Trio Resources, Inc.
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Ticker (Exchange)	TRII (OTC.BB)
Recent Price (05/15/2013)*	$0.57
Shares Outstanding**	~338.65 million
Market Capitalization	~$193 million
Average 3-month Volume	20,030
Insider Ownership + >5%	28.9%
Institutional Ownership	0%
EPS (Qtr. ended 03/31/2013)	($0.0014)
Employees	7

* TRII began trading on January 11, 2013.
** As of May 14, 2013.

Company Description

Trio Resources, Inc. ("Trio" or "the Company") is a Canadian **exploration-stage†** and small-scale processing company focused on developing the current mineral potential of historically rich mining regions. The Company owns 100% of the 94-acre Duncan Kerr property located near the town of Cobalt, Ontario. Exploration to date has identified several areas of interest on the property, where geology is believed to be favorable for silver mineralization. Trio supports its development efforts through revenue generated by processing stockpiles of mineralized ore in the Company's onsite mill—a capability that is atypical for a junior exploration company. The Duncan Kerr property hosts 1.3 million tons of aboveground mineralized inventory (concentrate, crushed ore, **muck piles**, etc.), which Trio has begun processing for its residual mineral content. The Company has a five-year off-take agreement with United Commodity AG (3UI1-Frankfurt)—calculated to have a minimum value of $30 million—to recover the mineralization present in Trio's stockpiles.

Key Points

- The Duncan Kerr property is located in a region that is well known for its base and precious metal production. Past-producing mines at Duncan Kerr have mined in excess of 32 million ounces of silver, and one of North America's richest silver **veins** ever explored was located on the property.
- The Company's plans for 2013 include 5,000 meters of **diamond drilling** and other exploration at the Duncan Kerr project as well as upgrading its existing mill capacity to be able to process up to 360 tons per day. Trio seeks to release an **NI 43-101** resource valuation for its stockpiles by August 2013.
- Trio has full rights and claims to the Duncan Kerr property, including the existing mineralized material, onsite mill, other structures and equipment, and all surface and mineral rights.
- Trio's management has expertise in business development for both public and private companies. Chief executive officer (CEO) J. Duncan Reid has over 30 years of senior leadership experience, with more than a decade in the mining industry.
- In the quarter ended March 31, 2013, Trio generated revenues of $166,299—Trio's first since its inception in 2012.
- In April 2013, the Company announced that it expected revenue of $236,000 for the first shipment of its mineralized inventory to United Commodity, which occurred in February 2013. Semi-monthly shipments are commencing in the second quarter 2013, which are anticipated to generate up to $500,000 per month for Trio. Trio also presently seeks to raise $2.5 million to fund growth.

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Executive Overview

Currency is listed in U.S. dollars, unless otherwise noted as Canadian dollars (C$). As of May 17, 2013, US$1.00 ≈ C$1.02.

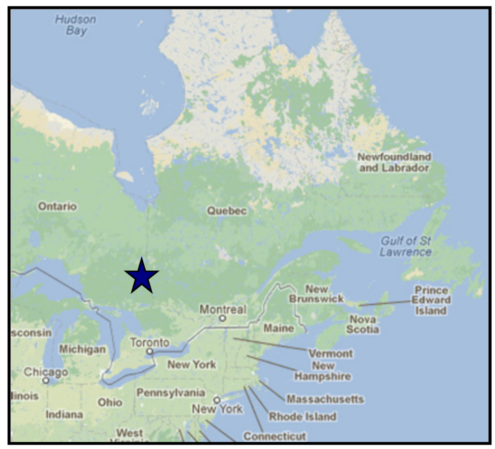
Trio Resources, Inc. ("Trio" or "the Company") is an exploration-stage company focused on developing the current mineral potential of historically prolific mine sites. Trio's strategy is to target older mining camps with residual value, which may have become economical to develop again due to rising global commodity prices and modern exploration techniques able to identify new areas of mineralization. A key advantage for Trio versus many other junior exploration companies is that the Company's assets includes a land package with an onsite mill and aboveground mineralized material, ready for processing and sale to refiners. Thus, Trio believes that it possesses the ability to be cash flow-positive while it conducts exploration activities—such that revenue generated from the sale of Trio's concentrate and other inventory may support the Company's advanced exploration programs.

Duncan Kerr Project

Trio acquired the Duncan Kerr property in May 2012. This property is located in Ontario, Canada, approximately three kilometers southeast of the town of Cobalt (as illustrated in Figure 1). It encompasses 94 acres of the Cobalt Mining Camp, a region known for its historically rich silver mines. During the 20th century, mines in the Cobalt Mining Camp produced over 445 million ounces of silver (Source: *Exploration and Mining Geology*, April 2000, Vol. 9, No. 2:81-90), with over 32 million ounces of that coming directly from the land that Trio now owns (Source: *NI 43-101 Technical Report on the Duncan Kerr Property: Larder Lake Mining Division, Northeastern Ontario for Trio Resources, Inc.*, March 22, 2013). In the 1900s, the Duncan Kerr property hosted one of the richest claims of silver ever discovered in North America, known as the "Silver Sidewalk." Since then, other valuable metals have also been identified and mined from the Cobalt Mining Camp, including cobalt, nickel, and base metals.

Figure 1

DUNCAN KERR PROPERTY LOCATION



Sources: Google's 2013 Map Data and Trio Resources, Inc.

Trio holds patented mining claims for the Duncan Kerr project that give the Company surface and mineral rights to the entirety of the property. The Company may further seek to increase its holdings in this region in the future through the acquisition of surrounding property, as described under Growth Strategy on page 8.

Due to its proximity to town and long history of mining activity, the Duncan Kerr property is well served by existing infrastructure, which includes access to major highways, rail spurs, power, and fresh water. Trio views its existing infrastructure as a competitive advantage, in that it helps address some of the challenges common for new exploration and milling companies, such as permitting and financing the construction of new infrastructure as well as ensuring that there are adequate power and water resources to conduct operations. As well, the Company may benefit from operating in an area with a well-established mineral development framework, as Ontario is regarded as a favorable location for mining investment and mineral exploration policy attractiveness due in part to its availability of skilled labor, trade protections, quality geological database, and legal and tax structure, among other policies (Source: the Fraser Institute's *Annual Survey of Mining Companies 2012/2013*). In the past decade, more new mines have opened in Ontario than anywhere else in Canada (Source: the Ontario Prospectors' Association).

Trio's Aboveground Mineralized Assets

Perhaps the greatest competitive advantage for Trio is the presence of roughly 1.3 million tons of mineralized material (inventory) already located aboveground on the Duncan Kerr property. This inventory, which ranges from bulk concentrate ready for the refinery to a 910,000-ton muck pile, has returned assays of silver content as high as 40 ounces per ton and 2% cobalt by weight according to Trio. Importantly, the Duncan Kerr property includes a small mill onsite, which Trio is currently using to process its mineralized material for delivery to United Commodity AG, a global refinery with a location in Cobalt, Ontario.

Trio's capability for onsite processing of mineralized ore distinguishes the Company from typical junior mining and exploration companies that do not conduct processing onsite. Trio's processing activities are enabling an early revenue stream, which is intended to support the Company as it furthers its mineral exploration work. Thus, the Company essentially operates a two-pronged business model, as illustrated in Figure 2 and overviewed thereafter.

Figure 2

TRIO'S TWO-PRONGED BUSINESS OF BOTH MINERAL EXPLORATION AND ONSITE PROCESSING

Mining/Exploration	**Mining/Processing**
Exploratory Diamond Drilling Performed in 2012 at the Duncan Kerr Property *(more drilling scheduled for 2013)*	Current Processing of Mineralized Material in Ball Mill *(upgrade of mill equipment scheduled for 2013)*

Source: Trio Resources, Inc.

Mining/Exploration

Mining in the Cobalt region largely ceased in the late 1980s due to a global drop in the price of silver. Today, due to higher commodity prices (as illustrated in Figure 3, page 5 [adjusted for inflation]) as well as new exploration technologies, which can identify new areas of mineralization not previously explored, miners are refocusing their attention on Cobalt, Ontario, and its surrounding land.

Trio believes that the geology on the Duncan Kerr property continues to represent a favorable setting for silver mineralization. The physical characteristics of the property's surface and subsurface have been analyzed via magnetic fly-over resonance imaging—a technique for finding (from the air) geology that may be favorable for mineralized ore. The magnetic imaging has identified areas of interest on the Duncan Kerr property, which are consistent with prior discoveries, and has helped Trio determine the initial targets of its exploration activity. In addition, a review of the property's geological setting by professional geologist Joerg Kleinboeck, P.Geo. of JMK Exploration Consulting found that exploration potential exists past the historical mine workings of a former mine on the property (Source: *NI 43-101 Technical Report on the Duncan Kerr Property*). Greater details are provided on pages 25-30.

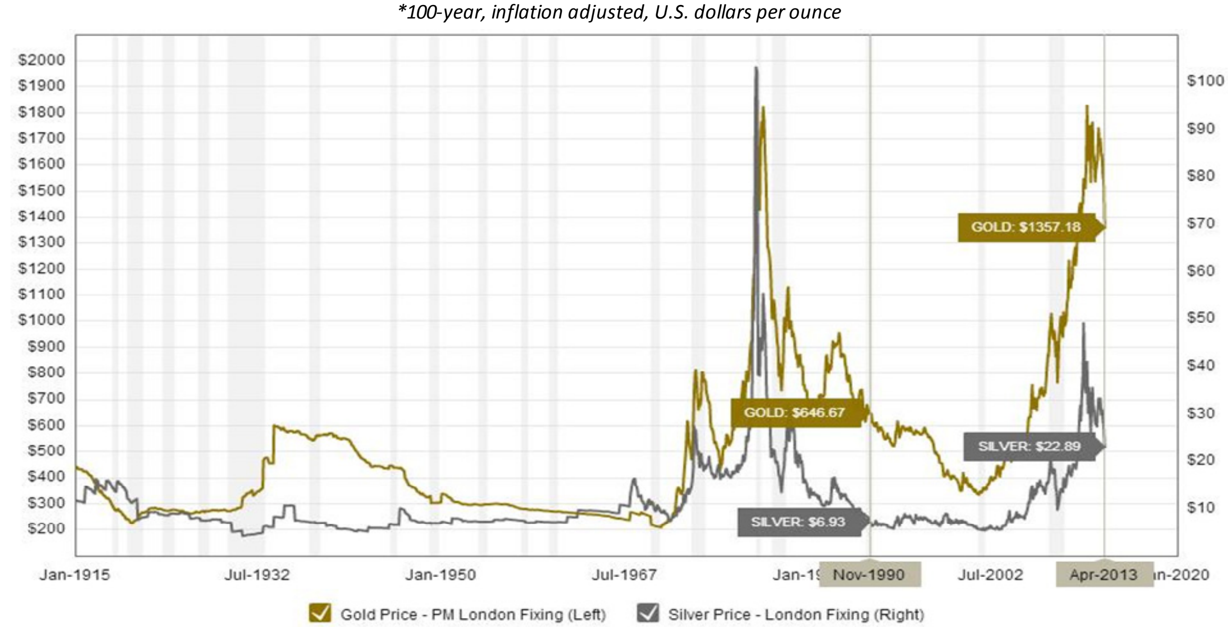
To date, Trio has conducted a preliminary exploration program on the Duncan Kerr property that included a round of diamond drilling in 2012 as well as excavating and blasting trenches in order to expose surface mineralization. Bulk sampling in the trenches identified an average content of 25 ounces per ton of silver in approximately 16,000 tons of trench material. Going forward, Trio plans to continue its diamond drill program during 2013 as well as perform mechanized trenching, greater geological mapping, and prospecting.

To date, the Duncan Kerr property does not contain mineral reserves or resources, as defined by **National Instrument (NI) 43-101**, although Trio is working toward the creation of a feasibility study and NI 43-101-compliant estimates. The Company expects to have an NI 43-101 resource valuation for its stockpiles by August 2013, followed by an **SEC Industry Guide 7** report on its resource value by the end of September 2013.

Figure 3

HIGHER METAL PRICES INCREASE THE ECONOMIC VIABILITY OF MINERAL EXPLORATION

**100-year, inflation adjusted, U.S. dollars per ounce*



Source: Macrotrends (http://www.macrotrends.org/1333/gold-and-silver-prices-100-year-historical-chart).

Mining/Processing

In early 2013, Trio entered into an off-take agreement with United Commodity, under which United Commodity agreed to process a minimum of 334 tons of Trio's mineralized material per month for a period of five years in order to recover the minerals present in the ore. The first shipment to United Commodity is expected to generate approximately $236,000 in revenue for Trio as a result of high **recovery rates** (Source: Trio's April 16, 2013, press release). The Company reported that United Commodity's processes were able to recover 97% to 99% of the silver mineralization in Trio's material, 95% to 97% of the nickel mineralization, and 95% to 97% of the cobalt. United Commodity also has the capability to turn the valuable metals extracted from Trio's stockpile into **bullion** and **ingots** ready for sale into global markets. Trio believes that with it and United Commodity's combined ability to mine, mill, refine, and produce bullion bars, the companies may have the potential to compete on par with senior mining companies.

