

Extractive Sector Transparency Measures Act - Annual Report



Reporting Entity Name	Trevali Mining Corporation					
Reporting Year	From	2019-01-01	To:	2019-12-31	Date submitted	2020-05-20

Reporting Entity ESTMA Identification Number	E958363	<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report
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Other Subsidiaries Included
(optional field)

Trevali Mining (Maritimes) Ltd
 Trevali Peru SAC
 Rosh Pinah Zinc Corporation
 Nantou Mining Burkina Faso SA
 Nantou Exploration SA

For Consolidated Reports - Subsidiary Reporting Entities Included in Report:

E671296 Trevali Mining (New Brunswick) Ltd

Not Substituted

Attestation by Reporting Entity

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full Name of Director or Officer of Reporting Entity	Matthew Quinlan	Date	2020-05-20
Position Title	Chief Financial Officer (Interim)		

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Subsidiary Reporting Entities (if necessary)	E671296 Trevali Mining (New Brunswick) Ltd		

Payments by Payee¹

Country	Payee Name	Departments, Agency, etc... within Payee that Received Payments ²	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes
Burkina Faso	Gouvernement du Burkina Faso	Ministère des Mines et des Carrières	2,510,000	4,900,000	8,550	-	-	-	-	7,418,550	Mining royalties, annual area taxes and community development fee.
Burkina Faso	Gouvernement du Burkina Faso	Ministère des Finances - Direction Générale des Douanes	-	-	1,700,000	-	-	-	-	1,700,000	Import duties paid for the importation of goods used for mining. ESTMA does not require disclosure of consumption taxes, but Trevali has opted to classify and disclose these payments as Fees as they can be interpreted as such.
Namibia	Government of Namibia	Ministry of Finance	5,840,000	-	900,000	-	-	-	-	6,740,000	Corporate income tax and export levies.
Namibia	Government of Namibia	Ministry of Mines and Energy	-	2,530,000	-	-	-	-	-	2,530,000	Mining royalties.
Namibia	Government of Namibia	Namibia Training Authority	-	-	150,000	-	-	-	-	150,000	Vocational educational and training levies.
Namibia	Government of Namibia	Social Security Commission	-	-	30,000	-	-	-	-	30,000	Employer social security contributions.
Canada	Government of New Brunswick	Worksafe NB	-	-	290,000	-	-	-	-	290,000	Unemployment insurance contributions.
Canada	Government of New Brunswick	Department of Finance, Revenue and Taxation	1,100,000	-	-	-	-	-	-	1,100,000	New Brunswick mining taxes and property taxes.
Canada	Government of New Brunswick	Department of Energy and Resource Development	-	-	10,000	-	-	-	-	10,000	Annual land and mining lease payments.
Canada	Government of New Brunswick	Department of Environment & Local Government	-	-	50,000	-	-	-	-	50,000	Annual water permitting fees.
Peru	Government of Peru	Organismo de Evaluación y Fiscalización Ambiental (OEFA)	-	90,000	-	-	-	-	-	90,000	Mining royalties.
Peru	Government of Peru	Organismo Supervisor de la Inversión en Energía y Minería (OSINERGMIN)	-	110,000	50,000	-	-	-	-	160,000	Mining royalties.
Peru	Government of Peru	Superintendencia Nacional de Aduanas y de Administración Tributaria (SUNAT)	510,000	750,000	-	-	-	-	-	1,260,000	Corporate income tax instalments and mining royalties.
Peru	Government of Peru	Instituto Geológico Minero y Metalúrgico (INGEMMET)	-	-	10,000	-	-	-	-	10,000	Annual mining rights fees.
Peru	Government of Peru	Superintendencia de Mercado de Valores (SMV)	-	-	30,000	-	-	-	-	30,000	Regulatory fees.
Peru	Comunidad Campesina Santa Cruz De Andamarca		-	-	450,000	-	-	-	-	450,000	Land rights and community development fees.

Additional Notes:
¹ The 'Basis of ESTMA report preparation' section is an integral part of this report.
² Optional field.

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Subsidiary Reporting Entities (if necessary)	E671296 Trevali Mining (New Brunswick) Ltd			

Payments by Project¹

Country	Project Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes
Burkina Faso	Perkoa Mine	2,510,000	4,900,000	260,000	-	-	-	-	7,670,000	
Namibia	Rosh Pinah Mine	5,840,000	2,530,000	1,080,000	-	-	-	-	9,450,000	
Canada	Caribou Mine	1,100,000	-	310,000	-	-	-	-	1,410,000	
Canada	Restigouche	-	-	30,000	-	-	-	-	30,000	
Canada	Halfmile-Stratmat	50,000	-	50,000	-	-	-	-	100,000	
Peru	Santander Mine	510,000	940,000	550,000	-	-	-	-	2,000,000	

Additional Notes: 1 The 'Basis of ESTMA report preparation' section is an integral part of this report.

