentioned in Section 16.6.1 of the Technical Report will decrease as years pass. Naturally, the planned rebuilds and equipment replacement schedule will address this in terms of the mobile fleet, but a constant focus on continuous improvement and preventative maintenance programs will need to be carefully managed on fixed equipment and smaller machines such as hand held jacklegs, scraper winches and alimak machines.

Three principle mining methods are used in the Technical Report for production from stoping. When looking over the life of mine, long hole methods will account for 54.5% of the total stoping tonnes, cut & fill methods for 17.2% and conventional slusher stoping methods for 28%. Contribution from shrinkage stoping will be negligible.

A geotechnical report issued in October 2018 by Ingeroc SpA includes recommendations for additional uniaxial and triaxial compressive strength tests to be conducted at an external laboratory to improve the mine's database for design assumptions. It has been further recommended that the existing geological strength index ground support system be replaced with the better suited Q-Barton system.

The mine should create a steering committee combining engineering and operations to analyze and address potential deficiencies in the current backfill system and make the necessary changes to meet the higher production rates anticipated in the Technical Report. Specifically, the committee should investigate the installation of secondary and tertiary backfill ranges for continuous distribution to mitigate risk to the system. With respect to the excavation of the three orepasses illustrated in Figure 16.5 of Section 16.3.2 of the Technical Report, the type of ground might not be suitable for the blasting of three orepasses in such close proximity to one another. The concern is that they might join due to spalling and become one big orepass. Blasting of the raise that feeds the crusher should be the last to be completed to understand and react to the local conditions and what type of ground support it will require. Shotcrete, cables, long rock bolts, or even a combination may be necessary. It is possible that raise boring might be preferable to conventional blasting to reduce blasting stresses in the rock mass. Since a large tonnage is expected to pass through these orepasses during the life of mine, the appropriate measures need to be taken to protect them.

Dewatering the mine from a sequence of planned drain holes above the future workings and from wells drilled beneath the deepest parts of the mine should be considered from an engineering and geological perspective. Infiltration from surface into the upper levels, including from drainage tunnel on 650L (Caliche Tunnel), should be captured on the upper levels and diverted to the nearest pump station before it has to be pumped from a lower elevation. The mine should create a special committee with independent hydrologists and structural geologists to focus on understanding water inflow in the mine and implement a plan to reduce and control groundwater.

A two-phase work program to commence this hydrological project has been recommended and is expected to cost approximately US$180,000 with contingencies.

Mercator recommendations

The following recommendations reflect results of the current El Mochito mineral resource estimate, associated technical reviews and site visit programs carried out by Mercator:

- Near-mine mineral resource expansion opportunities should continue to be systematically developed through underground core drilling to establish drilling intercepts at short step outs from the existing mineral resource solid limits. Priority should initially be focused on manto extensions because of their larger surface areas and then progress to chimney definition where positive indications are present. The northern extent of the Imperial-Barbasco-Esperanza trend, the eastern limits of the SalvaVida and Porvenir trends and along the southeast limits of the Victoria trend are high priority areas.

- Evaluation of non-mine area surface drilling target opportunities along all of the major mineralized structural corridors should be carried out.

- A planning program should be undertaken to assess optimum underground drilling station locations for future drill testing of the major mineralized trends, with priority given to those mentioned above. This should include assessment of old workings areas above the Mochito Shale that could be refurbished to provide favorable drilling equipment positioning.

- Funds should be budgeted on a yearly basis to cover drifting and cross cutting required to establish access to the optimum underground core drilling setups.

- The current QA/QC protocol for drill core should be reviewed and possibly amended to include periodic, systematic check sample pulp split analyses carried out at a fully accredited independent laboratory to monitor primary laboratory results.

- The current density determination protocol should be reviewed to assess potential for streamlining. Study of exceptionally high and low density values generated on-site for core samples should also be completed.

- An assessment of the current use of calcite fluorescence and garnet mapping data should be completed to ensure that maximum benefit is being realized from these potentially important mineralized zone vectors. A study assessing routine application of pyroxene chemistry as a mineralized system vector is also advisable, with results of all of these to be fully integrated in future exploration planning strategies.

- Results of the currently on-going surface exploration and old mine workings compilation programs should be incorporated with 3D structural modeling of the El Mochito district to better define new regional and mine scale exploration opportunities.

- Detailed assessments of all significant known mineralized surface prospects should be carried out to clearly establish their potential and exploration significance.

- Downhole surveying data are currently subject to magnetic field interference that can result in erroneous azimuth data being recorded in areas of high magnetite or pyrrhotite content. This results in hole trace inaccuracies and difficulties in interpretation of drilling results,

particularly for long exploration holes. To counter this problem, consideration should be given to use of a multi-shot, gyroscopic system not affected by magnetic susceptibility variations.

P&E recommendations

The following are aspects representing opportunities for improvement in the process plant debottling and tailings management to achieve a processing capacity of 2,800 tpd:

- for the installation of mineral washing capacity in the crushing circuit, the installation of head pulley belt spray washing and recycling of wash water could be considered;
- oversize rocks could be rejected by a grizzly at the first conveyor discharge for mechanical rock breaking, which would replace to manual rock breaking method;
- while the replacement of existing, poor performing flotation cells with modern equipment is warranted, a larger number of new, smaller cells in rougher circuits could provide more operational flexibility and reduce the potential for slurry short circuiting;
- at least one slurry conditioner could be considered for the lead circuit;
- the re-introduction of a magnetite recovery circuit could benefit from significant laboratory testwork to identify the optimum location in the flotation circuit for installation of magnetic separators;
- the tailings line sanding out phenomenon could be addressed with the installation of a dedicated genset which could remedy the result of frequent power interruptions;
- the tailings storage capacity of the El Soledad facility could be increased by the implementation of thickened tailings disposal. Thickening would be performed at the edge of the facility; and
- Consideration of recycling clarified tailings water to the process plant is an excellent consideration and will significantly reduce fresh water demand. Extensive testing will be required to ensure recycled water does not negatively impact flotation performance. The very large volumes of mine water currently discharged to the environment could be considered an alternative source of water for the new crusher plant washing circuit and for the process plant.

RISK FACTORS

As a resource, exploration and evaluation company, the Corporation is engaged in a highly speculative business that involves a high degree of risk and is frequently unsuccessful. Additionally, the Corporation actively seeks out strategic opportunities for accretive acquisitions or business combinations in the mineral sector in respect of which there can be no guarantee of successful completion. In addition to the information disclosed elsewhere in this AIF, readers should carefully consider the risks and uncertainties described below before deciding whether to invest in the Corporation's securities. These risk factors do not necessarily comprise all of the risks to which the Corporation is or will be subject.

Dependence on El Mochito Mine for the Corporation's Operating Revenue and Cash Flow

Substantially all of the Corporation's operations are carried out through, and substantially all of the Corporation's operating revenue and cash flow are generated by, AMPAC a Honduran corporation. Accordingly, the Corporation is dependent on the cash flows from AMPAC to meet its obligations. Historic and current performance of the AMPAC business may not be indicative of success in future periods, and there is no assurance as to future performance of AMPAC. The future performance of the AMPAC business and the ability of AMPAC to provide the Corporation with payments may be constrained by factors such as, among others: the operation of the Offtake Agreements; economic downturns; technological and regulatory changes; the cash flows generated by operations, investment activities and financing activities; and the level of taxation, particularly corporate profits and withholding taxes. If the Corporation is unable to receive sufficient cash from AMPAC, the Corporation may be required to incur indebtedness, raise funds in a public or private equity or debt offering, or sell some or all of its assets. There can be no assurance that any such financing will be available on satisfactory terms or that it will be sufficient.

The Corporation may be subject to limitations on the repatriation of earnings in Honduras. In particular, there may be significant withholding taxes applicable to the repatriation of funds from Honduras to Canada. There can be no assurance that changes in regulations, including tax treaties, in and among the relevant countries where the Corporation does business will not take place, and if such changes occur, they may adversely impact the Corporation's ability to receive sufficient cash payments from its subsidiaries.