Of note, Trio's inaugural shipment to United Commodity was only 156 tons of material, and the Company plans on increasing its volumes sent to the refinery going forward. On April 24, 2013, Trio announced that it was scheduled to make semi-monthly shipments to United Commodity of approximately 165 tons of mineralized material for each shipment. These shipments are anticipated to commence in the second quarter 2013. The Company has stated that it believes these shipments could generate revenue for Trio of between $350,000 and $500,000 per month (Source: Trio's April 24, 2013, press release).

Based on ultimately delivering 334 tons per month to United Commodity, Trio estimates that this off-take agreement could represent the processing of $30 million of mineralized material over the five-year period (Source: Trio's April 9, 2013, press release), provided Trio is able to continue producing concentrate and United Commodity is able to maintain its processing output. Greater details regarding the benefits of Trio's partnership with an experienced processor like United Commodity are provided on pages 18-19.

Mill Infrastructure

In 2013, Trio aims to greatly expand its mill capacity through the installation of a large, 360 ton/day mill with advanced crushing, screening, and separation equipment, including a large-capacity ball mill and dual-deck gravity tables, among other products, as finances allow. The Company estimates that this upgrade could require an investment of approximately $2 million, but it is anticipated to significantly increase Trio's output and efficiency while only marginally increasing relative operating expenses (Source: Trio's Form 8-K/A filed with the U.S. Securities and Exchange Commission [SEC] on March 15, 2013). Trio reports that it has already sourced, and has options on, the equipment required to retrofit its mill facility in order to increase output to 360 tons per day.

Based on its current stockpiles, Trio estimates that it has sufficient material to support at least seven years of operating a 360 ton/day mill.

Silver Market Outlook

Over the past two years, silver prices have been reaching all-time highs, with a 2011 record average price per ounce of $35.12 followed by a slightly lower average price in 2012 of $31.15 per ounce (Source: Thomson Reuters GFMS and the Silver Institute's *World Silver Survey 2013*). The outlook for 2013 could also see silver prices exceeding the $30/ounce threshold according to Thomson Reuters GFMS as a result of concerns over the U.S. economy, federal quantitative easing, and potential downgrades of U.S. debt (Source: *Forbes*, April 24, 2013). Likewise, Deutsche Bank (DB-NYSE) has issued a silver forecast of an average of $31 per ounce in 2013 and $34 per ounce in 2014 (Source: *Wall Street Journal*, April 9, 2013). HSBC's (HBC-NYSE) expected silver prices are lower, at an average of $26 per ounce for 2013 and $27 per ounce for 2014 (Source: Reuters, April 27, 2013).

Pages 31-35 further detail the silver market outlook as well as describe the dynamics for markets of other key metals at the Duncan Kerr project: cobalt and nickel.

Corporate Headquarters and Employees

Trio Resources was founded in May 2012 as "TrioResources AG" by current chief executive officer (CEO) J. Duncan Reid (biography on page 12). Its common stock is listed on the Over-the-Counter Bulletin Board (OTC.BB) under the symbol "TRII," which began trading on January 11, 2013, as a result of a reverse merger with a shell company (described on page 7).

Trio is headquartered in Ontario. The Company has a virtual office in Toronto with ancillary offices outside of Toronto in Pickering, Ontario, as well as mining properties in Ontario's Coleman Township, District of Temiskaming (depicted in Figure 4 [page 7]). As of December 2012, Trio had seven full-time employees, consisting of executive officers (profiled on page 12) and employees at the mine/mill site. The Company additionally employs the services of consultants and qualified third parties to supplement staff, such as for professional geologist and mining engineer functions. To this end, Trio has a consultant services agreement with Seagel Investment Corp. for assistance with certain investor and public relations activities.

Figure 4

TRIO'S DUNCAN KERR PROPERTY WITH HISTORIC MINE (LAWSON HEAD FRAME) IN THE BACKGROUND

Source: Trio Resources, Inc.

Corporate History/Formation as a Public Company through a Reverse Merger

On December 17, 2012, Allied Technologies Group, Inc. (now Trio Resources, Inc.) closed a share exchange agreement between it, its former principal shareholder (Mr. Ihar Yaravenka, the former sole director, officer, and principal shareholder of Allied Technologies), and TrioResources AG, as a result of which TrioResources AG is now the wholly owned operating subsidiary of the Company. Among other conditions of the share exchange, the Company increased its total authorized shares of common stock from 75 million to 400 million shares and authorized a forward stock split of 1 to 100, which was paid to all holders of record as of December 31, 2012. The Company further appointed the officers of the TrioResources subsidiary (led by Mr. Reid) as its officers. In connection with the current management team taking over operations, Allied Technologies ceased all of its original operations; Mr. Yaravenka resigned from his position as head of Allied; and the Company changed its name from Allied Technologies Group, Inc. to Trio Resources, Inc., which functions as the parent holding company of TrioResources.

For further details regarding the share exchange and backgrounds on Mr. Ihar Yaravenka, Allied Technologies Group, Inc., and TrioResources AG, please consult Allied Technologies' Form 8-K filed with the SEC on December 17, 2012:
http://www.sec.gov/Archives/edgar/data/1532828/000114420412068215/0001144204-12-068215-index.htm.

Growth Strategy

In the near term, Trio is focused on monetizing its existing, aboveground mineralized assets while simultaneously conducting an exploration program at the Duncan Kerr property. Over the long term, the Company believes that monetizing its current inventory can increase the viability and profitability of future mineral extraction from the Duncan Kerr property, which is aided by Trio's ability to conduct onsite processing of material.

At present, Trio is working to increase its land package, construct a larger mill, perform further drilling and exploration at the Duncan Kerr project, and obtain an NI 43-101-compliant valuation of any underground reserves.

Land Acquisition

Trio's strategy is to target older mining camps with residual value, which may have become economical to develop again due to rising global commodity prices. Trio believes that such properties' rich mineral history may still hold development potential when modern exploration techniques are employed. The Company's first such acquisition was the Duncan Kerr property. One of Trio's key strategies for growth going forward is to acquire additional land surrounding the Duncan Kerr property. To this end, the Company intends to acquire approximately 900 acres of land adjacent to its current property as finances allow, which would strengthen Trio's hold in the region.

Milling Activities

Enabling a Cash Flow-positive Business

As described on pages 20-22, Trio holds an estimated 1.3 million tons of mineralized inventory stored aboveground on the Company's property. This inventory comprises concentrate, crushed material, trench material, a muck pile, and a **tailings pond**. In the quarter ended March 31, 2013, Trio generated revenue of $166,299 from the sale of stockpiles of tailings located on its property. During the quarter, the Company also commenced shipments of material to United Commodity that are anticipated to enable future monthly revenue of between $350,000 and $500,000. Going forward, Trio intends to continue to generate revenue from these assets via the following strategies:

(1) selling bulk concentrate to refiners as-is (without requiring further processing by Trio);

(2) further processing the concentrate via gravitational separation in order to yield a higher-concentrate material that is ready for smelting, which Trio could market to a broader range of refiners than would accept the unprocessed bulk concentrate; and/or

(3) milling the additional mineralized material (from non-concentrate sources, e.g., crushed material) to be marketable via either of the first two options.

Profits realized from the above activities are earmarked to be reinvested back into Trio, which the Company expects to be able to use to expedite its business plan and fund an expansion of its operations. Essentially, revenue created from the sale of these assets supports Trio's mineral exploration programs.

Moreover, a key component of Trio's growth strategy for increasing its milling activities is to upgrade its current infrastructure to a 360 ton/day facility. Accordingly, the increase in capacity could significantly increase the revenues Trio is able to generate from its existing inventory. With the anticipated 360 ton per day facility, Trio has estimated that it may generate gross profits in the first year of silver and cobalt production of over $7.8 million, for a net profit of potentially $4.8 million (Source: Trio's Corporate Presentation as of April 2013). Trio may also explore other options for improving its revenue opportunities from milling, such as running more than one shift per day at the facility. With further development and an increase in output capacity, the Company has estimated that it has the potential to yield $1.5 million to $2 million in gross output per month (Source: Trio's Corporate Presentation as of April 2013).

Exploration Strategies

Trio intends for its exploration initiatives to coincide with its milling activities, which is unlike many other junior exploration companies that are only focused on exploration and do not possess the aboveground mineral assets nor the mill infrastructure required to operate a working mill.

Under the Company's business model, once it has acquired a historic mining property, Trio re-explores the property using modern exploration technologies, which may identify new sites for potential drilling and help gauge the current economic viability of the property. If favorable data is received, the Company plans to both extract the mineralized material and make it available for processing in its onsite mill.

Financing Strategies

Trio has largely been financed by third parties by way of convertible notes. In addition, Trio has negotiated a one-year, C$500,000 Draw Down facility with Seagel Investments Corp. (dated as of November 1, 2012), of which $335,000 had been drawn as at March 31, 2013.

To execute on its growth strategy, the Company presently seeks to raise roughly $2.5 million. This funding is earmarked to help expand the milling facility, fund the exploration program, and enable the strategic acquisition of additional value properties in the area surrounding the Duncan Kerr property.

Intellectual and Owned Property

As a mineral exploration company, Trio does not hold, nor has the Company applied for, any patents or trademarks. However, Trio does retain ownership of the geological and magnetic resonance data that it has acquired from predecessor companies as well as the application and interpretation of these findings, drilling techniques, and marketing materials.

In addition, Trio has full rights and claims to the Duncan Kerr Property, which consists of the land parcels (and all structures and equipment on or associated with such parcels), as listed below. Trio reports that the two patented claims listed below convey the Company with surface and mineral exploitation rights on the Duncan Kerr property indefinitely.

- Property Parcel 1:
  PT E. 1/2 OF N 1/2, LOT 3, CON 4, Coleman Township, District of Temiskaming, Ontario, Canada
  Patented Claim #1831NND

- Property Parcel 2:
  SW 1/4 OF N 1/2, LOT 3, CON 4, Coleman Township, District of Temiskaming, Ontario, Canada
  Patented Claim #3694NND

May 2012 Purchase Agreement

Trio's purchase of the Duncan Kerr property claims and associated assets (including the aboveground silver and cobalt inventory and mill equipment) occurred in May 2012 pursuant to a purchase agreement with 2023682 Ontario Inc. (doing business as Canamet Resources) and Mr. J. Duncan Reid. Mr. Reid (biography provided on page 12), who is also Trio's CEO, controls the company 2023682 Ontario.

The terms of the agreement called for Trio to pay C$100,000 in cash and issue a C$500,000 convertible note to 2023682 Ontario in exchange for the property. The note accrues 3% interest per year and is due two years from its issuance. If Trio receives a NASDAQ listing before the note is payable, it is scheduled to be automatically converted into common shares of the Company instead.

A list of the assets purchased under this agreement is provided in the Core Story in Figure 7 (page 15).

Milestones

Recent Milestones

- In April 2013, Trio entered into an off-take agreement with United Commodity AG, where Trio is expected to deliver up to 20,000 tons of mineralized material from its stockpiles to United Commodity for refining over a five-year period. The first shipment occurred in February 2013, which was found to produce silver and other metals through United Commodity's processing. Recurring semi-monthly shipments of material for processing by United Commodity are forecast to commence in the second quarter 2013.

- In the quarter ended March 31, 2013, Trio reported revenue of $166,299 from the sale of stockpiles of tailings located on its property—the first quarter since inception for which Trio has reported revenue.

- In March 2013, a professional geologist completed and issued an NI 43-101-compliant Technical Report on Trio's Duncan Kerr Property.

- In January 2013, the Company formally changed its name to Trio Resources, Inc. and its shares began trading on the Over-the-Counter (OTC) market under the symbol "TRII." Trading commenced on January 11, 2013.

- In late December 2012, Trio began marketing its bulk concentrate silver/cobalt inventory by selling it "as-is" to a refiner and shipped its first mineralized material for refining.

- In September 2012, Trio conducted a small milling operation to begin processing mineralized material at the Duncan Kerr property.

- In summer 2012, the Company completed its first exploratory diamond drills as well as bulk sampling in trenches on the Duncan Kerr property in order to better elucidate its exploration targets. Results were found to intercept favorable mineralization and Trio plans to continue with an exploration program in 2013.

- In May 2012, Trio was founded and acquired its assets per the Purchase Agreement described on page 10.