BASIS OF ESTMA REPORT PREPARATION

INTRODUCTION

This report was prepared in accordance with the Extractive Sector Transparency Measures Act (“ESTMA” or the “Act”) issued by the Government of Canada. The information in this report was prepared by Trevali Mining Corporation (the “Company” or “Trevali”) for the sole purpose of complying with Trevali’s obligations under ESTMA. The information contained in this report is provided solely for the benefit of Natural Resources Canada (“NRCan”) and in connection with Trevali’s obligations under the ESTMA. This report may not be used or relied upon by any other person or for any other purpose without Trevali’s express prior written consent.

BASIS OF PREPARATION

This report has been prepared in accordance with the requirements of the Act and the NRCan Technical Reporting Specifications. The following is a summary of definitions and judgments that we have made for the purpose of preparing the report.

REPORTING CURRENCY

Reportable payments have been disclosed in United States (“US”) dollars. This is consistent with Trevali’s functional currency for consolidated accounting and reporting purposes. Payments denominated in currencies other than US dollars were translated converted into US dollars using the following exchange rate on December 31, 2019 as permitted under ESTMA.

Currency	Per US\$
Canadian dollar (CAD)	1.2988
Namibian dollar (NAD)	14.0399
Peruvian sol (PEN)	3.2575
West African franc (XOF)	584.8145

PAYEES

For the purposes of the Act, a payee is:

- a) Any government in Canada or in a foreign state
- b) a body that is established by two or more governments
- c) any trust, board, commission, corporation or body or authority that is established to exercise or perform, or that exercises or performs, a power, duty or function of government for a government referred to in paragraph (a) or a body referred to in paragraph (b).

Payees include governments at any level, including national, regional, state, provincial, local, or municipal levels. Payees may include non-governmental entities if the benefit bestowed would have otherwise been provided by the government. Payees also include any government-owned or government-controlled entities that exercise or perform a power, duty or function of government. Aboriginal and indigenous groups and organizations may also be regarded as a payee under the Act.

The individual department, agency or other body of the payee that received the payment has been disclosed in the notes section of the Report.

REPORTABLE PAYMENTS

Payments are reported on a net cash basis and have been reported in the period in which the payment was made. Payments to the “same payee”, whether made as a single payment or a series of payments, that meet or exceed US\$76,994 (C\$100,000) in one category of payment are disclosed. Payments are rounded to the nearest \$10,000 but rounding was not to be used for determining reportable payments.

Trevali did not make any reportable in-kind payments during the year ended December 31, 2019.

Taxes This category consists of taxes paid to governments based on income, profit or production in relation to the commercial development of minerals. The following are not included in total payments to governments:

- Consumption tax, such as value-added tax, excise tax and custom tax
- Personal income tax
- Withholding taxes paid to third parties for goods or services
- Taxes which were offset by credits
- Other taxes that do not relate to the commercial development of minerals, such as payroll tax, stamp tax and personal asset tax.

Royalties This category consists of royalties paid to governments relating to the commercial development of minerals.

Fees This category consists of fees paid to governments relating to the commercial development of minerals, such as permit and license fees. This does not include amounts paid in the ordinary course of commercial transactions in exchange for services provided by governments, such as utilities paid at market rates.

Production entitlements This category includes payments made to governments relating to a share of production under production sharing agreements. There were no production entitlements payments made to governments for the year ended December 31, 2019.

Bonuses This category includes signing, discovery, production and any other type of bonuses paid to governments. There were no bonus payments made to governments for the year ended December 31, 2019.

Dividends This category consists of dividends paid to governments on shares given in lieu of a bonus, production entitlements, royalties or other fees. This does not include dividends paid to governments as an ordinary shareholder. There were no dividends paid to governments for the year ended December 31, 2019.

Infrastructure improvement payments Infrastructure improvements are payments for the construction of infrastructure, such as public roads, libraries, and hospital facilities, excluding payments made in circumstances where the infrastructure is expected to be primarily used for operational purposes. This does not include infrastructure improvement payments that relate primarily to the operational purposes of Trevali. There were no infrastructure improvement payments made to governments for the year ended December 31, 2019 that exceeded the reporting threshold.

PROJECTS

Payments have been reported at the project level as required by the Act. According to the Technical Reporting Specifications issued by NRCan, a project is the operational activities that are governed by a single contract, license, lease, concession or similar legal agreement and form the basis for payment liabilities with a government. If multiple agreements are “substantially interconnected”, they are considered a single project. “Substantially interconnected” means forming a set of operationally and geographically integrated contracts, licenses, leases or concessions or related agreements with substantially similar terms that are signed with a government and give rise to payment liabilities.

We have determined that the operational activities governed by surface or mineral lease contracts related to key operational areas are substantially interconnected and has reported payments related to each such area as a single project. We have considered geographical location and common infrastructure as two key indicators for making this determination.

This report includes payments made that are reportable under ESTMA for all Trevali’s controlled projects. In accordance with the Act, this report does not include payments made by projects that Trevali does not control.