Dependence on Nyrstar

Substantially all of the Corporation's revenue is derived from sales of its concentrate products pursuant to the Offtake Agreements with Nyrstar outlined under "*Description of the Business – Products, Principal Markets and Economic Dependence*". Bulk sales of concentrate pursuant to the Offtake Agreements are highly periodic. The infrequency with which the Corporation generates revenue resulting from these periodic bulk sales poses challenges to ongoing working capital management and cash flow.

The dependence on a single counterparty for offtake revenue that is periodic and infrequent raises the risk that a failure or material delay by the counterparties to the Offtake Agreements to perform their obligations thereunder, or breach of these contracts or arrangements by such counterparties, could have a material adverse effect on the Corporation's business, operating results and financial position and its ability to realize the benefits of the El Mochito Acquisition.

Liquidity and Additional Funding Requirements

The Corporation's cash flow or funds in reserve may not be sufficient to fund its ongoing activities at all times or ensure positive cash flows from time to time and it may require additional financing in order to carry out its activities. There is risk that if the economy, capital markets or banking industry experience unexpected and/or prolonged deterioration, the Corporation's access to additional financing may be affected. Due to uncertainty in the credit markets, the Corporation may from time to time have restricted access to capital and increased borrowing costs. To the extent that external

sources of capital become limited, unavailable, or available only on onerous terms, the Corporation's ability to make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be affected materially and adversely as a result.

Access to Capital and Indebtedness

To fund growth, and in difficult economic times, to ensure continued operations, the Corporation may need to secure necessary capital through loans or other forms of permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in the Corporation and the Corporation's projects. Financing may not be available when needed or, if available, may not be available on terms acceptable to the Corporation. Failure to obtain financing necessary for the Corporation's capital expenditure plans may result in a delay or indefinite postponement of exploration, development or production on any or all of the Corporation's properties.

The Corporation's ability to make scheduled payments on, repay in full or refinance the Corporations debt obligations, depends on the Corporation's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond the Corporation's control, most importantly, metal prices. The Corporation may be unable to maintain a level of cash flows from operating activities sufficient to permit the payment of the principal, premium, if any and interest on the Corporation's indebtedness.

Mining and Processing

Mining operations involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the development and production of zinc, lead, silver and other base or precious metals, including but not limited to:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- failure of processing and mechanical equipment and other performance problems;
- labour force disruptions;
- unavailability of materials and equipment;
- interruption of power supply;
- unanticipated transportation costs;
- changes in the regulatory environment;
- climate change, including changes to weather patterns, increased frequency of extreme weather events, temperatures and water availability;
- unusual and unexpected geologic formations, water conditions, surface or underground conditions and seismic activity;

- diseases perceived as a serious threat to maintaining a skilled workforce;
- cybersecurity breaches, hacking and cyberterrorism;
- unanticipated changes in metallurgical and other processing problems; and
- rock bursts, cave-ins, structural failures, flooding and fire.

Any of these can materially and adversely affect, among other things, the development of properties, production quantities and rates, costs, capital expenditures and production commencement dates. Such risks could also result in: damage to, or destruction of, mines and other producing facilities; damage to property; loss of key employees; loss or compromise of data, financial and other digital records and information; environmental damage; delays in mining, monetary losses and possible legal liability. Although adequate precautions to minimize risk are being taken, mineral-process operations are subject to hazards such as fire, equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses will be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Corporation will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; the presence of deleterious elements, metal prices that are highly cyclical, costs of construction and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital.

Additionally, though the Corporation takes steps to ensure safety of personnel, the risks and hazards of AMPAC's operations can also result in personal injury or death to personnel.

AMPAC's processing facilities are dependent on continuous mine feed to remain in operation. Should the El Mochito Mine not maintain material stockpiles of ore or material in process, any significant disruption in either mine feed or processing throughput, whether due to equipment failures, adverse weather conditions, power supply interruptions, export or import restrictions, labour force disruptions or other causes, may have an immediate adverse effect on the results from the operations of the Corporation. A significant reduction in mine feed or processing throughput could cause the unit cost of production to increase to a point where the Corporation may determine that it is no longer economical to exploit some or all of its mineral reserves.

Although AMPAC utilizes the operating history of its existing mine complex to derive estimates of future operating costs and capital requirements, such estimates may differ materially from actual operating results at new deposits or expansion of existing deposits. The economic feasibility analysis with respect to any individual project is based upon, among other things: the interpretation of geological data obtained from drill holes and other sampling techniques; internal feasibility analysis

(which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed); base and precious metals price assumptions; the configuration of the ore body; expected recovery rates of metals from the ore; comparable facility and equipment costs; anticipated climatic conditions; and estimates of labour, productivity, royalty, tax rates, or other ownership burdens and other factors.

Failure to achieve production, cost or life-of-mine estimates could have an adverse impact on the Corporation's future cash flows, profitability, results of operations and financial condition. Our actual production, costs and the productive life of a mine may vary from estimates for a variety of reasons, including actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics, short-term operating factors relating to the mineral reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades, revisions to mine plans, risks and hazards relating to mining and availability of and cost of labour and materials.

The Corporation expects to periodically review mining schedules, production levels and asset lives in its life-of-mine planning. Significant changes in the life-of-mine plans can occur as a result of mining experience, new ore discoveries, changes in mining methods and rates, process changes, investment in new equipment and technology, base and precious metals price assumptions, and other factors.

As a result of the foregoing risks, expenditures on all projects, actual production quantities and rates, and cash costs may be materially and adversely affected and may differ materially from anticipated expenditures, production quantities and rates, and costs. In addition, estimated production dates may be delayed materially, especially to the extent that development projects are involved. Any such events can materially and adversely affect the Corporation's business, financial condition, results of operations and cash flows.

Market Conditions

In the last decade, market events and conditions, including the disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, have caused significant volatility in commodity prices. These conditions also caused a loss of confidence in the broader US and global credit and financial markets and resulted in the collapse of, and government intervention in, major banks, financial institutions and insurers and created a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. More recently, there has been mounting government debt in many western nations, significant volatility and depression in the price of oil and numerous environmental disasters globally. These events are illustrative of the effect that events beyond the Corporation's control may have on commodity prices, demand for metals such as zinc, lead and silver, availability of credit, investor confidence and general financial market liquidity, all of which may affect the Corporation's business. Any or all of these economic factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, resulting in impairment losses. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

The Corporation is also exposed to liquidity and various counterparty risks including, but not limited to, through: (i) financial institutions that hold the Corporation's or AMPAC's cash; (ii) companies that have payables to AMPAC or the Corporation; (iii) the Corporation's or AMPAC's insurance providers; (iv) future lenders to the Corporation or AMPAC; and (v) companies that have received deposits from AMPAC for the future delivery of equipment. AMPAC is also exposed to liquidity risks in meeting its capital expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable.

Speculative Nature of Mining Operations

Mining operations involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate or adequately mitigate. Major expenditures are required to develop metallurgical processes and to construct and maintain mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, land tenure, land use, allowable production, importing and exporting of minerals and environmental protection. The precise effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital. There is no assurance that any particular existing or future mineral deposit will be brought into commercial production or will continue in commercial production. Most of the factors described above are beyond the Corporation's control.

Mineral Resources and Mineral Reserves

There is a degree of uncertainty to the calculation of mineral reserves and mineral resources and corresponding grades being mined or dedicated to future production. Until mineral reserves or mineral resources are actually mined and processed, the quantity of mineral resources and mineral reserves must be considered as estimates only. In addition, the quantity of mineral reserves and mineral resources may vary depending on, among other things, prevailing metal prices. Any material change in the quantity of mineral reserves, mineral resources, grade or stripping ratio may affect the economic viability of the El Mochito Mine. In addition, there can be no assurance that zinc, lead or silver recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Fluctuation in zinc, lead, silver and other base and precious metals prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. The volume and grade of mineral reserves mined and processed and recovery rates may not be the same as currently anticipated. In particular, no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated levels of zinc, lead or silver recovery will be realized. Any material reductions in estimates of mineral reserves and mineral resources or estimates of AMPAC's ability to extract these mineral reserves could have a material adverse effect on the Corporation's results of operations and financial condition.