Potential Milestones

- In the near term, Trio plans to perform secondary crushing of its mineralized stockpiles and trench ore (described on pages 20-24), conduct work required for an NI 43-101 Independent Technical Report on the property, and conduct third-party sampling to confirm the aboveground inventory's assay values/tonnages.
    - In June 2013, the Company expects to perform crushing and 43-101 work, in order to obtain a resource valuation for its stockpiles by August 2013. Following the NI 43-101 valuation, Trio plans to pursue an SEC Industry Guide 7-compliant report on its resource value by the end of September 2013.

- The Company plans to conduct continued exploration at the Duncan Kerr property (commencing in May 2013) that includes a comprehensive **Geographic Information System (GIS)** compilation, approximately 5,000 meters of drilling, and other geophysics assessments.

- As Trio ramps up exploration, it seeks to retain a qualified geologist capable of performing an NI 43-101-compliant drill program. Trio has allocated a year to complete an NI 43-101 drill program, during which time the Company expects to continue expanding its milling activities in order to maintain a revenue stream.

- The Company has designed the processes for upgrading its current mill to a 360 ton/day mill, which it plans to execute as soon as finances allow. With the upgraded mill capacity, Trio estimates that it has sufficient stockpiles to support seven years of processing.

- Trio seeks to move from the OTC market to either a NASDAQ or NYSE Amex listing within 12 to 18 months.

Company Leadership

Trio's executive management has considerable experience in the mining industry as well as in public and private company business development and corporate finance. For instance, in addition to more than a decade of experience managing an exploration company, Trio's CEO, Mr. Reid, is certified as an aboveground miner and is certified to operate the earth-moving equipment used at the Company's property. As well, Trio employs skilled individuals. The Company's plant manager/foreman is certified as an underground and aboveground miner and is certified on all of the Company's equipment, as is Trio's exploration driller.

J. Duncan Reid, Chief Executive Officer (CEO) and Chairman of the Board

Mr. Reid has more than 30 years of experience in a variety of industries, serving in senior management roles in both private and publicly held companies. Since 2003, Mr. Reid has served as the owner and operator of 2023682 Ontario Inc., a closely held Canadian exploration company that owned a historically active mining property which had mineralized material above ground and which Trio purchased in 2012. Mr. Reid has functioned as the owner of 2023682 Ontario for over 10 years. During this time, he has developed the technical and managerial skills necessary to establish, expand, and move Trio to the next level, preparing Trio for extensive development and growth. Mr. Reid is also the founder and, since 1997, has served as the CEO of KMA Global Solutions International Inc. (KMAG-OTC.BB), a manufacturer and supplier of electronic article surveillance tagging solutions. Mr. Reid earned a Bachelor's of Commerce with Honors from the University of Windsor.

Sam Kerr, Vice President of Business Development and Director

Mr. Kerr has served in a variety of capacities in the securities and private equity-related fields. Mr. Kerr has experience with management and raising capital for start-up enterprises. He is a cofounder and, since June 2011, has served as the managing director of Impavidus Investment Group, LLC, a private investment firm. From June 2010 to June 2011, Mr. Kerr served as the vice president of business development for Raw Brokers USA, LLC. From May 2007 to June 2010, Mr. Kerr served as an account executive and consultant for Edenville Consultants Inc. Mr. Kerr earned a B.A. with Honors from the University of Toronto.

Core Story

Currency is listed in U.S. dollars, unless otherwise noted as Canadian dollars (C$). As of May 17, 2013, US$1.00 ≈ C$1.02.

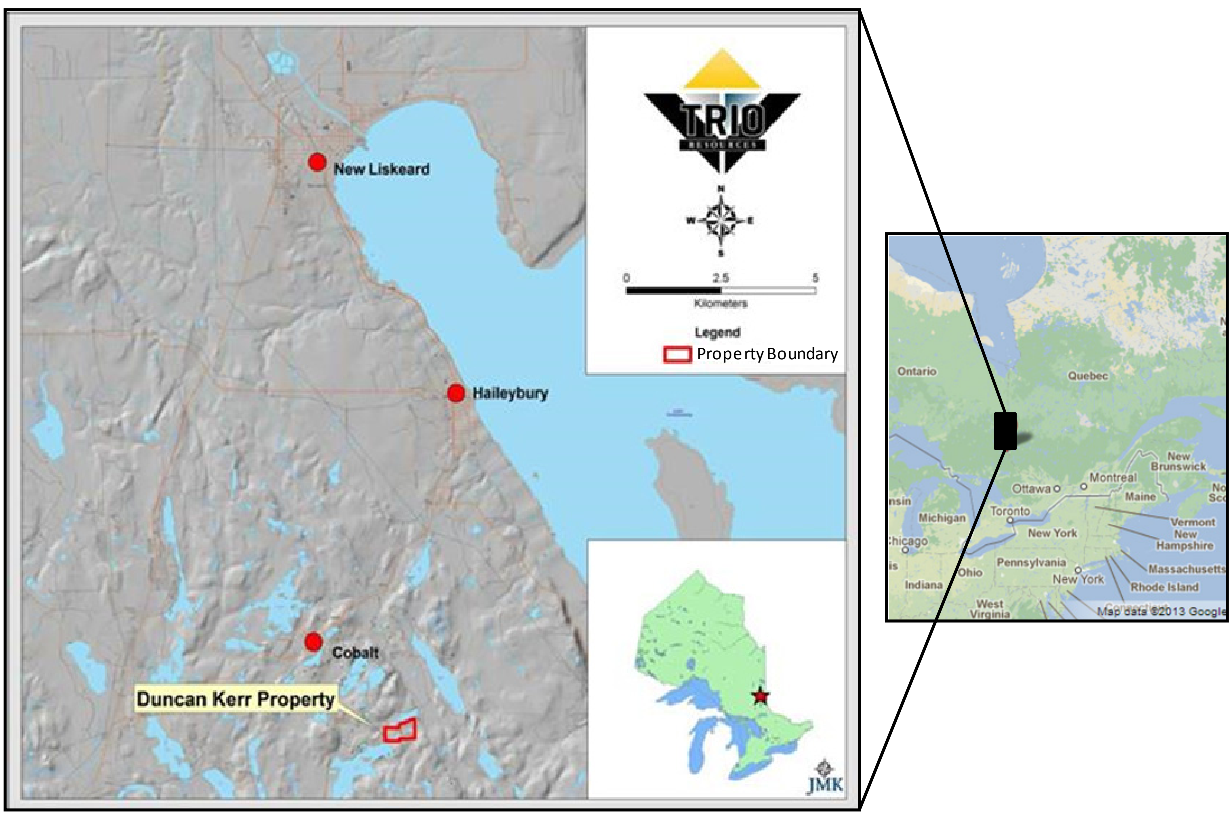
Trio Resources, Inc. ("Trio" or "the Company") wholly owns 94 acres of land located approximately three kilometers to the southeast of Cobalt, Ontario, Canada. This property, which is depicted in Figure 5, includes milling assets as well as two contiguous mining patents that provide Trio with surface and mineral rights to the entirety of the property.

In line with Trio's strategy of acquiring historically prolific mining sites that have again become economical to explore, the Duncan Kerr property has previously been mined (intermittently) from 1904 through the 1980s, with the most recent company to undertake mining activities being Agnico-Eagle Mines Ltd. (AEM-NYSE) in the 1980s. Trio acquired the property in May 2012 from 2023682 Ontario Inc. (doing business as Canamet Resources) and Mr. J. Duncan Reid (biography on page 12), which had previously purchased the land in 2003 from two companies in **receivership**: Canmine Resources Corp. and Binco Resources Corp.

The two patented claims that Trio acquired have claim names of "Kerr" (Parcel 1831 NND) and "Lawson" (Parcel 3694 NND), as illustrated in Figure 6 (page 14). In addition, Trio intends to acquire approximately 900 acres of land adjacent to its current property in the future as finances allow, which would allow Trio to strengthen its position in this region particularly if the Company is successful at identifying economic mineralization on its property.

Figure 5

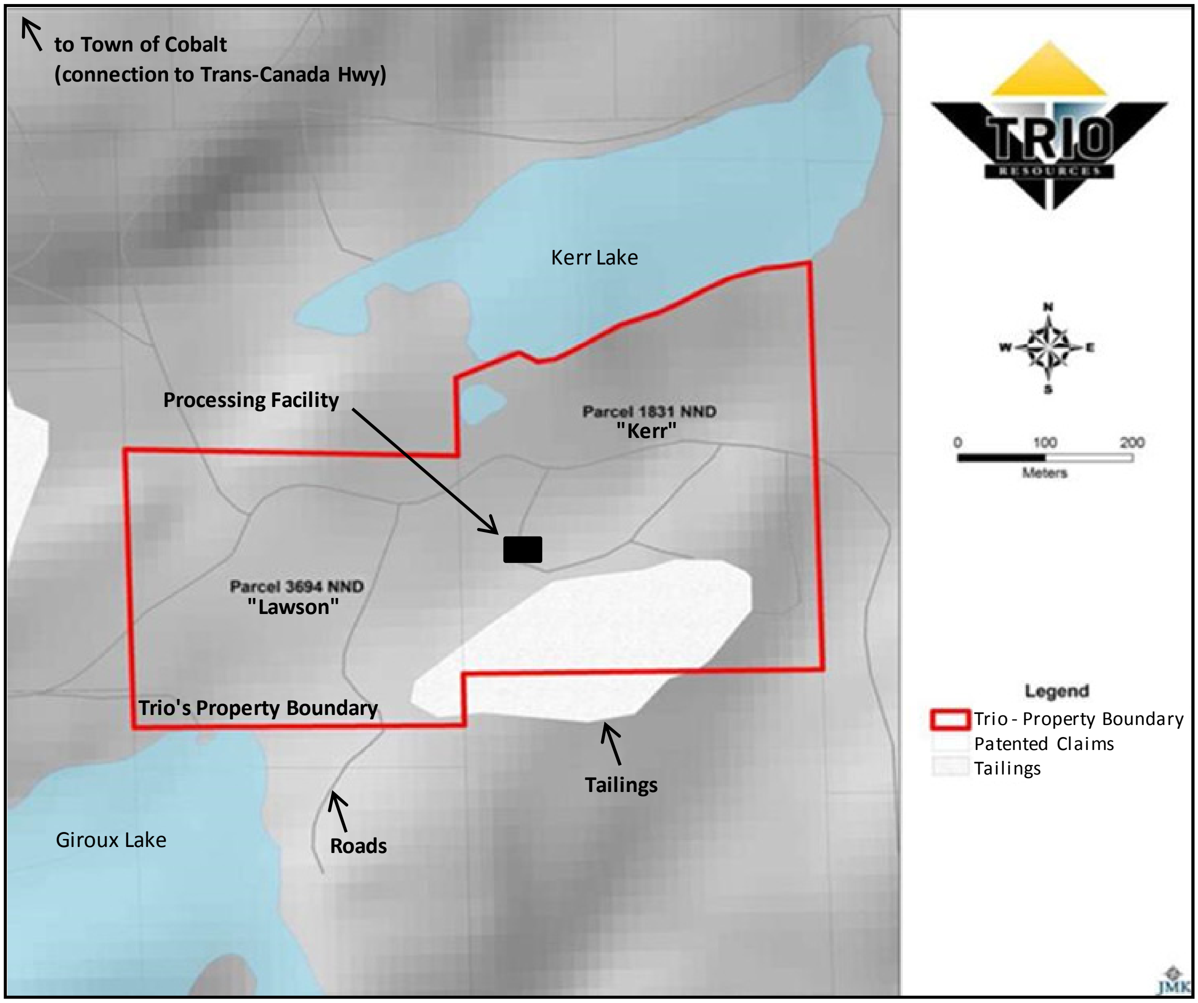
LOCATION OF THE DUNCAN KERR PROPERTY IN NORTHERN ONTARIO (CANADA)



Sources: NI 43-101 Technical Report on the Duncan Kerr Property: Larder Lake Mining Division, Northeastern Ontario for Trio Resources, Inc., March 22, 2013; and Google Inc. (GOOG-NASDAQ).

Figure 6

PATENTED PARCELS OF THE DUNCAN KERR PROPERTY



Source: NI 43-101 Technical Report on the Duncan Kerr Property: Larder Lake Mining Division, Northeastern Ontario for Trio Resources, Inc., March 22, 2013.

POTENTIAL COMPETITIVE ADVANTAGES

Existing Aboveground Stockpile of Mineralized Material

In the May 2012 purchase agreement with 2023682 Ontario, Trio acquired not only the property claims for the Duncan Kerr project but also roughly 1.3 million tons of mineralized material stored aboveground on the property as well as the mill infrastructure needed to process this inventory. As a result, due to its ability to process mineralized material onsite, Trio is more than solely a mineral exploration company; it is also a small processor. This capability is important to Trio's operation as it distinguishes the Company from typical junior mining and exploration companies that do not conduct processing onsite, and chiefly, Trio's processing activities are enabling an early revenue stream to support the Company as it furthers its mineral exploration work.

As fully detailed on pages 23-24, Trio has already begun processing its existing mineralized material and has plans to expand its milling infrastructure going forward. As of April 24, 2013, the Company had stated that it expected to be able to generate up to $500,000 per month in revenue from the processing of its mineralized material under an off-take agreement with United Commodity AG (detailed on pages 18-19) (Source: Trio's April 24, 2013, press release). Trio seeks to become a cash flow-positive exploration company (which is rare for the industry) as a result of selling its concentrate and future milled material to refiners.

Beneficial Infrastructure

The Duncan Kerr property is located in the Cobalt Mining Camp, an area surrounding the town of Cobalt that is known for its past production of silver, cobalt, and other base metals. Due to its proximity to town and long history of mining activity, the Duncan Kerr property is well served by existing infrastructure, which could be beneficial for Trio as the Company seeks to process and transport its aboveground silver and cobalt inventory on the property as well as ramp-up its mineral exploration programs. With current infrastructure, the property is also accessible year round.

As illustrated by the light gray lines in Figure 6 (page 14), there are several major municipal roads running through the property, including Beaver Temisk Road and Kerr Lake Road, which connect to Ontario Highway 11B (a business extension of the Trans-Canada Highway). In addition, the location is equipped with existing power line service, rail spurs, and is close to considerable fresh water assets with hydro lines due to the numerous lakes in the region. Trio believes that this existing infrastructure can help it address some of the challenges common for new exploration and milling companies, such as permitting and financing the construction of infrastructure as well as ensuring that there are adequate power and water resources to conduct operations.

When Trio acquired the Duncan Kerr property, the Company also acquired several buildings present on the land, including a 4,000 square foot, partially heated warehouse, portable loading ramps, and other equipment as listed in Figure 7.

Figure 7

PURCHASED ASSETS (IN ADDITION TO PROPERTY AND FEEDSTOCK INVENTORY)

▪ Crusher	▪ Digital Scale	▪ Lift Truck
▪ Generator	▪ Office/Locker Room	▪ Skid Steer
▪ Cat Excavator 235B	▪ 40’ Storage Container	▪ Compressor
▪ Vibratory Screeners and Conveyor	▪ Furnaces	▪ Gas Generators
▪ High-speed Bagging Equipment	▪ Ball Mill	▪ Tools

Source: Purchase Agreement between TrioResources AG and 2023682 Ontario Inc. DBA Canamet Resources and Jeffrey D. Reid, May 17, 2012.

Proximity to Supplies, Services, and Skilled Labor

As additional supplies and services are needed, they can likely be found within the city of Temiskaming Shores, Ontario. Temiskaming Shores represents the amalgamation of the towns of Dymond, New Liskeard, and Haileybury, as illustrated in Figure 8 (page 16). As of 2006, the city reported a census population of 10,840 people, forecast to reach 14,000 people by 2031 (Source: Tunnock Consulting Ltd.’s *City of Temiskaming Shores 2009 Community Profile*).

Although Trio currently operates efficiently as a small processor, the Company will likely seek to expand its operations and its staff as it continues to generate revenue from its mill. To this end, the Duncan Kerr property is only approximately 11 km from the town of Haileybury, Ontario, which, among other things, hosts the Haileybury School of Mines at Northern College of Applied Arts and Technology (www.northernc.on.ca/mining). The School of Mines trains students in mining engineering technology, which could be a beneficial source of skilled labor for Trio as the Company seeks to renew exploration on old mine sites using modern, advanced technologies.

Figure 8

PROXIMITY OF DUNCAN KERR PROPERTY TO CITY RESOURCES

Sources: Google, Wikimedia Commons, and Crystal Research Associates, LLC.

Operating in Ontario May Encourage Investment

In 2013, Canada's Ontario province was ranked 16th out of 96 jurisdictions worldwide for overall mining investment and mineral exploration policy attractiveness, based on an annual Policy Potential Index calculated by the Fraser Institute. The Index takes into account the way exploration companies, mineral producers, consulting companies, and other stakeholders view Ontario's policy environment—which is important as policy attractiveness can affect investment decisions. Mining executives were asked to evaluate mining regions from Alaska to Zimbabwe (including subnational jurisdictions in Canada, the U.S., Australia, and Argentina) according to whether a particular policy encourages or deters investment. The policy questions included evaluating government and environmental regulations; regulatory duplication and inconsistencies; taxation; uncertainty concerning native land claims and protected areas; infrastructure and labor issues; socioeconomic agreements; political stability and trade barriers; the quality of geological databases; and legal processes, among others. Results were published in the Fraser Institute's *Annual Survey of Mining Companies 2012/2013*.

Overall, Ontario scored high for mineral investment (16 out of 96) relative to other mining jurisdictions globally, based on the province's perceived policy positions. This data is summarized in Figure 9 (page 17). Ontario ranked high in its availability of skilled labor, with 45% of respondents believing this encourages investment in the region and another 42% believing that it does not deter investment. The province's trade protections and geological database are also strong factors encouraging investment. For example, approximately 71% of those surveyed viewed the quality of the geological data as positively impacting investment, while only 5% of respondents viewed the geological database as a deterrent to investment. (The remaining 24% felt Ontario's geology resources were neither an encouragement nor a deterrent to investment.) In addition, by virtue of being located in a politically stable country and a region with a well-established mining history, mineral exploration companies and producers in Ontario benefit from a legible legal and tax structure with processes that are fair, transparent, and not corrupt.

To this end, in 2011, Ontario's exploration spending reached a record $1 billion (Source: Ontario's Ministry of Northern Development and Mines, May 9, 2012). The Ontario Prospectors' Association reports that investing in the exploration and development of minerals in Ontario has paid off over the years, as more new mines have opened in Ontario in the past decade than anywhere else in Canada. The province accounted for 21% of Canada's mineral production in 2011 and $10.7 billion in mineral value (Source: the Ontario Prospectors' Association's *Ontario Mining and Exploration Directory*, 2012).

Figure 9

ONTARIO'S MINING AND EXPLORATION ATTRACTIVENESS BASED ON KEY POLICY AREAS

Policy Area	Ontario's Rank*
Uncertainty concerning the administration, interpretation, and enforcement of existing regulations	40/96
Uncertainty concerning environmental regulations	34/96
Regulatory duplication and inconsistencies (including federal/provincial or federal/state and interdepartmental overlap)	35/96
Legal system (legal processes that are fair, transparent, non-corrupt, timely, efficiently administered, etc.)	22/96
Taxation regime (including personal, corporate, payroll, capital taxes, and the complexity associated with tax compliance)	25/96
Uncertainty concerning disputed land claims	67/96
Uncertainty concerning which areas will be protected as wilderness, parks, or archeological sites	81/96
Infrastructure	28/96
Socioeconomic agreements/community development conditions (includes local purchasing or processing requirements, or supplying social infrastructure such as schools or hospitals, etc.)	37/96
Trade barriers (tariff and non-tariff barriers; restrictions on profit repatriation, currency restrictions, etc.)	13/96
Political stability	29/96
Labor regulations/employment agreements and labor militancy/work disruptions	28/96
Geological database (including quality and scale of maps and ease of access to information)	14/96
Level of security (includes physical security due to threats from terrorists, criminals, guerrillas, etc.)	26/96
Availability of labor/skills	8/96

* Based on responses compiled from 742 exploration companies, producers, and other mining-related companies worldwide. Includes data on 96 jurisdictions around the world, on every continent except Antarctica, including sub-national jurisdictions in Canada, Australia, the U.S., and Argentina. "1" is the highest rank. Respondents answered each policy question according to whether it a) encourages investment; b) is not a deterrent to investment; c) is a mild deterrent; d) is a strong deterrent; or e) they would not pursue investment due to this factor. Jurisdictions were ranked by best "net" response.

Source: the Fraser Institute's Annual Survey of Mining Companies 2012/2013.

The Fraser Institute (www.fraserinstitute.org) is a North American research and educational organization that produces peer-reviewed research on an array of economic and public policy issues. It has conducted an annual survey of metal mining and exploration companies since 1997 to assess how mineral endowments and public policy factors affect exploration investment.

Trio's Aboveground Mineralized Assets

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Off-take Agreement with United Commodity AG

In April 2013, Trio announced that it had entered into a five-year off-take agreement with experienced processor United Commodity AG (www.united-commodity.com), a Swiss-owned company operating a refinery in Cobalt, Ontario, near Trio's property. (Greater details on United Commodity's business are provided below.)

Under the off-take agreement, United Commodity has agreed to process a minimum of 334 tons of Trio's material per month for a period of five years in order to recover the minerals present in the ore. Cumulatively, 334 tons per month for 60 months would equal over 20,000 tons of Trio's inventory being processed by United Commodity. The potential value of this agreement for Trio is considerable, as the Company estimates that the minimum value per ton is roughly C$1,500 (based on 40 ounces of silver and 1.7% cobalt [40 pounds] per ton, priced at approximately C$25 per ounce of silver and C$12 per pound of cobalt, for a sum of C$1,000/ton for the silver content [40 x C$25] and C$480/ton for the cobalt [40 x C$12]). To the Company's knowledge, this calculation represents the minimum value at these prices that Trio could obtain from its stockpile without processing and does not include value-added materials, such as nickel, zinc, or other recoverables.

Accordingly, Trio believes the arrangement with United Commodity could represent the processing of a minimum of $30 million of mineralized material over the five-year period (Source: Trio's April 9, 2013, press release), provided Trio is able to continue producing concentrate and United Commodity is able to maintain its processing output.

Of note, this agreement, while sizeable, only represents a portion of Trio's aggregate stockpile of aboveground mineralized material, which totals 1.3 million tons. When the Company acquired the Duncan Kerr property, approximately 4,000 tons were already in concentrate form with the remainder of existing aboveground inventory in various stages of processing. In addition to current inventory, Trio is working to source additional mineralized material via its exploration programs.

About United Commodity AG

Founded in 2007 and headquartered in Switzerland, United Commodity holds exclusive rights to a recycling technology for mining waste, known as the United Commodity Recycling Process by Martinello (UC-RPM). The company uses this and other technologies to decontaminate and recycle mine tailings (waste) while extracting any residual mineralization that may still be present in the tailings. Importantly, United Commodity's process is able to remove arsenic from mineral waste, which is a major benefit for Trio since the veins in the Cobalt region are known to contain arsenic as one of the five primary metal constituents. United Commodity's Yukon Refinery in Cobalt, Ontario, is believed to be the only refinery in Ontario with an arsenic feed handling permit (Source: First Berlin Equity Research GmbH's Site Visit report on United Commodity AG, November 28, 2012). As a result, when Trio sends its material to United Commodity's facility (which is only roughly 10 kilometers from the Duncan Kerr property), this refinery processes the arsenic off of the ore through the use of its novel technologies and puts the arsenic into a dormant state in a tailings facility.

In this way, United Commodity is becoming a specialist in the area of applying sustainable recycling technologies for efficient tailings management in the precious metals sector, which makes Cobalt, Ontario, a favorable location for its refinery given the extensive history of precious metals mining in the region.

High Metal Recovery Rates

United Commodity is a strategic partner for Trio not only for its ability to decontaminate the Company's material, but also because the Yukon Refinery's treatment process has been found to be able to recover minerals including silver, cobalt, nickel, and zinc from Trio's material. In April 2013, the companies reported that the first shipment from Trio to United Commodity—delivered in February 2013—had produced silver and other value metals via processing at the Yukon Refinery. United Commodity reports that metal recovery with its extraction processes exceeds 95%, which Trio has found to be accurate. Trio's first shipment of mineralized material to United Commodity produced recovery rates of 97% to 99% for silver, 95% to 97% for nickel, and 95% to 97% for cobalt, as summarized in Figure 10 (Source: Trio's April 16, 2013, press release).

Figure 10

TRIO'S FIRST SHIPMENT TO UNITED COMMODITY

Volume of Material Processed	
156 tons	
Percent of Mineralization Recovered from Material	
Silver	97% - 99%
Nickel	95% - 97%
Cobalt	95% - 97%
Potential Revenue Earned by Trio on Metal Recovery	
$236,000	

Source: Trio Resources, Inc.'s April 16, 2013, Press Release.

Trio's first shipment of material to be processed by the Yukon Refinery included 156 tons of mineralized material. With recovery rates of 95% to 99% reported for the first shipment, Trio estimates that it could receive revenues of $236,000 for this inaugural batch of material (Source: Trio's April 16, 2013, press release). Beginning in the second quarter 2013, Trio is scheduled to make semi-monthly shipments to United Commodity of approximately 165 tons of mineralized material for each shipment, which Trio anticipates could generate $350,000 to $500,000 per month in revenues (Source: Trio's April 24, 2013, press release).