Potential Undisclosed Liabilities and Limitations on Indemnification

There may be liabilities of AMPAC or its subsidiaries that the Corporation failed to discover or was unable to accurately assess or quantify in its due diligence of the El Mochito Acquisition, including financial, tax or environmental liabilities. Certain undisclosed liabilities could have a material adverse effect on the Corporation's business, operating results and financial position and its ability to successfully realize the benefits of the El Mochito Acquisition.

The Corporation paid the Acquisition Purchase Price to Nyrstar in full on closing and did not hold back any amount as a contingency for undisclosed liabilities. Further, the Corporation is not indemnified by Nyrstar under the El Mochito Purchase Agreement in connection with any undisclosed liabilities, though other rights and remedies are available to the Corporation under the El Mochito Purchase Agreement at law or in equity pursuant to the representations and warranties given by Nyrstar. Nyrstar did not provide any representations and warranties with respect to environmental matters under the El Mochito Purchase Agreement. Having estimated the future cost of all environmental claims affecting AMPAC disclosed to the Corporation if known to Nyrstar on a consolidated basis prior to closing, the Corporation agreed to accept, subject to certain limited exceptions, all liability associated with any and all environmental claims (whether existing before the closing or arising thereafter) affecting AMPAC. See "*General Development of the Business – Three Year History – 2016 – The El Mochito Acquisition*".

The El Mochito Purchase Agreement does provide for indemnification of the Corporation by Nyrstar in respect of certain disclosed potential liabilities, however it limits available indemnification to a total of $2,000,000 in respect of certain disclosed potential litigation liabilities and a total of $1,000,000 in respect of certain disclosed potential tax liabilities. These matters were disclosed in each case by Nyrstar to the Corporation prior to the execution of the El Mochito Purchase Agreement. The total aggregate limitation on indemnification in favour of the Corporation is therefore $3,000,000.

Dependence on, and Risks Related to the Loss of, Key Personnel and Skilled Workers

The mining industry is intensely competitive in all of its phases and the Corporation competes with many companies that possess greater financial and technical resources. Competition in the metals and mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine metals, but conduct refining and marketing operations on a global basis. Such competition may result in the Corporation being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining and metals industry could materially and adversely affect the Corporation's prospects for mineral exploration and success in the future.

The loss of any key members of the management team or other key personnel and skilled workers in Honduras may impair the Corporation's ability to successfully operate the El Mochito Mine, implement its plans to further develop the El Mochito Mine and manage its growth effectively. The Corporation's success depends, in part, on the continued contributions of its senior management and other key personnel both in Canada and Honduras, many of whom are well experienced in the mineral exploration, development and production industry and have in depth knowledge of various aspects of the operation and development of a producing zinc-lead-silver mine.

Competition for qualified personnel is intense and the Corporation may not be able to retain its key personnel or to attract or retain other highly qualified personnel in the future. The Corporation currently does not have key man insurance or similar life insurance covering any specific personnel.

Operations in Emerging Foreign Jurisdiction

Substantially all of the Corporation's operations are located in Honduras. Like many emerging markets, Honduras is a developing country that at times may face challenges in terms of natural resource development governance, physical and institutional infrastructure, governmental and regulatory bureaucracy and delays associated therewith. Additionally, the Corporation's AMPAC operations may at various times be exposed to political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to:

- renegotiation, nullification, termination or rescission of existing concessions, licenses, permits and contracts;
- expropriation and/or nationalization;
- repatriation restrictions;
- changing political conditions;
- currency exchange rate fluctuations;
- high rates of inflation;
- war and civil unrest;
- military repression;
- hostage-taking;
- taxation policies;
- labour unrest;
- changing government policies and legislation;
- import and export regulations;
- restrictions on foreign exchange;
- currency controls;
- environmental legislation;
- infrastructure development policy; and
- certain non-governmental organizations that oppose globalization and resource development.

Changes, if any, in mining or investment policies or shifts in political attitude in Honduras may adversely affect the Corporation's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims by locals, water use, infrastructure and mine

safety. Additionally, there may be restrictions that interfere with the ability of AMPAC to make distributions to the Corporation. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Corporation's operations and profitability.

There can be no assurance that companies and/or industries which are deemed of national or strategic importance in Honduras, including mineral exploration, production and development, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, may be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Corporation. There can be no assurance that AMPAC's assets in Honduras will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from operations in Honduras, the Corporation may be subject to the exclusive jurisdiction of foreign courts. The Corporation may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality due to the doctrine of sovereign immunity.

The Corporation has taken certain steps to mitigate certain of the foregoing risks, including but not limited to: implementing appropriate internal financial control policies, retaining qualified local experts to advise on matters such as title to the El Mochito Mine, licenses and permits, environmental regulation and related matters, hiring personnel with appropriate specialized knowledge, skill and experience, maintaining positive government relations, maintaining positive labour relations, and maintaining appropriate insurance policies. Certain of these risk-mitigation measures are detailed under the heading "*Description of the Business*".

However notwithstanding the Corporation's efforts to mitigate risks associated with operations in a developing jurisdiction, most of the foregoing risks and uncertainties are beyond the Corporation's control and the occurrence of any of them could adversely affect the operations of AMPAC and the Corporation's future cash flow, results of operations and financial condition.

Licenses, Permits and Governmental Regulation

AMPAC's properties are subject to various laws governing prospecting, mining, development, production, export, taxes, labour standards and occupational health, mine safety, waste disposal, toxic substances, land use, water use, protection and remediation of the environment, reclamation, land claims of local people and other matters. Although the Corporation believes that activities on the properties are currently carried out in accordance with all applicable rules and regulations of Honduras, approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable government agencies and officials. 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 production or development.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed. Such orders may include corrective measures requiring capital expenditures,

installation of additional equipment, or remedial actions. See "*Description of the Business – Government Regulation*".

Parties engaged in mining operations or the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on AMPAC and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

The Corporation expects to generate cash flow and profits at the AMPAC level and may need to repatriate funds from that subsidiary to service the Corporation's indebtedness or fulfil its business plans. The Corporation may not be able to repatriate funds, or the Corporation may incur tax payments or other costs when doing so, as a result of a change in applicable law or tax requirements at the AMPAC level, which costs could be material.

Labour and Employment Matters

Relations with employees and key skilled personnel in Honduras could be impacted by changes in the scheme of labour relations that may be introduced by relevant governmental authorities. Adverse changes in such legislation may materially adversely affect the Corporation's business, results of operations and financial condition. In addition, labour disruption or work stoppages by AMPAC's employees, most of whom are unionized, or its contractors could materially adversely affect its business and operations.

AMPAC concluded a new collective bargaining agreement with the union in April 2017 which is valid for a period of three years retroactive to September 2016. The collective bargaining agreement will expire in September 2019 and the Corporation will renegotiate a new one.

Anti-Bribery Legislation

The Corporation is subject to certain international bribery, government payment and anti-corruption laws. Several of these statutes have been adopted only within the past decade and their corresponding regulatory and enforcement regimes may continue to evolve on an ongoing basis. These laws include but are not limited to Canadian statutes such as the *Corruption of Foreign Public Officials Act* and the *Extractive Sector Transparency Measures Act*, as well as other international statutes such as the *Foreign Corrupt Practices Act* (USA) and *Dodd-Frank Wall Street Reform and Consumer Protection Act* (USA). Despite the Corporation's efforts to comply with applicable requirements, there can be no assurance that the Corporation has been or will be at all times in complete compliance with such requirements, that compliance will not be challenged nor that the costs of complying with current and future requirements will not materially or adversely affect the Corporation's future cash flow, results of operations and financial condition.

Title Matters

The Corporation obtained, as a condition of closing for the El Mochito Acquisition, a favourable legal report as to the quality of AMPAC's title to the property and assets comprising the El Mochito Mine, however should AMPAC's titles not be honoured or become unenforceable for any reason, the Corporation's business, financial condition and prospects will be materially adversely affected. While the Corporation has diligently investigated AMPAC's title to, rights over and interests in and relating to its mining assets and mineral properties, this should not be construed as a guarantee of AMPAC's title to its mining assets and/or the area covered by such mining rights.