In addition to extracting the mineralization, the Yukon Refinery can produce bullion bars and ingots using its bullion furnace. Figure 11 illustrates generic silver bullion bars and ingot. Generally, gold, silver, or other precious metals in the form of bars or ingots are recognized as being at least 99.5% pure.

Figure 11

SILVER BULLION BARS (left) AND SILVER INGOT AND GRANULES (right)

Sources: Monex Precious Metals (http://www.monex.com/prods/silver.html) and Wikimedia Commons.

Trio believes that with it and United Commodity's combined ability to mine, mill, refine, and produce bullion bars, the companies may have the potential to compete on par with senior mining companies.

Description of Trio's Existing Mineralized Assets: Tonnages, Grades, and Types

Trio has acquired roughly 1.3 million tons of mineralized material assets comprising concentrate, crushed material, trench material, muck piles, and a tailings pond—each of which is described on pages 21-22.

Figure 12 lists the tonnage and silver/cobalt grades of each aboveground material believed to be available to Trio. It is important to note that the volumes listed in Figure 12 are estimates, either from Trio or based on records acquired from previous property owners. As well, the grades in Figure 12 (ounces of silver per ton and % cobalt by weight) represent the most current information based on assays and estimates conducted by either Trio or a previous property owner. Independent cobalt assays of concentrate previously sold from the property have been reviewed by Canadian investment banking firm Evans & Evans, Inc. and have been found to be consistent with Trio's records.

Figure 12

ACQUIRED MINERALIZED ASSETS*

Source Material	Volume	Ounces of Silver per Ton	% Cobalt by Weight
Concentrate	4,000 tons	40 oz/ton	2%
Crushed Material A	16,000 tons	38 oz/ton	1%
Crushed Material B	16,000 tons	25 oz/ton	—
Trench Material	16,000 tons	25 oz/ton	2%
Muck Pile	910,000 tons	10 oz/ton	—
Tailings Pond	347,870 tons	0.7 oz/ton	—
	> 1,300,000 tons		

** Volumes and Assay Data are estimates from Trio, earlier property owners, or historic records.*

Source: Trio Resources, Inc.

Trio assayed its concentrate material by collecting grab samples of the product, crushing it, and sending it to a commercial laboratory, Activation Laboratories, Ltd. (["ActLabs"] www.actlabs.com), for sampling. Headquartered in Ontario, ActLabs is a global contract analytical services company with laboratories in Canada, Africa, Australia, Central and South America, Greenland, and Mongolia. It is accredited by the Standards Council of Canada, International Organization for Standardization/International Electrotechnical Commission, National Environmental Laboratory Accreditation Conference, and Health Canada. Beyond mineral analysis, ActLabs also performs laboratory services for the petroleum, industrial minerals, forensic, pharmaceutical/clinical, environmental, occupational health, agricultural, and materials testing fields.

Assays and estimates of the Company's aboveground assets that have not been tested by ActLabs are based on records supplied by previous property owners and have not yet been confirmed by Trio. Additional sampling will likely be required to verify some of the reported silver/cobalt grades listed in Figure 12.

To determine the tonnage of its concentrate, Trio weighs the material on a digital scale attached to a loader when the concentrate is moved. The Company also weighs it after processing, prior to bagging. Crushed materials A and B were weighed by the property's previous owners as part of the crushing process using a **hopper** that had an attached scale. Estimates for the muck pile are based on the area's physical dimensions as well as samples removed from the pile by a previous property owner. Likewise, the trench material tonnage was estimated by the previous owner of the property. Tailings pond information was obtained from a historic report on the property, *Cobalt Mining Camp Tailings Inventory, Cobalt, Ontario, 1993*.

Trio's near-term plan for these assets includes conducting third-party sampling to confirm the assay values and tonnages, which would enable the Company to confirm a resource value for the materials.

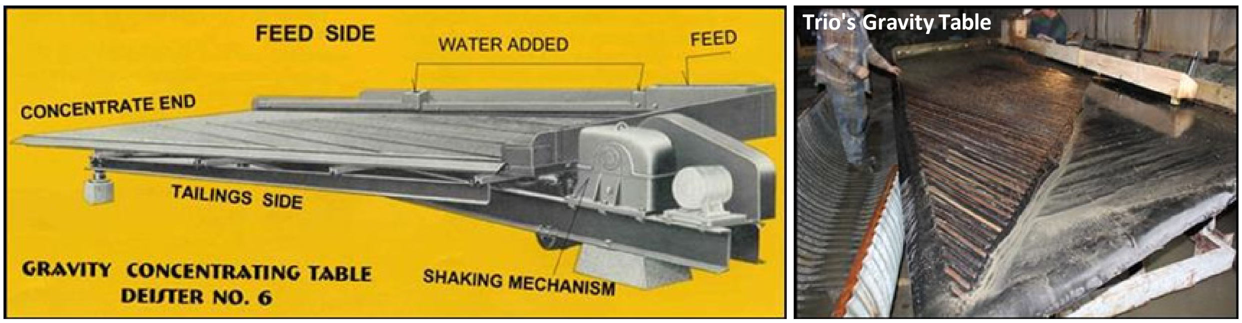
Concentrate

Trio reports that its concentrate material has been assayed at an average of 40 ounces of silver per ton and 2% cobalt by weight. By nature, concentrate is ore where waste products, such as rock and sand, have been removed; thus, the resulting material has a higher concentration of valuable metals that can be extracted. Concentrate can be sold to a refiner or smelter for final processing of the minerals, such as under Trio's off-take agreement with United Commodity. Trio has already crushed its concentrate, and began processing it using gravitational separation tables (also called a "shaking table" or a "gravity table") in September 2012. Figure 13 illustrates the gravity tables and crushed stockpile of concentrate.

Figure 13

CONCENTRATE MATERIAL

Gravity Table



Trio's Crushed Stockpile of Concentrate

Sources: Trio Resources, Inc. and http://mine-engineer.com/mining/minproc/gravity-conc.htm.

Crushed Material

Another of Trio's stockpiles is dubbed "crushed materials A and B," indicating that these piles of material have only gone through primary crushing to date. Additional crushing and milling is required before refining, which Trio is scheduled to perform on both of these stockpiles as well as its trench ore (described below) as spring weather conditions permit. The Company anticipates commencing rock crushing in June 2013. Assays thus far have indicated that this material holds an average of 25 to 38 ounces of silver per ton.

Trench Material

In 2012, Trio excavated trenches on its property and conducted bulk sampling from the trenches (further detailed on page 29). In one trench, several thousand tons of material was blasted, which Trio has stated graded approximately 25 ounces of silver per ton. Figure 14 (page 22) illustrates trench material on the Duncan Kerr property.

Figure 14

TRENCH MATERIAL

Source: Trio Resources, Inc.

Figure 15

MUCK PILE

Source: Trio Resources, Inc.

Muck Piles

Trio owns two muck piles on its property, with the largest holding an estimated 910,000 tons of material grading roughly 10 ounces of silver per ton. As illustrated in Figure 15, a muck pile typically entails a large pile of loose, broken rock, earth, clay, or ore that has been fragmented as a result of blasting or prior excavation. The Company plans to blend its muck pile and tailings pond materials in with some of its crushed and trench materials in order to increase mill recovery rates.

Tailings Pond

Tailings entail the remaining portion of a metal-bearing ore after most of the metal has been extracted. Though mostly composed of waste material, tailings are known to contain grains of economically important minerals that were not recovered during mineral processing, and which, in Trio's case in particular, it may now be economical to attempt to recover. Improved metallurgical techniques and favorable mineral prices are major factors in miners reprocessing tailings ponds more thoroughly. The Duncan Kerr property includes a 27-acre tailings pond, which may hold trace silver mineralization as well as still has the capacity to hold another 500,000 tons of tailings produced by the Company's operations. Figure 16 illustrates some of the tailings left from prior mining on the Lawson claim at the Duncan Kerr property, noting that these pictures do not represent the entirety of the Company's tailings resource, the bulk of which is located on the Kerr claim (illustrated in Figure 6 [page 14]).

Figure 16

SNAPSHOTS OF TAILINGS IN THE LAWSON AREA (when owned by a previous operator in 2010)

Grass is growing on the perimeter and rain water is visible on the surface.

Source: Mine Rehabilitation Inspection Report for the Lawson site, September 1, 2010.

Trio's Process for Monetizing its Aboveground Mineralized Assets

Trio is initially processing its concentrate and crushed material A assets, which represent approximately 20,000 tons of material to be milled and have the highest silver concentrations of the Company's inventory. Additional minerals aside from silver that are recoverable from these stockpiles include cobalt, nickel, and zinc. Trio expects that the revenue generated from the sale of concentrate and crushed material can supplement its cash flow while mineral exploration continues on the property. Subsequent to the processing of these assets, the Company intends to exploit the remaining aboveground material with the objective of being able to continue generating revenue while pursuing more expansive exploration and development programs in the future.

As described on page 8, there are several methods by which Trio can capitalize on its aboveground mineralization, one of which entails selling bulk concentrate to refiners as-is without requiring further processing by Trio. The first such shipment of bulk material occurred in late December 2012.

As well, by using the existing mill facility at the Duncan Kerr property, Trio can process its concentrate via gravitational separation in order to yield a higher-concentrate material that is ready for smelting, which the Company could market to a broader range of refiners than would accept the unprocessed bulk concentrate. Trio began processing its aboveground concentrate in 2012, and is currently shipping concentrate to refineries. This process for monetizing Trio's aboveground assets is illustrated in Figure 17 and is summarized on page 24.

Figure 17

A SUMMATION OF THE MAJOR ELEMENTS IN TRIO'S PROCESS FOR MONETIZING MINERALIZED ASSETS

Source: Trio Resources, Inc.

(1) Source the Mineralized Material. At first, this step entails processing the aboveground stockpiles; however, the Company expects that its exploratory drilling and ground imaging can identify additional sources of mineralized material, which it can extract via **ramp** or **shaft mining**.

(2) Crushing Process. Material is crushed using a combination of **jaw** and **cone crushers** (two pieces of crushing equipment that vary by crushing mechanism). It is then screened and sent via a conveyor to be milled. Trio is in the process of upgrading its crushing equipment to include new jaw and cone crushers along with expanding its mill capacity, as described on page 24.

(3) Grind Material in a Ball Mill. Trio currently processes 1 ton of material per day in a small ball mill equipped with a gravity table. A ball mill is a type of grinder for ore that mixes the ore material with a "grinding medium," such as ceramic or stainless steel balls. By turning the ore and the balls together on a horizontal axis, the ball mill reduces the material to a fine powder. Trio's ball mill uses steel balls between 1.5 cm and 3 cm in width for grinding.

(4) Use Gravity Tables to Separate the Material. Once the material has been crushed to the desired granularity in the ball mill, it can be sent to the gravity table, which serves to separate out valuable mineralized content from the waste material (tailings).

(5) Further Processing and Waste Removal. Waste material is separated out from the water, which is processed to remove all solids and is then recycled. The waste material and the solids are dried and sent to the tailings pond.

(6) Send to Refiner. The resulting highly concentrated material is sent to a refiner, such as United Commodity (described on pages 18-19), which works to recover the minerals of value. The refiner produces ingots of the metal, which can be sold as currency, and Trio is paid a recovery rate.

Trio's Plans for Upgrading Its Mill Infrastructure

Trio has designed plans for a larger, 360 ton/day mill, which would require the purchase of advanced crushing, screening, and separation equipment, including a large-capacity ball mill, thickening tanks, and dual-deck gravity tables, among other products as finances allow. The larger mill could require an investment of approximately $2 million to put in place but is anticipated to significantly increase Trio's output and efficiency while only marginally increasing relative operating expenses (Source: Trio's Form 8-K/A filed with the U.S. Securities and Exchange Commission [SEC] on March 15, 2013). Trio reports that it has already sourced, and has options on, the equipment required to retrofit its mill facility in order to increase output to 360 tons per day.

Based on Trio's current stockpiles, the Company estimates that it has sufficient material to support at least seven years of operating a 360 ton/day mill.

Going forward, the Company's milling infrastructure may be used to process more than just the existing aboveground mineralization. For one, Trio intends to continue to explore its property to identify further high-concentration regions that may be profitable to develop. As well, under the Company's business strategy, Trio seeks to acquire additional historic mining properties ripe for new exploration, which could provide further mineralized material for Trio to process and monetize.

Mineral Exploration at Trio's Duncan Kerr Project

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Historically Rich in Silver, Cobalt, and Other Metals

Historically, mining in the Cobalt, Ontario, region has been driven by market dynamics. When silver was first discovered in the region in 1903, it was widely produced from a series of mines until the 1920s, when silver prices dropped and the silver mines around Cobalt, Ontario, began closing. However, in the 1950s, there was a global demand for cobalt, a hard grey metal used as a pigment and in the preparation of high-strength, magnetic alloys, which spurred renewed mining activity in the area. Cobalt mining combined with new exploration via diamond drilling at the old mines identified further areas of silver mineralization that had not been found by the early miners (Source: Agnico-Eagle Mines Ltd's Giroux-Kerr Lake Mine Closure Plan). New silver veins continued to be discovered and mined in the region through the 1980s.

Figure 18

COBALT

Source: Wikimedia Commons.

In 1994, Agnico-Eagle Mines, which owned the leases to the Kerr Lake and Lawson properties at that time, opted to close these mines. In its Giroux-Kerr Lake Mine Closure Plan dated July 31, 1994, Agnico-Eagle noted that, although there had been silver production in this region virtually every year since 1903, the company did not intend to carry out any further silver mining due to "deflated silver prices." The land was subsequently transitioned into a scenic tourist destination for activities such as hunting, fishing, and viewing mining artifacts, and in 2003, the Royal Canadian Mint debuted a commemorative coin to mark the 100-year anniversary of finding silver in Cobalt.

Today, Trio's Duncan Kerr holdings include the former Lawson mine as well as part of the Kerr Lake mine. From 1905 through the 1960s, the mines at Kerr Lake and Lawson produced over an estimated 32.7 million ounces of silver (Source: *NI 43-101 Technical Report on the Duncan Kerr Property: Larder Lake Mining Division, Northeastern Ontario for Trio Resources, Inc.*, March 22, 2013). One of the notable finds at Lawson in the early 1900s was a "silver sidewalk"—a vein several hundreds of feet long and almost a meter wide in places that hosted considerable silver mineralization. It was touted as one of the richest claims of silver ever discovered in North America, and in many locations, appeared as if it was a sidewalk of solid, polished silver (Source: *United States Investor*, Volume 20, June 5, 1909). Figure 19 (page 26) illustrates this silver vein upon its discovery in the early 1900s and its appearance today as part of the Heritage Silver Trail, which cuts across the Duncan Kerr property.

Importantly, as finances allow, Trio may seek to acquire another 900 acres in the Cobalt Mining Camp region, which include a series of former silver-cobalt mines near the Duncan Kerr property. In the Cobalt Mining Camp as a whole (which included Kerr Lake, Lawson, and many other nearby mines), historical silver production is reported to have exceeded 445 million ounces (Source: *Exploration and Mining Geology*, April 2000, Vol. 9, No. 2:81-90).

Figure 19

SILVER SIDEWALK: THEN AND NOW

Silver Sidewalk, Lawson Mine, c. 1905-1910

Trench on the Duncan Kerr property where the Silver Sidewalk vein was mined

Sources: Trio Resources, Inc. and http://charleshtaylor.blogspot.com/2006/03/1905-to-1910-mining-in-cobalt_21.html.

Regional Geology is Favorable for Continued Silver Mineralization

The Duncan Kerr property lies in the Southern Province of the **Canadian Shield** (a plateau occupying more than two-fifths of the land area of Canada) within the Cobalt Embayment, which is best known for its rich silver-cobalt veins (Source: Eric G. Potter and Richard P. Taylor's *Genesis of Polymetallic Vein Mineralization in the Paleoproterozoic Cobalt Embayment, Northern Ontario: Implications for Metallogenesis and Regional Exploration*, 2010). The land on the property is characterized by rolling and steep ledges and cliffs with occasional swamps, lakes, and streams (Source: *NI 43-101 Technical Report*). The rocks on the property originated in several different eras and through varying processes. As a general overview, the oldest rocks on the property are a type of **Archean** volcanic rock, on top of which **Huronian sedimentary** rocks have been unconformably deposited. In addition, a regional complex of **mafic** sills and dikes (types of intruding **igneous** rocks) intersect with the sedimentary rocks in a geological formation known as the **Nipissing Diabase**. These occurrences—the unconformity between the Archean volcanic and Huronian sedimentary rocks and the Nipissing Diabase—are important structures, as major silver deposits of the 20th century were found within a few hundred meters of the unconformity in proximity to the Diabase (Source: *Exploration and Mining Geology*, April 2000, Vol. 9, No. 2:81-90). For example, the former Kerr Lake Mine hosted a silver vein in Diabase and Archean rocks that produced over three million ounces of silver (Source: *NI 43-101 Technical Report on the Duncan Kerr Property: Larder Lake Mining Division, Northeastern Ontario for Trio Resources, Inc.*, March 22, 2013).

Trio reports that most of the historical silver production occurred with 200 meters of the contacts of the Diabase, and believes that the geology on the Duncan Kerr Property continues to represent a favorable setting for silver mineralization. To this end, a review of the property's geological setting by professional geologist Joerg Kleinboeck, P.Geo. of JMK Exploration Consulting found that exploration potential exists south of the former Kerr Lake Mine, at the Archean-Diabase contact or at a relatively shallow Huronian-Archean unconformity, which may extend past the historical mine workings (Source: *NI 43-101 Technical Report on the Duncan Kerr Property*).

Mineralization in the Cobalt Mining Camp is hosted in veins, which are zones of mineralized rock that are distinct from neighboring rock (as pictured in Figure 20). Veins can vary in height, width, and mineral matter, and can be found underground, near the surface, or in rock **outcrops** above ground. Veins in the Cobalt Camp typically contain five elements: nickel, cobalt, silver, bismuth, and arsenic. Thicknesses of the veins vary from centimeters wide to meters wide in places, and their location in the Cobalt region is usually associated with vertical or sub-vertical **fault** systems. Within the veins, mineralization can be discontinuous. High-grade ore pockets are likely to occur near vein intersections or intersections of veins with other geological formations, e.g., a shallow-dipping **shear zone** or **lithological contact** (Source: *NI 43-101 Technical Report*). Figure 21 illustrates a map of the Duncan Kerr property with geology.

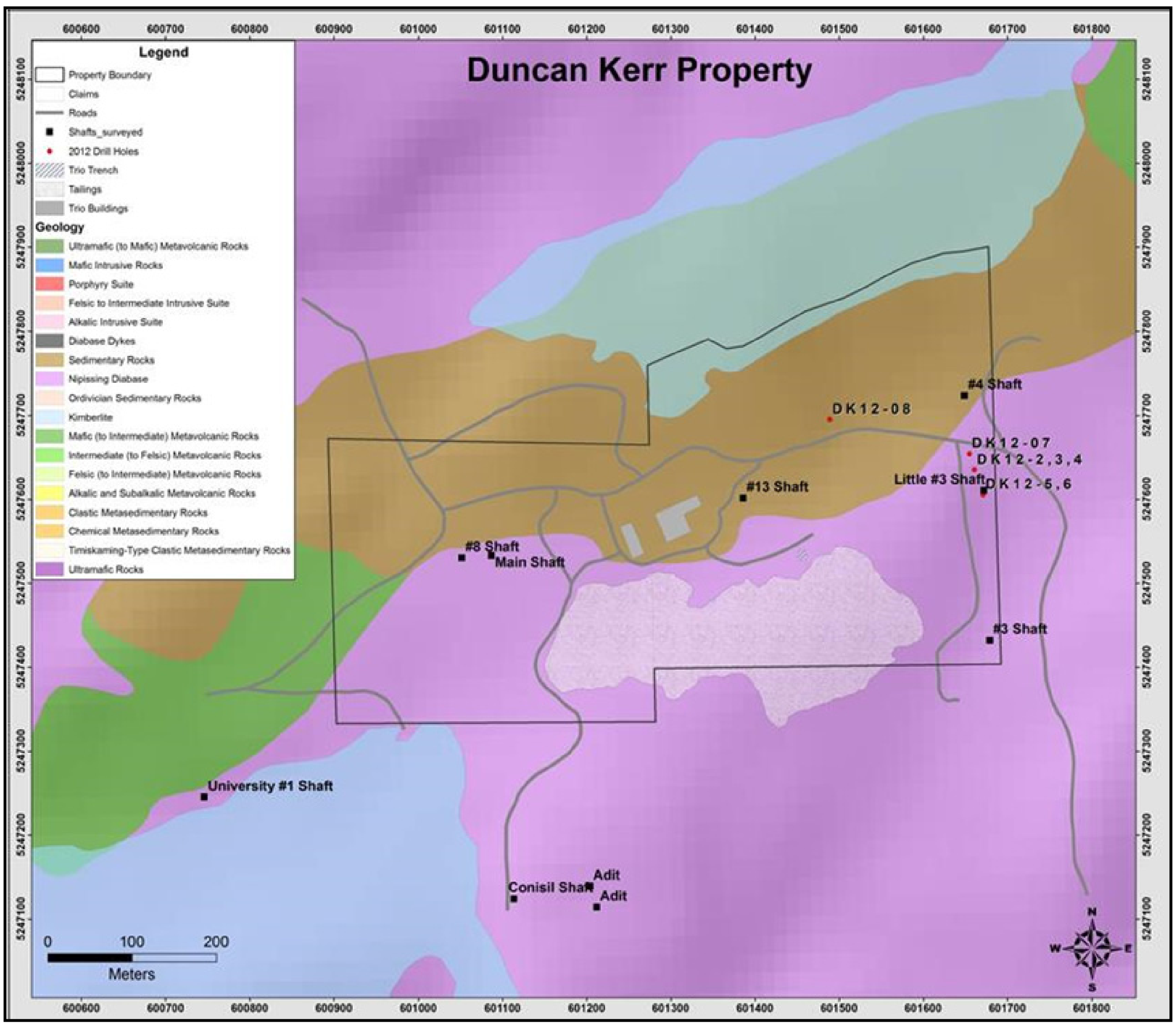
Figure 20

SILVER VEIN IN THE COBALT, ONTARIO, DISTRICT

Source: www.electriccanadian.com

Figure 21

PROPERTY GEOLOGY WITH SURVEYED SHAFTS AND 2012 DRILL HOLES



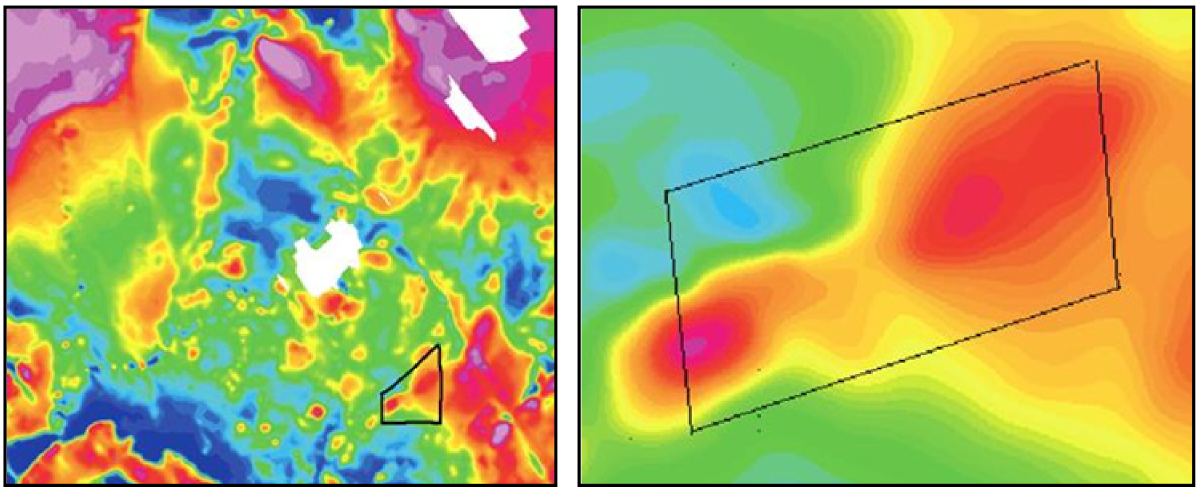
Source: Trio Resources, Inc.

In addition, the physical properties of the surface and subsurface of the Duncan Kerr property and surrounding region have been analyzed via magnetic fly-over resonance imaging—a technique for finding (from the air) geology that may be favorable for mineralized ore. The magnetic imaging has identified areas of interest on the Duncan Kerr property, which are consistent with prior discoveries, and has helped Trio determine the initial targets of its exploration activity. Figure 22 illustrates the magnetic imaging surveys. The color range symbolizes the strength of magnetic fields, which typically correlate to concentration of metals. The blue and green coloring indicates low magnetic fields and the strong pinks and purples show the highest magnetic fields, which could indicate a higher concentration of metals. This type of imaging can also be used to highlight the areas on the Duncan Kerr property where volcanic rock rises close to the surface, which may have associated silver veins also rising toward the surface.

Figure 22

MAGNETIC FLY-OVER IMAGING

Magnetic fly-over imaging has identified high-interest target areas on Trio's property, which the Company reports is consistent with prior discoveries.



Source: Trio Resources, Inc.