AMPAC's mineral property interests may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. There can be no guarantee that title to some of AMPAC's properties will not be challenged or impugned. Additionally, the land upon which AMPAC holds mineral exploitation rights may not have been surveyed; therefore, the precise area and location of such interests may be subject to challenge.

Environmental Risks and Hazards

AMPAC's activities are subject to environmental regulations promulgated by the Honduran government and other agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations which would result in environmental pollution. A breach of such legislation may result in the imposition of fines, penalties or other enforcement actions that may have an adverse effect on the Corporation's business. Further, environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that compliance with current or future laws and regulations will not involve significant expenditure by the Corporation that may adversely affect the results of its operations or financial condition.

Forward-Looking Statements May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information included in this AIF, including the documents incorporated by reference in this AIF. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. See "*Cautionary Note Regarding Forward-Looking Information*".

Logistics Risks

AMPAC depends primarily on road links throughout Honduras to transport raw materials, supplies and products over long distances between the El Mochito Mine and its port facilities at San Pedro Sula. In some cases these transport services may potentially constitute a logistical constraint to AMPAC's production rates, specifically with regard to the import of bulk consumables or the export of product.

Competition

Significant and increasing competition exists for mineral production opportunities throughout the world. As a result of this competition, the Corporation may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Corporation will acquire any interest in additional operations that would yield ore reserves or result in commercial mining operations.

Increased demand for and cost of services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment. Any of these outcomes could materially increase project exploration, development or construction costs, result in project delays, or both. In addition, the Corporation may also encounter increasing competition from other mining companies in its effort to hire and retain experienced mining professionals. See "*Business of the Corporation – Competitive Conditions*".

No History of Dividends and No Dividends for Foreseeable Future

The Corporation has never paid dividends on its Common Shares. Currently, the Corporation intends to retain its future earnings, if any, to fund the development and growth of its business, and does not anticipate paying any dividends on its Common Shares in the near future. As a result, Shareholders will have to rely on capital appreciation, if any, to earn a return on investment in any Common Shares in the foreseeable future.

Common Share Price and Potential Dilution

To achieve its goals of mineral exploration, mine development and production, the Corporation may require additional future financing to cover necessary capital expenditures and working capital needs. The Corporation may undertake additional offerings of Common Shares and of securities convertible into Common Shares in the future. The increase in the number of Common Shares issued and outstanding and the possibility of sales of such shares may have a negative effect on the price of Common Shares. In addition, as a result of such additional Common Shares, the voting power of the Corporation's existing Shareholders will be diluted.

Reclamation and Mine Closure Costs

Closing a mine can have a significant impact on local communities and site remediation activities may not be supported by local stakeholders. AMPAC reviews and updates closure plans regularly with external stakeholders over the life of the mine and considering where post-mining land use for mining affected areas has potential benefits to the communities.

In addition to the immediate closure activities, including ground stabilization, infrastructure demolition and removal, top soil replacement, re-grading and re-vegetation, closed mining operations require long-term surveillance and monitoring.

Site closure plans have been developed and amounts accrued in AMPAC's financial statements to provide for mine closure obligations. Future remediation costs for inactive mines are estimated at the end of each period, including ongoing care, maintenance and monitoring costs. Changes in estimates at inactive mines are reflected in earnings in the period an estimate is revised. Actual costs realized in

satisfaction of mine closure obligations may vary materially from management's estimates. Changes in environmental laws can create uncertainty with regards to future reclamation costs and affect the requirements.

Insurance and Uninsured Risks

The Corporation's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, civil unrest and political instability, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

The Corporation will maintain insurance to protect against certain other risks in such amounts as it considers reasonable. However, its insurance will not cover all the potential risks associated with its operations. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Corporation to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Market Price of Securities

There can be no assurance that an active market for Common Shares or securities convertible into or exercisable to acquire Common Shares will be sustained. The market price of the Common Shares and securities convertible into or exercisable to acquire Common Shares could be subject to significant fluctuations due to various factors and events, including any regulatory or economic changes affecting the Corporation's operations, variations in the Corporation's operating results, developments in the Corporation's business or its competitors, or to changes in market sentiment towards the Corporation's securities. Investors should be aware that the market value of the Corporation's securities may be volatile and investors may, on disposing of any such securities, realize less than their original investment or may lose their entire investment.

The Corporation's operating results and prospects from time to time may be below the expectations of market analysts and investors. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market prices of the securities listed thereon and which may be unrelated to the Corporation's operating performance. Any of these events could result in a decline in the market price of the Common Shares and securities convertible into or exercisable to acquire Common Shares. In addition, the market price of the Common Shares and securities convertible into or exercisable to acquire Common Shares may not reflect the underlying value of the Corporation's net assets. The trading price of the Common Shares and, if applicable, securities convertible into or exercisable to acquire Common Shares and the price at which investors may realize their shares will be influenced by a large number of factors, some specific to the Corporation and its proposed

operations, and some which may affect the business sectors in which the Corporation operates. Such factors could also include the performance of the Corporation's operations, large purchases or sales of the Common Shares and other securities, liquidity or the absence of liquidity in the Common Shares and securities convertible into or exercisable to acquire Common Shares, legislative or regulatory changes relating to the business of the Corporation and general economic conditions.

Future Sales by Shareholders

If the Shareholders sell substantial amounts of the Common Shares in the public market, the market price of the Common Shares could fall. The perception among investors that these sales will occur could also produce this effect. Additional Common Shares issuable upon the exercise of outstanding options granted pursuant to the Corporation's Stock Option Plan (as defined herein), the Restricted Share Unit Plan (as defined herein) as well as compensation options, Pre-Consolidation Warrants, 2017 Warrants and additional convertible securities issued by the Corporation from time to time may also become available for sale in the public market.

Enforcement of Legal Rights and Difficulty in Enforcement of Judgments

The Corporation is a holding company and its only material subsidiary, AMPAC, as well as all of its material non-cash assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Corporation, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Corporation under Canadian securities laws.

AMPAC is incorporated in Honduras and two of the Corporation's directors reside outside of Canada and substantially all of the assets of these persons are located outside of Canada. It may not be possible for shareholders to effect service of process against AMPAC or the Corporation's director who is not resident in Canada. In the event a judgment is obtained in a Canadian court or securities commission, predicated on the civil liability provisions of Canadian securities legislation or otherwise, against one or more directors or officers for violations of Canadian securities laws, it may not be possible to enforce such judgment against that director. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims in original actions instituted in Honduras or any other relevant country different from Canada. Courts in Honduras and/or other foreign jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

Litigation Risks

From time to time the Corporation and/or AMPAC may be involved in various claims and litigation arising in the normal course of business. The outcome of these matters is uncertain and there can be no assurance that such matters will be resolved in the Corporation's favour. Nyrstar has agreed to indemnify the Corporation against any issues arising from certain ongoing litigation and tax proceedings. None of these proceedings are believed to be material to the Corporation; however due

to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal matter will not have a material adverse effect on the Corporation's future cash flow, results of operations or financial condition, nor that Nyrstar's indemnification obligations will be adequate to protect the Corporation from any corresponding losses.

Conflict of Interest

Certain of the directors of the Corporation also serve as directors and/or officers of other companies involved in the exploration and development of natural resource properties. As a result, conflicts may arise between the obligations of these individuals to the Corporation and to such other companies.

Any decision made by any of such directors and officers involving the Corporation will be made in accordance with their duties and obligations to act honestly and in good faith with a view to the best interests of the Corporation and its Shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the applicable laws.

Ongoing Regulatory Requirements

The Corporation is subject to the reporting requirements of Canadian securities laws and regulations and the listing requirements of the TSX, the OTCQX and the Frankfurt Exchange. As the Corporation grows, compliance with these laws and regulations has increased and will continue to increase the Corporation's legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on the Corporation's systems and resources.

IT System Security Risks

The Corporation may be exposed to pilferage of private and sensitive data to deliberate cyberattacks or inadvertent loss of media, such as laptops, phones, etc. in public places. Furthermore, unauthorized access to confidential information would have a negative effect on the Corporation's reputation, business, prospects, results of operations and financial condition. The systems that are in place may not be enough to guard against loss of data to the rapidly evolving cyber threats. The Corporation may be required to increasingly invest in better systems, software, and use of consultants to periodically review and adequately adapt and respond to dynamic cyber risks.

Input Price Fluctuations

The Corporation's ability to obtain a secure supply of power and water at a reasonable cost depends on many factors, including global and regional supply and demand; political and economic conditions; problems that can affect local supplies; delivery; and relevant regulatory regimes, all of which are outside the Corporation's control. There can be no assurance that the Corporation can obtain secure supplies of power and water at reasonable costs at all of its facilities and the failure to do so could have a material and adverse effect on its business, financial condition and results of operations.

Exchange Rate Fluctuations

Silver, lead and zinc are sold in United States dollars and our costs are incurred principally in United States dollars, Canadian dollars, and Honduran Lempira. The appreciation of non-U.S. dollar

currencies against the U.S. dollar can increase the cost of silver, lead and zinc production and capital expenditures in U.S. dollar terms. We also hold cash and cash equivalents that are denominated in foreign currencies that are subject to currency risk. Accounts receivable and other current and non-current assets denominated in foreign currencies relate to goods and services taxes, income taxes, value-added taxes and prepaid insurance. We are further exposed to currency risk through non-monetary assets and liabilities of entities whose taxable profit or tax loss are denominated in foreign currencies.

DIVIDENDS

The Corporation has not declared a dividend since incorporation and does not anticipate doing so in the foreseeable future. The Corporation plans to reinvest net earnings of the Corporation in the development of the Corporation's material mineral properties and future acquisition opportunities. Investors should not expect to receive a dividend on the Common Shares in the foreseeable future.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares in the capital of the Corporation. As of the date of this AIF, there were 77,092.139 Common Shares issued and outstanding and no preferred shares issued and outstanding. In addition, the Corporation has issued and outstanding:

(i) 1,100,000 Warrants to purchase 1,100,000 Common Shares;

(ii) 570,334 Common Shares reserved for issuance pursuant to Options outstanding under the Stock Option Plan;

(iii) 11,787,500 Warrants to purchase 11,787,500 Common Shares

(iv) 6,258,333 Restricted Share Units ("**RSUs**") reserved for issuance pursuant to RSUs outstanding under the RSU Plan.

Common Shares

The holders of Common Shares are entitled to notice of, and to vote at, all meetings of Shareholders and are entitled to one vote per Common Share. Holders of Common Shares are entitled to receive, if, as and when declared by the Board, such dividends as may be declared thereon by the Board from time to time, subject to the rights attached to any preferred shares. In the event of the liquidation, dissolution or winding up of the Corporation, or any other distribution of assets among its shareholders for the purpose of winding up its affairs, holders of Common Shares are entitled to share pro rata in the distribution of the property and assets of the Corporation. The Common Shares do not carry any pre-emptive rights, conversion or exchange rights, or any redemption, retraction, purchase for cancellation or surrender rights, nor do they contain any sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities, or provisions requiring a Shareholder to contribute additional capital.

Options

The Corporation has implemented a ten percent (10%) rolling stock option plan, most recently approved by Shareholders at the annual and special meeting of the Corporation held on January 29, 2017 (the "**Stock Option Plan**").

The Stock Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase Common Shares. The Stock Option Plan provides for a floating maximum limit of ten percent (10%) of the outstanding Common Shares.

The number of Common Shares reserved for issuance to any one person may not exceed five percent (5%) of the outstanding Common Shares of the Corporation. The Board determines the price per Common Share and the number of Common Shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the options, subject to the rules of the regulatory body. The exercise price per Common Share set by the Board is subject to minimum pricing restrictions set by the TSX.

Holders of Options do not have any voting or pre-emptive rights or any other rights which a holder of Common Shares has.

Restricted Share Units

The Corporation has implemented a Restricted Shares Units Plan (the "**RSU Plan**"), most recently approved by Shareholders at the annual and special meeting of the Corporation held on June 21, 2017. The RSU Plan gives an opportunity to directors, officers and/or employees to acquire a proprietary interest in the growth and development of the Corporation that will be aligned with the interest of the Corporation as a whole.

The RSU Plan provides that the Board may, from time to time, in its sole discretion, grant RSUs to directors, officers or employees of the Corporation (the "**Participants**"). The RSU Plan also provides that the Board shall, in its sole discretion, determine any and all conditions to the vesting of the RSUs granted.

The aggregate maximum number of Common Share reserved for issuance from treasury pursuant to the RSUs credited under the RSU Plan shall not exceed 7,421,459 shares.

As per the RSU Plan, the Board of the Corporation has the right, upon vesting of the RSUs to decide to make a cash payment to the Participants equal to the product of the number of RSUs vested multiplied by the fair market value applicable on the payment date, less applicable withholding taxes or, in lieu of the cash payment, issue to the Participant the number of whole shares that is equal to the number of vested RSUs (less any amount in respect of applicable withholding taxes).

Pre-Consolidation Warrants

The Pre-Consolidation Warrants were issued in certificated form in connection with the completion of the 2015 Debenture Financing and 2016 Debenture Financing. The Corporation maintains a register of holders at its registered office.

The definitive certificates representing the Pre-Consolidation Warrants (the "**Pre-Consolidation Warrant Certificates**") provide for adjustment in the number of Common Shares issuable upon the exercise of any Pre-Consolidation Warrants and the exercise price per Common Share upon the occurrence of certain events, including:

(i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Pre-Consolidation Warrants);

(ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;

(iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;

(iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the in the Pre-Consolidation Warrant Certificates, for the Common Shares on such record date; and

(v) the issuance or distribution to all or substantially all of the holders of the Common Shares of shares of any class other than the Common Shares, of rights, options or warrants to acquire Common Shares or securities exchangeable or convertible into Common Shares, of evidences of indebtedness, or of any property or other assets.

The Pre-Consolidation Warrant Certificates also provide for adjustments in the class and/or number of securities issuable upon exercise of the Pre-Consolidation Warrants and/or exercise price per security in the event of the following additional events: (a) reclassifications of the Common Shares or a capital reorganization of the Corporation (other than as described in clauses (i), (ii) or (iii) above), (b) consolidations, amalgamations, arrangements, mergers or other business combination of the Corporation with or into another entity, or (c) any sale, lease, exchange or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another entity, in which case each holder of a Pre-Consolidation Warrant which is thereafter exercised will receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Pre-Consolidation Warrants prior to the event.

Adjustments to the Pre-Consolidation Warrants were made on December 21, 2016 to give effect to the 2016 Consolidation. See "*General Development of the Business – Three Year History – 2016 Consolidation and Name Change*" and the preamble to this section "*Description of Capital Structure*".

No fractional Common Shares are issuable upon the exercise of any Pre-Consolidation Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Pre-Consolidation Warrants do not have any voting or pre-emptive rights or any other rights which a holder of Common Shares has.

2017 Warrants

The 2017 Warrants are governed by the terms of a warrant indenture (the "**Warrant Indenture**") dated March 7, 2017 between the Corporation and Computershare Trust Company of Canada (the "**Warrant Agent**"), as warrant agent. The Warrant Indenture is available on SEDAR at www.sedar.com under the Corporation's profile. A register of holders is maintained at the principal offices of the Warrant Agent in Toronto, Ontario.

The Warrant Indenture provides for adjustment in the number of Common Shares issuable upon the exercise of the 2017 Warrants and the exercise price per Common Share upon the occurrence of certain events, including:

(i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of 2017 Warrants);

(ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;

(iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;

(iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the Common Shares on such record date; and

(v) the issuance or distribution to all or substantially all of the holders of the Common Shares of shares of any class other than the Common Shares, of rights, options or warrants to acquire Common Shares or securities exchangeable or convertible into Common Shares, of evidences of indebtedness, or of any property or other assets.