TRIO'S EXPLORATION ACTIVITIES

Publication of an NI 43-101 Technical Report

On March 22, 2013, Trio published a third-party Technical Report of its Duncan Kerr Property, which was conducted by a professional geologist, Joerg Kleinboeck, P.Geo. of JMK Exploration Consulting. The report, titled *NI 43-101 Technical Report on the Duncan Kerr Property: Larder Lake Mining Division, Northeastern Ontario for Trio Resources, Inc.*, is NI 43-101 compliant. It is publicly available from Trio, the SEC, and SEDAR, and includes scientific and technical data from recent and historical exploration at Duncan Kerr, which was developed based on data supplied by Trio, information in the public domain, and in-person site visits made by Joerg Kleinboeck in December 2012 and February 2013.

2012 Drill Program

After acquiring the Duncan Kerr property in May 2012, the Company conducted a preliminary exploration program during 2012 that included diamond drilling. Diamond drilling entails the use of a diamond-studded drill bit to cut a circular, columnar section of rock from hundreds of meters below ground, called the drill core (as illustrated in Figure 23 [page 29]). Trio uses historic magnetic resonance data acquired from former property owners combined with current technological methods of geological assessment and drilling (which were not available during the silver heyday of the former mines) in order to determine its target areas for exploration.

Figure 23

TRIO'S EXPLORATORY DIAMOND DRILLING

Sources: Trio Resources, Inc. and Wikimedia Commons.

Trio used AQ-size drilling for its initial holes, which allowed the Company to extract drill core that had a diameter of 27 millimeters. The AQ-size drill is one of the smallest and least expensive options for exploration drilling and is targeted for fast and deep drilling in order to search the underground structure. Thus far, Trio's drill depths have ranged between 100 and 200 feet. For future drill programs, a larger size diameter, such as NQ-size drilling which gives a 47.6 millimeter diameter core, is one of the most common strategies, since it would allow the Company to assay a larger and thus more accurate sample.

Once the drill core is obtained, it is standard practice to split it in half longitudinally, send half to a laboratory for analysis, and store the remaining half on the property for future use or analysis. Trio's 2012 drill core was logged, split, and stored onsite by employees of the Company (noting that these individuals are not professional geologists), and the drilling itself was performed by Trio using its own drills. Thus, the 2012 drills do not qualify as third-party NI 43-101 drilling. Obtaining NI 43-101-compliant estimates is a key objective for Trio during 2013/2014.

The Company sent any of its 2012 drill core that displayed mineralization to be assayed by ActLabs' ISO/IEC17025:2005-accredited Ontario laboratories. Core samples lacking mineralization were not assayed.

Trio received results of its first drill program in late 2012, and reported that results were favorable. Thus, Trio plans to continue with a subsequent drill program during 2013. One hole in particular, which was assayed by ActLabs on September 5, 2012, returned three meters of mineralization grading 240 ounces of silver per ton, which was extracted from a depth of 124 feet (noting that this is not an industry standards-compliant estimate).

Bulk Sampling of Trench Material

During 2012, the Company further excavated several trenches on the property for a total area of 200 m^2 and blasted one trench in order to expose surface mineralization. Bulk sampling on these areas identified an average content of 25 ounces per ton of silver in approximately 16,000 tons of trench material. The Company reports that these estimates were obtained based on analysis from a third-party engineering company, Canadian owned and operated Consbec Inc. (www.consbec.com), which also performed the trench blasting. Founded in 1981, Consbec is one of the largest independent drilling and blasting contractors in North America (Source: Consbec).

2013 Exploration Program

Trio plans to continue exploration at Duncan Kerr during 2013, beginning in May. While the Company's exploration plan is subject to financing, Trio expects that basic exploration activity can continue with minimal cash flow, provided the Company continues to achieve current revenue from its existing stockpiles and small milling capacity.

Work will likely consist of approximately 5,000 meters of further diamond drilling as well as mechanized trenching, geological mapping, and prospecting. In order to identify specific targets for future work, the Company intends to first complete a Geographic Information System (GIS) compilation of the property that contains all geological, geophysical, and digitized historical information in a GIS database.

Ultimately, Trio intends to target its exploration activities toward gathering sufficient drilling results to allow for the creation of a feasibility study or an NI 43-101-compliant technical report identifying any reserves on the Duncan Kerr property.

Market Opportunities

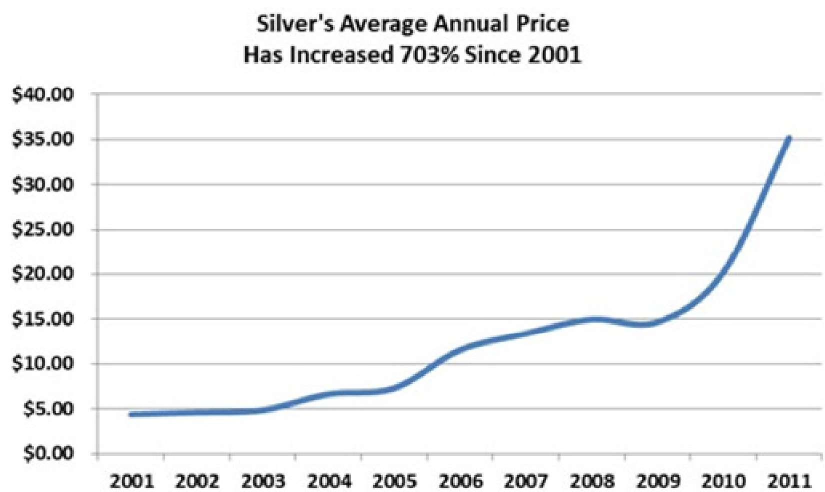
Silver, cobalt, and nickel have been recovered from Trio's mineralized concentrate, which was processed by United Commodity in early 2013. High recovery rates for all three metals may generate revenue to Trio of approximately $236,000 for the first 156 tons of material processed (Source: Trio's April 16, 2013, press release). Trio is working to monetize roughly 1.3 million tons of mineralized material going forward. Accordingly, an overview of the uses and market demand for each of the Company's initial metal targets—silver, cobalt, and nickel—is provided below.

Silver

As illustrated in Figure 24 (and Figure 3 [page 5] for a longer time horizon), silver prices are near all-time highs, which makes reprocessing stockpiles of material from former mines known to have silver mineralization a potentially profitable endeavor. Silver's average price per ounce of $35.12 in 2011 was a record for this metal. In 2012, the average price for silver declined slightly to $31.15 an ounce (Source: Thomson Reuters GFMS and the Silver Institute's *World Silver Survey 2013*). To date in 2013, silver prices have been volatile, reaching a year-to-date high of $32.23 per ounce on January 23, 2013, and a low of $22.26 per ounce on May 16, 2013. Analysts believe prices could again exceed the $30/ounce threshold in 2013 as a result of concerns over the U.S. economy, federal quantitative easing, and downgrades of U.S. debt (Source: *Forbes*, April 24, 2013).

Figure 24

AVERAGE SILVER PRICE PER OUNCE (2001-2011)



Source: the Silver Institute, January 4, 2012.

Both HSBC and Deutsche Bank have recently issued new forecasts for average silver prices in 2013 and 2014. Based on expanding mine production, which may lower prices versus 2011 and 2012 highs, offset by expectations of increasing industrial demand for silver amid a recovering global economy (which could lead to higher silver prices), HSBC forecasts an average silver price in 2013 of $26 per ounce and $27 per ounce in 2014 (Source: Reuters, April 27, 2013). Deutsche Bank expected higher silver prices of $31 per ounce in 2013 and $34 per ounce in 2014 (Source: *Wall Street Journal*, April 9, 2013).

In 2013, silver supply is anticipated to increase by as much as 4% to 5%. At the same time, industrial demand could reach higher levels in 2013 than over the past few years, when industrial stock suffered as a result of global economic constraints. Because of silver's strategic and industrial utility for many of the products used in daily life (described in greater detail on page 33 under Production and Fabrication of Silver), demand for this metal could increase more than other precious metals (such as gold) as the economy stabilizes (Source: "Forget Gold, Use Silver as Currency: David Morgan," April 24, 2013).

Regardless, the *World Silver Survey 2013* published in April 2013 suggests that fabrication demand, while higher in 2013, will likely still not consume all of the available supply of silver this year. The balance is subject to investor demand. To this extent, the first several months of 2013 experienced a decline in silver prices due in part to a return by investors to equities over metals in early 2013 as well as a significant drop in gold prices in April 2013 that also affected the broader metals market. As of May 17, 2013, the year-to-date cumulative average silver price per ounce was $28.19.

In the second half of 2013, Thomson Reuters GFMS (Reuters' precious metals, base metals, and steel research consultancy) has suggested silver prices may return to above $30/ounce, for an annual average price per ounce of just under $29 (Source: Resource Investing News, a provider of news and information for the resource markets, April 30, 2013). One factor in particular that could support silver prices over the near- to medium-term is unresolved U.S. budget and deficit problems, which could lead to a potential U.S. credit rating downgrade and may serve as a trigger for fund investment in silver around July 2013 as budget and debt-ceiling negotiations intensify (Source: *Forbes*' "INTERVIEW: Thomson Reuters GFMS: Silver Could Reclaim $30/Oz In 2013," April 24, 2013). Additional factors to look for according to Thomson Reuters GFMS include wavering or weakening of the U.S. economy, which could extend the duration of the Federal Reserve's quantitative-easing program, and global possibilities for inflation, which may drive investors to precious metals as a hedge.

Physical buying of silver stocks by investors may also indicate a positive outlook for this metal going forward. Sales of silver bullion coins from the U.S. Mint totaled nearly 17.3 million ounces from January through April 2013, versus a year-ago total for this same timeframe of only 11.7 million ounces (Source: *Forbes*, April 24, 2013). Similarly, mining companies like Agnico-Eagle believe there is a stronger outlook for precious metals over the long-term, and have taken the recent dips in the metals sector as an opportunity for investment. Stating his impression that a recent plunge in gold prices was "an overreaction in the market," Agnico-Eagle's CEO Sean Boyd views the current atmosphere in the precious metals market as a "time of opportunity," and accordingly, Agnico-Eagle has recently made multiple investments in junior mining companies in recent months (Source: Reuters' *Agnico-Eagle profit drops as cost rise*, April 26, 2013).

Figure 25

SILVER OUTLOOK: FIVE EXPECTATIONS DRIVING SILVER DEMAND AND PRICES

(1) Affordability

- Silver coin sales from the U.S. Mint from January to April 2013 are significantly higher than January to April 2012
- Investment in silver exchange-traded products (ETPs) reached a record high in March 2013 versus a 12% decline in gold ETP holdings

(2) Profitability

- The *World Silver Survey 2013* found primary silver producers were able to mine for just $8.88 per ounce in 2012
- Silver's abundance relative to other precious metals helps keep production costs down
- High profit margins may encourage investors to invest in stocks of silver mining companies over bullion

(3) Safety

- Potential for "safe-haven" investing due to global and U.S. economic and budgetary worries

(4) Hedging Against Inflation

- Modestly higher inflation could be a long-term price support for silver

(5) The Gold-to-Silver Ratio

- Based on past consensus that a reasonable gold-to-silver price ratio occurs when 1 gold ounce can buy 40 ounces of silver, silver is currently undervalued versus gold; The ratio is roughly 1:62 at present, allowing room for the gold:silver ratio to contract and silver prices to rise

Source: Wealth Daily's "Silver Investing 2013: Growing Supply and Demand," April 25, 2013.

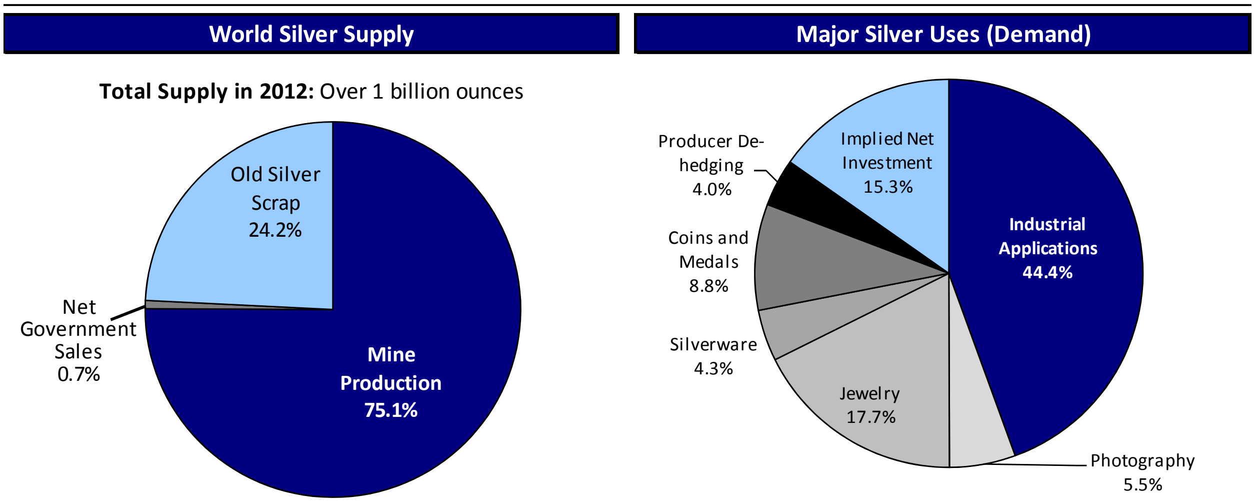
Production and Fabrication of Silver

In 2011, Canada ranked number 11 out of the top 20 silver-producing countries worldwide, having produced 19.1 million ounces of the precious metal (Source: the Silver Institute, a nonprofit association founded in 1971 and composed of executives from across the silver industry). The top producer is Mexico followed by Peru and China, each of which has total mine production of over 100 million ounces of silver a year.