The Warrant Indenture also provides for adjustments in the class and/or number of securities issuable upon exercise of the 2017 Warrants and/or exercise price per security in the event of the following additional events: (a) reclassifications of the Common Shares or a capital reorganization of the Corporation (other than as described in clauses (i), (ii) or (iii) above), (b) consolidations, amalgamations, arrangements, mergers or other business combination of the Corporation with or into another entity, or (c) any sale, lease, exchange or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another entity, in which case each holder of a 2017 Warrant which is thereafter exercised will receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the 2017 Warrants prior to the event.

The Corporation has also covenanted under the Warrant Indenture that, during the period in which the 2017 Warrants are exercisable, it will give notice to holders of 2017 Warrants of certain stated

events, including events that would result in an adjustment to the exercise price for the 2017 Warrants or the number of Common Shares issuable upon exercise of the 2017 Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such events.

No fractional Common Shares are issuable upon the exercise of any 2017 Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of 2017 Warrants do not have any voting or pre-emptive rights or any other rights which a holder of Common Shares has.

From time to time, the Corporation and the Warrant Agent, without the consent of the holders of Unit Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of 2017 Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the 2017 Warrants may only be made by "extraordinary resolution", which is defined in the Warrant Indenture as a resolution either (a) passed at a meeting of the holders of 2017 Warrants at which there are holders of 2017 Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding 2017 Warrants and passed by the affirmative vote of holders of 2017 Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding 2017 Warrants represented at the meeting and voted on the poll upon such resolution, or (b) adopted by an instrument in writing signed by the holders of not less than 66⅔% of the aggregate number of all the then outstanding 2017 Warrants.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the symbol "ASND" since July 20, 2017 and before that date, traded in the TSX-V under the same symbol. The following chart sets out the high and low trading prices, closing prices and volume of the Common Shares and Warrants traded on the TSX and TSX-V for each month of the most recently completed financial year.

Common Shares

Period	High ($)	Low ($)	Volume[1]
2018			
January	1.07	0.69	6,842,334
February	1.23	0.98	3,604,606
March	1.18	0.91	1,336,259
April	1.1	0.91	977,546
May	1.15	0.91	3,293,448
June	1.16	0.96	1,437,747
July	1	0.75	706,235
August	0.79	0.495	2,453,930
September	0.81	0.6	733,708
October	0.83	0.63	1,038,699

Period	High ($)	Low ($)	Volume[1]
November	0.72	0.52	685,489
December	0.59	0.35	878,076

Notes:

(1) Total volume traded is an average calculation of all Canadian exchanges in which the shares of the Corporation are traded.

Warrants

Period	High ($)	Low ($)	Volume[1]
2018			
January	0.4	0.25	238,267
February	0.38	0.33	97,978
March	0.36	0.31	59,250
April	0.35	0.3	53,979
May	0.35	0.25	308,167
June	0.32	0.28	461,017
July	0.28	0.25	25,714
August	0.25	0.19	214,250
September	0.18	0.12	125,805
October	0.215	0.165	32,330
November	0.15	0.085	267,386
December	0.11	0.08	143,500

Prior Sales of Unlisted Securities

There were no securities of the Corporation issued by the Corporation during the year ended December 31, 2018, which are not listed on any securities exchange.

There were no securities of the Corporation held, to the knowledge of the Corporation, in escrow, or that is subject to a contractual restriction on transfer as of March 26, 2018.

DIRECTORS AND OFFICERS

The following table sets forth, for each of the directors and executive officers of the Corporation as of the date of this AIF, the person's name, province or state and country of residence, position and office held with the Corporation, principal occupation during the last five years and, if a director, the period or periods during which the person has served as a director of the Corporation. Each of the directors of the Corporation will hold office until the close of the next meeting of shareholders at which directors are to be elected or until the director's successor is elected or appointed.

Name, Residence, and Position(s)[1][2]	Principal Occupation(s) During Last Five Years	Director or Officer Since[1][2]	Common Shares beneficially controlled, directly or indirectly[2][3]
Mark Brennan[6][7][8] Executive Chairman Director *Toronto, Canada*	Mr. Brennan was the President and Chief Executive Officer of Sierra Metals Inc. from April 2015 to March 2017. He was the President and Chief Executive Officer of Largo Resources Ltd., a public mining corporation listed on the TSXV, from March 2005 to March 2015. He is the Co-Founder of Brasoil do Brasil Exploracao Petrolifera S.A., a private oil and gas producing exploration Corporation in Brazil. In addition, he has been President of Linear Capital Corporation, a private merchant bank, since February 1998, Founder and Chairman of Castle Resources Inc. and a director of James Bay Resources Limited since November 2007.	December 2009	4,856,663 [4]
Chris Buncic[7][8] President and Chief Executive Officer Director *Toronto, Canada*	Mr. Buncic has been President & Chief Executive Officer of the Corporation since January 2013. He previously served in senior management roles at several Canadian corporations in the technology and resources sectors. His experience also includes six years in Institutional Equity Research at leading Canadian independent full-service brokerage firms Cormark Securities Inc. and Mackie Research Capital Corporation. Mr. Buncic is a CFA Charterholder, has a MBA from Schulich School of Business and B.A.Sc. from the University of Toronto. Mr. Buncic is a member of the Professional Engineers of Ontario and the CFA Society.	March 2013	1,311,667

Name, Residence, and Position(s)[1][2]	Principal Occupation(s) During Last Five Years	Director or Officer Since[1][2]	Common Shares beneficially controlled, directly or indirectly[2][3]
Kurt Menchen[6][8] Director *Candelaria, Brazil*	Mr. Menchen is the past-President of Operations, Brazil, of Largo Resources Ltd, and has over 37 years of experience operating and managing mining projects, including over 20 years as General Manager at the Jacobina Gold project in Bahia State, Brazil. His prior experience also includes Anglo American's Vaal Reefs underground gold mine in South Africa and De Beers Goldfields in Angola. Mr. Menchen holds a degree in mining engineering from the Federal University of Rio Grande do Sul, Brazil.	October 2015	240,000
Stephen Shefsky[5][7] Director *Toronto, Canada*	Mr. Shefsky is the President, Chief Executive Officer and a director of James Bay Resources Limited. Mr. Shefsky is the co-founder of Brasoil do Brasil Exploracao Petrolifera S.A., a private oil and gas producing and exploration corporation operating in Brazil since 2006. Mr. Shefsky is also the President and Chief Executive Officer of Cancap Investments Limited, a private merchant bank providing venture capital and project financing for private and public companies, since 1985. Mr. Shefsky was also a director and the Executive Chairman of Castle Resources Inc. from February 2008 and July 2011. Mr. Shefsky was the vice-chairman and director of the Corporation from December 2009 to November 2013, and was re-appointed as a director in April 2015.	April 2015	452,132

Name, Residence, and Position(s)[1][2]	Principal Occupation(s) During Last Five Years	Director or Officer Since[1][2]	Common Shares beneficially controlled, directly or indirectly[2][3]
Guillermo Kaelin[5][6][7] Director *Lima, Peru*	Mr. Kaelin is a capital markets professional with over 18 years of experience in private equity, investment banking, research and public securities. Mr. Kaelin is currently the Head of Latin America of Appian Capital Advisory LLP and focuses on originating investments, structuring transactions and selecting management teams within Latin America. Previously, Mr. Kaelin served as a Managing Director with Arias Resource Capital Management LP, a mining focused Private Equity Fund which he joined in 2008. Mr. Kaelin has an MBA from the University of Chicago, an MS in Finance from ESAN (Peru) and a BS in Industrial Engineering from the Universidad de Lima.	June 2017	25,000
Petra Decher[5][7] Director *Toronto, Canada*	Ms. Decher is a corporate director currently sitting on the Boards of Ascendant and Coro Mining Corp. and served as the Lead Independent Director of Integra Gold Corp. until its acquisition by Eldorado Gold Corporation in July 2017. Ms. Decher served as the Vice President, Finance and Assistant Secretary for Franco-Nevada Corporation from 2009 to 2016. Prior to Franco-Nevada, Ms. Decher was President and Chief Financial Officer for Geoinformatics Exploration Inc., an exploration company focused on projects in British Columbia, Nevada, Mexico and Australia. Ms. Decher is a Chartered Public Accountant.	October 2017	55,000
Robert Campbell[8] Vice President Exploration, Director *Toronto, Canada*	Mr. Campbell has been a senior geologist with RAC Geological Consultants Inc. since 1993, and was a senior geologist with LAC Minerals Limited from 1983 to 1993. With LAC Minerals Limited, Mr. Campbell held the positions of exploration geologist from 1998 to 1990 and project geologist from 1983 to 1988.	October 2011	204,593

Name, Residence, and Position(s)[1][2]	Principal Occupation(s) During Last Five Years	Director or Officer Since[1][2]	Common Shares beneficially controlled, directly or indirectly[2][3]
Rohan Hazelton Chief Financial Officer *Burlington, Canada*	Mr. Hazelton is a Chartered Professional Accountant with over 20 years of international finance experience including 15 years in the mining sector. Has was formerly Vice President, Strategy at Goldcorp Inc. (TSX:G) where he held a variety of roles including Vice President Finance, Chief Financial Officer of Mexican Operations and Corporate Controller. He holds a B.A. in Applied Mathematics and Economics from Harvard University.	November 2016	172,333
Clifford Hale-Sanders Executive Vice President *Belleville, Canada*	Mr. Hale-Sanders' career has spanned approximately 20 years in the capital markets industry working as a leading Base Metals and Bulk Commodities research analyst in Canada working at RBC Capital Markets, TD Securities, CIBC World Markets and Cormark Securities. During this period, Mr. Hale-Sanders visited and reviewed numerous mining operations and corporate entities around the world. Mr. Hale-Sanders holds a B.Sc. in Geology and Chemistry, an MBA from McMaster University and is a CFA Charter holder.	November 2016	1,643,667
Neil Ringdahl Chief Operating Officer *Limpopo, South Africa*	Mr. Ringdahl is a senior mining executive with over 23 years of international mining, development, and executive management experience. Previously, Mr. Ringdahl held the role of Chief Operating Officer at Orvana Minerals Corp., a multi-mine gold and copper producer where he oversaw operations, exploration initiatives and executive/corporate activities. He holds a bachelor's degree with Honors in mining engineering from the University of the Witwatersrand in South Africa.	March 2017	146,067

Notes:

(1) Directors stand for re-election annually. The directors of the Corporation will serve until the end of the of the next annual meeting of Shareholders of the Corporation at which directors are to be elected.

(2) Information has been furnished by the directors and executive officers individually.

(3) The information as to shares beneficially owned, directly or indirectly or over which control or direction is exercised is based upon information furnished by the Corporation by the respective directors and executive officers as at the date hereof and includes shares that have not yet been issued but have become issuable in connection with the vesting of RSUs and which may be issued at any time without any further action required or payment made.

(4) The information for Mark Brennan includes 742,663 Common Shares owned by Linear Capital Corp., a private Corporation controlled by Mr. Brennan.
(5) Denotes member of the Audit Committee.
(6) Denotes member of the Compensation and Nominating Committee.
(7) Denotes member of the Corporate Governance Committee.
(8) Denotes member of the Health, Safety, Technical and Operations Committee.

As of the date of this AIF, all directors and senior officers of the Corporation, as a group, beneficially own, or control or direct, directly or indirectly, a total of 9,107,122 Common Shares, representing approximately 12% of the total issued and outstanding Common Shares on a non-diluted basis.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No individual set forth in the above table is, as at the date hereof, or was, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any Corporation (including the Corporation) that:

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

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

No individual set forth in the above table or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, nor any personal holding Corporation of any such individual:

a) is, as of the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any Corporation (including the Corporation) that, while such individual was acting in that capacity, or within a year of such individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, 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

b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, 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 such individual; or

c) has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a

settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of and have significant shareholdings in other companies involved in natural resource exploration, development and mining operations. Consequently, there exists the possibility for such directors and officers to be in a position of conflict.

In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of the Province of Ontario, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and the Corporation's financial position at that time.

The directors and officers of the Corporation are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of the Corporation's directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act* (Ontario) and such directors and officers will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. As at the date hereof, the directors and officers of the Corporation are not aware of any such conflicts of interest.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this AIF, to the knowledge of management of the Corporation, no director, officer or insider of the Corporation or any associates or affiliates of the foregoing has or had any material interest, direct or indirect, in any transaction within the three most recently completed financial years that has materially affected or is reasonably expected to materially affect the Corporation during the financial year.

Clifford Hale-Sanders, Chris Buncic and Mark Brennan participated in the Subscription Receipt Financing subscribing for 700,000, 400,000 and 400,000 Subscription Receipts respectively (the "**Related Party Subscriptions**"). The Board approved the Subscription Receipt Financing, including the Related Party Subscriptions, at a meeting held on October 7, 2016. In respect of votes of the Board approving transactions in which Clifford Hale-Sanders, Chris Buncic and Mark Brennan participated, Chris Buncic and Mark Brennan declared their interest and abstained from voting on such measures. Mr. Hale-Sanders is an officer of the Corporation but was not in office at the time of his participation in the Subscription Receipt Financing.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings material to the Corporation to which any of the Corporation or its subsidiaries is a party or to which any of the Corporation's properties is subject, and no such proceedings are known by the Corporation to be contemplated.

There were no penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the last financial year, penalties or sanctions imposed against the Corporation by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision or settlement agreements entered into by the Corporation with a court relating to securities legislation or with a securities regulatory authority during the last financial year.

AUDIT COMMITTEE DISCLOSURE

Composition of the Audit Committee

The current members of the Audit Committee (the "**Committee**") are Petra Decher, Guillermo Kaelin and Stephen Shefsky, all being independent and all being financially literate.

"Independent" and "financially literate" have the meaning used in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

Relevant Education and Experience

Name	Relevant Education and Experience
Petra Decher	Ms. Decher is a corporate director currently sitting on the Boards of Ascendant and Coro Mining Corp. and served as the Lead Independent Director of Integra Gold Corp. until its acquisition by Eldorado Gold Corporation in July 2017. Ms. Decher served as the Vice President, Finance and Assistant Secretary for Franco-Nevada Corporation from 2009 to 2016. Prior to Franco-Nevada, Ms. Decher was President and Chief Financial Officer for Geoinformatics Exploration Inc., an exploration company focused on projects in British Columbia, Nevada, Mexico and Australia. Ms. Decher is a Chartered Public Accountant
Guillermo Kaelin	Mr. Kaelin is a capital markets professional with over 18 years of experience in private equity, investment banking, research and public securities. Mr. Kaelin is currently the Head of Latin America of Appian Capital Advisory LLP and focuses on originating investments, structuring transactions and selecting management teams within Latin America. Previously, Mr. Kaelin served as a Managing Director with Arias Resource Capital Management LP, a mining focused Private Equity Fund which he joined in 2008. Mr. Kaelin has an MBA from the University of Chicago, an MS in Finance from ESAN (Peru) and a BS in Industrial Engineering from the Universidad de Lima.
Stephen Shefsky	Mr. Shefsky is the President, Chief Executive Officer and a director of James Bay Resources Limited. Mr. Shefsky is the co-founder of Brasoil do Brasil Exploracao Petrolifera S.A., a private oil and gas producing and exploration corporation operating in Brazil since 2006. Mr. Shefsky is also the President and Chief Executive Officer of Cancap Investments Limited, a private merchant bank providing venture

Name	Relevant Education and Experience
	capital and project financing for private and public companies, since 1985. Mr. Shefsky was also a director and the Executive Chairman of Castle Resources Inc. from February 2008 and July 2011. Mr. Shefsky was the vice-chairman and director of the Corporation from December 2009 to November 2013, and was re-appointed as a director in April 2015.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed five percent (5%) of the total fees payable to the auditor in the financial year of the Corporation ended July 31 in which the non-audit services were provided. Section 8 permits a Corporation to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case by case basis.

External Auditor Service Fees (By Category)

The aggregate fees charged to the Corporation by KPMG LLP during the financial year of the Corporation ended December 31, 2018 and 2017 are as follows:

	FYE Dec 31, 2018	FYE Dec 31, 2017
Audit Fees For The Year Ended	**$202,269**	**$250,096**
Audit Related Fees	**$75,000**	**$65,000**
Tax Fees	**Nil**	**Nil**
All Other Fees	**Nil**	**Nil**
TOTAL FEES	**$295,269**	**$315,096**

The term "***Audit Fees***" means the aggregate fees billed by the Corporation's external auditor for services provided in auditing the Corporation's annual financial statements for the subject year.

The term "***Audit-Related Fees***" means the aggregate fees billed for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements for the subject year and are not reported under "Audit Fees".

The term "***Tax Fees***" means the aggregate fees billed for professional services rendered by the Corporation's external auditor for tax compliance, tax advice, and tax planning for the subject year.

The term "***All Other Fees***" means the aggregate fees billed for products and services provided by the Corporation's external auditor for the subject year, other than the services reported under the categories of "Audit-Related Fees", "Tax Fees" and "All Other Fees".

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Corporation is Computershare Investor Services Inc. 8th Floor, 100 University Ave, Toronto, Ontario M5J 2Y1.

MATERIAL CONTRACTS

The only material contracts entered into by the Corporation since the beginning of the most recently completed financial year or that are still in effect are:

- The El Mochito Purchase Agreement;
- The Offtake Agreements; and
- The Silver Purchase and Sale Agreement

For a complete description of the El Mochito Purchase Agreement, see "*General Development of the Business – Three Year History – 2016 – El Mochito Acquisition.*" See also "*Risk Factors*".

INTERESTS OF EXPERTS

KPMG LLP audited the consolidated financial statements of the Corporation and its subsidiaries (including AMPAC) which comprised the consolidated statements of financial position as at December 31, 2018 and 2017, the consolidated statements of operations and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the year ended December 31, 2018 and 2017 , and notes, comprising a summary of significant accounting policies and other explanatory information. KPMG LLP has advised that they are independent with respect to the Corporation within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

The following authors of the Technical Report, which is incorporated by reference herein, are "qualified persons" within the meaning of NI 43-101:

- Michael Cullen, P. Geo,
- Eric Vinet, P. Eng and
- D. Grant Feasby, P. Eng

Additionally, Robert A. Campbell, Vice President Exploration has reviewed and approved the contents of this AIF. Mr. Campbell is a "qualified person" within the meaning if NI 43-101.

To the knowledge of the Corporation, other than as set out herein, none of the persons named above has any beneficial interest, direct or indirect, in the securities of the Corporation or any of its subsidiaries or in the assets of the Corporation or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Corporation's management information circular dated May 11, 2018 in respect of the annual meeting of Shareholders of the Corporation held on June 19, 2018, which was mailed to shareholders and filed on SEDAR. Additional financial information is available in the audited consolidated financial statements of the Corporation, together with the auditor's report thereon for the Corporation's most recently completed financial year of the Corporation ended December 31, 2018 and the Corporation's management's discussion and analysis in relation thereto, which are available on SEDAR.

SCHEDULE "A"
AUDIT COMMITTEE MANDATE

Mandate

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Corporation's financial reporting and internal control systems and review the Corporation's financial statements;
- review and appraise the performance of the Corporation's external auditors; and
- provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors.

Composition

The Audit Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would reasonably interfere with the exercise of his or her independent judgment as a member of the Audit Committee. At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements. The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting.

Meetings

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee shall:

<u>Documents/Reports Review</u>

(a) Review and update this Charter annually.

(b) Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

(c) Confirm that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements.

External Auditors

(a) Recommend to the Board a firm of external auditors to be engaged by Ascendant in conjunction with Management.

(b) Ensure the external auditors report directly to the Committee on a regular basis.

(c) Review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards.

(d) Review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors.

(e) Review the audit plan of the external auditors prior to the commencement of the audit.

(f) Establish and maintain a direct line of communication with Ascendant's external and internal auditors.

(g) Meet in camera with only the auditors, with only management, and with only the members of the Committee.

(h) Review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditor's team.

(i) Oversee the work of the external auditors appointed by the shareholders of Ascendant with respect to preparing and issuing an audit report or performing other audit, review or attest services for Ascendant, including the resolution of issues between management of Ascendant and the external auditors regarding financial disclosure.

(j) Review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Ascendant, and the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences.

(k) Discuss with the external auditors their perception of Ascendant's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review, and availability of records, data and other requested information and any recommendations with respect thereto.

(l) Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.

(m) Review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

Financial Reporting Processes

(a) Review and recommend to the Board for approval prior to public disclosure, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, guidance with respect to earnings per share, and any public release of financial information through press release or otherwise, with such documents to indicate whether such information has been reviewed by the Board or the Committee;

(b) Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectus, annual information form, annual report to shareholders, management proxy circular, material change disclosure of a financial nature, and similar disclosure documents;

(c) Review with management of Ascendant and with external auditors significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("**IFRS**"), all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Ascendant's financial position and the results of its operations in accordance with IFRS, as applicable.

(d) Annually review Ascendant's Corporate Disclosure Policy and recommend any proposed changes to the Board for consideration.

(e) Review and recommend to the Board for approval, educational programs and/or educational resources to be provided to members of the Committee.

(f) Review the minutes from each meeting of the Disclosure Committee, established pursuant to Ascendant's Corporate Disclosure Policy, since the last meeting of the Committee.

Internal Controls and Audit

(a) Review and assess the adequacy and effectiveness of Ascendant's system of internal control and management information systems through discussions with management and the external auditor to ensure that Ascendant maintains: (i) the necessary books, records and accounts in sufficient

detail to accurately and fairly reflect Ascendant's transactions; (ii) effective internal control systems; and (iii) adequate processes for assessing the risk of material misstatement of the financial statements and for detecting control weaknesses or fraud. From time to time the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of Ascendant at any particular time.

(b) Satisfy itself that management has established adequate procedures for the review of Ascendant's disclosure of financial information extracted or derived from Ascendant's financial statements.

(c) Satisfy itself that management has periodically assessed the adequacy of internal controls, systems and procedures in order to ensure compliance with regulatory requirements and recommendations.

(d) Review and discuss Ascendant's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.

(e) Review and assess, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of Ascendant's risk management policies and procedures with regard to identification of Ascendant's principal risks and implementation of appropriate systems to manage such risks, including an assessment of the adequacy of insurance coverage maintained by Ascendant.

(f) Review and assess annually, and in the Committee's discretion make recommendations to the Board regarding, Ascendant's investment policy.

(g) Review and discuss with the Chief Executive Officer and the Chief Financial Officer, or those officers who perform the duties similar to a Chief Executive Officer or Chief Financial Officer, the steps taken to complete the required certifications of the annual and interim filings with applicable securities commissions.

Other

Review any related-party transactions.

SCHEDULE "B"

GLOSSARY OF MINING TERMS

Mineral Reserves	That part of a measured or indicated mineral resource which could be economically mined, demonstrated by at least a preliminary feasibility study that includes adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined. Mineral reserves are those parts of mineral resources which, after the application of all mining factors, result in an estimated tonnage and grade which, in the opinion of the qualified person (s) making the estimates, is the basis of an economically viable project after taking account of all relevant processing, metallurgical, economic, marketing, legal, environment, socio-economic and government factors. Mineral reserves are inclusive of diluting material that will be mined in conjunction with the mineral reserves and delivered to the treatment plant or equivalent facility. The term "mineral reserve" not necessarily signify that extraction facilities are in place or operative or that all governmental approvals have been received. It does signify that there are reasonable expectations of such approvals. Mineral reserves are subdivided into proven mineral reserves and probable mineral reserves.
Proven Mineral Reserves	That part of a measured mineral resource that is the economically mineable demonstrated by at least a preliminary feasibility study that includes adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
Probable Mineral Reserves	That part of an indicated and in some circumstances a measured mineral resource that is economically mineable demonstrated by at least a preliminary feasibility study that includes adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
Mineral Resources	A concentration of occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.
Measured Mineral Resource	That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, working and drill holes that are spaced closely enough to confirm both geological and grade continuity.
Indicated Mineral Resource	The part of the minerals resource for which quantity, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters and to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate

	techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
Inferred Mineral Resource	That part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.