There has recently been a slight decrease in silver demand for fabrication (turning the metal into an end product) due to economic constraints in the Eurozone during the latter portion of 2011, which negatively affected demand for silver used in the production of industrial goods (such as electronics and solar panels). However, silver remains a critical metal with high demand in the marketplace. Demand remains strong for jewelry and coin minting (largely from Asian countries) as well as from investors' interest in coins, medals, physical bars of silver, and exchange-traded funds. The right side of Figure 26 illustrates the major market sectors responsible for the majority of silver purchases, including primary areas of fabrication in industrial applications, jewelry, coins and medals, photography, and silverware.

Figure 26

SNAPSHOT OF GLOBAL SILVER SUPPLY AND DEMAND IN 2012



Source: Thomson Reuters GFMS and the Silver Institute's World Silver Survey 2013.

Industrial applications represent by far the greatest demand for silver. These uses are wide ranging, as silver is durable, strong, malleable, ductile, reflective, conductive, corrosion resistant, and can endure extreme temperatures. This precious metal, which is more common and less expensive than gold, is widely used in the manufacture of electrical and electronic components—such as are needed for solar panels—because of its conductivity. As well, silver is used in the manufacture of consumer electronics, such as cell phones, televisions, or appliances, and electrical components like wall switches, circuit breakers, fuses, batteries, and electronically heated automobile windshields.

Due to its strength and corrosion resistance, silver is employed for soldering or **brazing** (joining) metals in a wide range of industries (automotives, manufacturing, mining, and beyond), and is used as a coating material for mirrors, glass, CDs, and DVDs. Beyond its expected uses in silver jewelry and silverware, the metal is also an important catalyst for the production of ethylene oxide, an essential ingredient in plastic. Moreover, silver has long shown antibacterial and antimicrobial properties, leading to its use in water purification and in healthcare for antibacterial bandages for burn victims and wound healing. To this extent, in 2006, Samsung Electronics Co. Ltd. introduced a washing machine with "SilverCare™ Technology." The machine uses silver ions in its wash and rinse cycles to sanitize laundry—stated to be able to kill 99.9% of bacteria without the use of bleach or hot water (Source: Samsung's February 13, 2006, press release).

The aforementioned uses, though extensive, do not represent all of the varied applications of silver in today's marketplace. Monex Precious Metals (www.monex.com), a U.S.-based precious metals dealer and market operator, estimates that more than 95% of historically mined silver has already been consumed and is no longer recoverable. In aboveground assets of refined silver (not including mine resources or reserves), Monex's data indicates that there exists only roughly 300 million ounces globally (Source: www.monex.com/prods/silver.html).

Cobalt

Many countries worldwide use cobalt for strategic industrial, military, and commercial applications. Two of the most well-known uses of the metal are for manufacturing rechargeable batteries and "superalloys," which entail two or more metals combined together to achieve greater strength and corrosion resistance at high temperatures or under high stress. Superalloys accounted for approximately half of U.S. cobalt consumption in 2010 (Source: the USGS's Fact Sheet, *Cobalt—For Strength and Color*, July 2011). Due to their stability at high temperatures, cobalt superalloys are used in gas turbine engines, military fighter jets, and spacecraft, as well as power plants, chemical plants, and petroleum plants.

Rechargeable batteries made with cobalt, which helps increase battery life while reducing corrosion, are believed to be the leading use of the metal worldwide (Source: *Cobalt—For Strength and Color*). These battery types are widely employed in products that recharge often, including cell phones, laptops, and electric vehicles. In addition, cobalt is the element used to achieve an intense blue color in glass, ceramics, and paints. Figure 27 summarizes many of the more common uses of cobalt, noting that this Figure is not intended to be an exhaustive collection of all applications.

Figure 27
SELECTED USES OF COBALT

- Rechargeable battery electrodes
- Superalloys
- Airbags in automobiles
- Catalysts for the petroleum and chemical industries
- Cemented carbides and diamond tools
- Corrosion- and wear-resistant alloys
- Drying agents for paints, varnishes, and inks
- Dyes and pigments
- Ground coats for porcelain enamels
- High-speed steels
- Magnetic recording media
- Magnets
- Steel-belted radial tires

Source: U.S. Geological Survey, Mineral Commodity Summaries, January 2013.

Cobalt Supply

Globally, mines produced approximately 110,000 tonnes of cobalt in 2012 (Source: USGS). Worldwide, major producers of cobalt include the Democratic Republic of the Congo (DRC), China, Canada, Madagascar, Zambia, Russia, Brazil, and Cuba—places that also host copper or nickel deposits, as most cobalt occurs in conjunction with these other elements and is produced as a byproduct of processing nickel or copper ores. The U.S. is not actively mining significant quantities of cobalt but rather imports its supply from other countries or obtains it from scrap or recycled inventory. As of 2012, the U.S.'s annual consumption of cobalt was valued at approximately $275 million (Source: the USGS's *Mineral Commodity Summaries*, January 2013). China, which is the U.S.'s major cobalt supplier, is active in both the import and export of cobalt, as the country acquires feedstock from partially-refined cobalt concentrate imported from the DRC.

In early 2013, cobalt prices increased as supply tightened due to a delay in shipments from a large mine in Madagascar. However, the delay is viewed as temporary and the second half of 2013 could see a considerable expansion in cobalt supply, potentially placing downward pressure on prices for this metal in the near term (Source: Reuters, February 26, 2013). Sources of new supply coming online in 2013 include the opening of a nickel/cobalt mine in Papua New Guinea and a ramp-up in copper and gold mining operations in the DRC (which leads to more cobalt produced as a byproduct). Additionally, as of January 2013, the USGS reported that China held significant cobalt inventory built up over the past several years.

Over the long term, the USGS has forecasted that possible disruptions to cobalt supply could occur as many current cobalt sources are in politically volatile regions where a constant supply of high-grade, economical cobalt cannot be assured. Additionally, since cobalt deposits are often mined as a byproduct of copper or nickel mining, subdued markets for these two metals could limit development of cobalt resources as well. If such events were to occur, Trio may be positioned to address this market, as its near- to mid-term cobalt supply has already been extracted from the ground and its development does not hinge on the economics of the copper or nickel market.

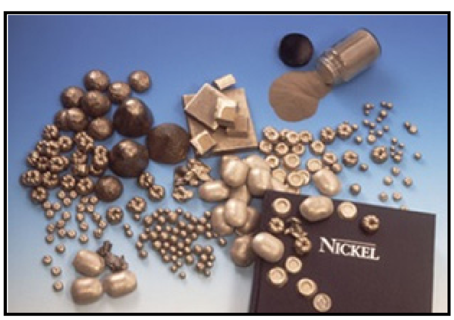
Nickel

Nickel has been used for hundreds of years in combination with other metals for metal plating and coins, and is still chiefly used in the manufacture of metal alloys. Up to 65% of the nickel produced globally today is alloyed with chromium or other metals for stainless steel (Source: the Nickel Institute, a nonprofit organization representing the interests of major nickel producers), as nickel alloys have been found to offer high resistance to corrosion and extreme temperatures. Other key uses of nickel alloys include in highly specialized industrial, aerospace, and military applications, such as for gas turbines, rocket engines, desalination plants (where salt water is converted into fresh water), and armor. Altogether, the Nickel Institute estimates that there are roughly 3,000 nickel-containing alloys in everyday use. The metal is also still used for plating (essentially covering softer metals with a coating of hard nickel) and coins as well as in electronics and rechargeable batteries.

Approximately 30% of the minerals known to contain the highest concentrations of nickel are found in Ontario (Source: Royal Society of Chemistry). Accordingly, Canada is one of the top three locations globally for mining nickel, as summarized in Figure 28.

Figure 28

NICKEL



Top three countries for mining nickel:

1) Australia
2) Cuba
3) Canada

Top three countries for producing nickel:

1) Russia
2) Indonesia
3) Australia

Sources: the Nickel Institute and the Royal Society of Chemistry.

From 2001 through 2011, the nickel market expanded by an average annual growth rate of 4.2%, driven by demand from new and rapidly industrializing countries, such as China, which also contributes to approximately 5% annual growth in the stainless steel market (Source: the International Nickel Study Group, an autonomous, intergovernmental organization for nickel-producing, using, and trading countries). In 2013, production of new nickel (versus recycled nickel) may exceed demand due to a lower-grade nickel substitute called nickel pig iron (NPI) being increasingly used in China, greater use of stainless steel scrap (recycled products) in Europe, and new projects adding production (Source: Bloomberg, April 19, 2013).

Competition

The mining industry is a competitive field. In Ontario alone, there are more than 600 mineral exploration projects, 38 operating mines, and eight new mines expected to open soon (Source: Ontario's Ministry of Northern Development and Mines, May 9, 2012). Many of Ontario's major mines, which range from gold and silver mines to industrial metals and diamond mines, are listed in Figure 29 (page 38). As an exploration company, Trio may not only compete with other exploration firms but also with Canadian and global silver miners in later stages of production. As well, Trio possesses the ability to process its own mineralized material, and as such, may compete against other small processors with mineral resource properties. The following summaries are not intended to be an exhaustive collection of potential competitors to Trio; however, they are believed to be representative of the type of competition that the Company may encounter as it seeks to further explore and generate revenue from its mineralized assets.

Excalibur Resources Ltd. (XBR-CNSX; EXCFF-OTC)
www.excaliburresources.ca

Headquartered in Toronto, Ontario, Excalibur is a junior exploration mining company focused on the discovery and development of economically viable precious metal mineral resources. The company is specifically developing small gold and silver mines in Canada and Mexico, with the objective of identifying and capitalizing on shallow, high-grade, low-CAPEX (capital expenditures), existing and historic deposits. Excalibur presently holds 49% of the Catanava Gold project in Zacatecas, Mexico, as well as a Sturgeon Lake property in Ontario and a Cariboo Gold-Silver project in British Columbia, Canada. The company's 107 km^2 Sturgeon Lake project in Ontario is based at a historic mining region, which produced approximately 19 million tons of zinc-copper-lead-silver-gold ore from the 1970s through the 1990s (Source: Excalibur). Excalibur's exploration plan for this property included electromagnetic surveys, ground work, and drilling of 21 holes in 2010. As of March 2012, the company hoped to renew exploration work at the Sturgeon Lake project, funded by future cash flow from a 250 tonne-per-day gold and silver plant in Mexico that began construction in 2011. The Catanava (Mexico) project is a joint venture with Minera Apolo S.A. de C.V. Underground blasting began at the project in September 2012, and the company is intermittently processing roughly 150 tonnes per day. In January 2013, Excalibur reported that it was on the path to commercial production, initially through the sale of concentrate.

Additionally, the British Columbia region where Excalibur's Cariboo Gold property is located is reported to have hosted historical production of over five million ounces of gold and 30 million ounces of silver. Trenching and sampling was conducted in 2011, followed by a drill program in 2012 that returned results of up to 11.1 grams per tonne (g/t) of gold and 92 g/t of silver over 1.3 meters (Source: Excalibur's February 8, 2013, press release).

Liberty Mines Inc. (LBE-TSX)
http://www.libertymines.com

From its Toronto headquarters, Liberty Mines is focused on the exploration, development, and production of nickel and related base metals from several properties in Ontario. The company owns and operates a nickel mill and concentrator near Timmins, Ontario. Liberty has previously produced nickel from this mill, however, idled it for a period in 2012 due to low nickel prices. Total production from the mill during 2012 was over 1.1 million pounds of nickel concentrate. In addition, the company implemented a care and maintenance program at its Redstone and McWatters nickel mines in August 2012, which was intended to preserve these assets without active production until such time as it is economically favorable (i.e., higher spot nickel prices) for the company to continue with nickel mining. In January 2013, Liberty announced that it had found a form of asbestos in the ore body at its McWatters mine, which the company is now working to remediate. This finding may impact the feasibility of restarting mine operations at the McWatters mine.

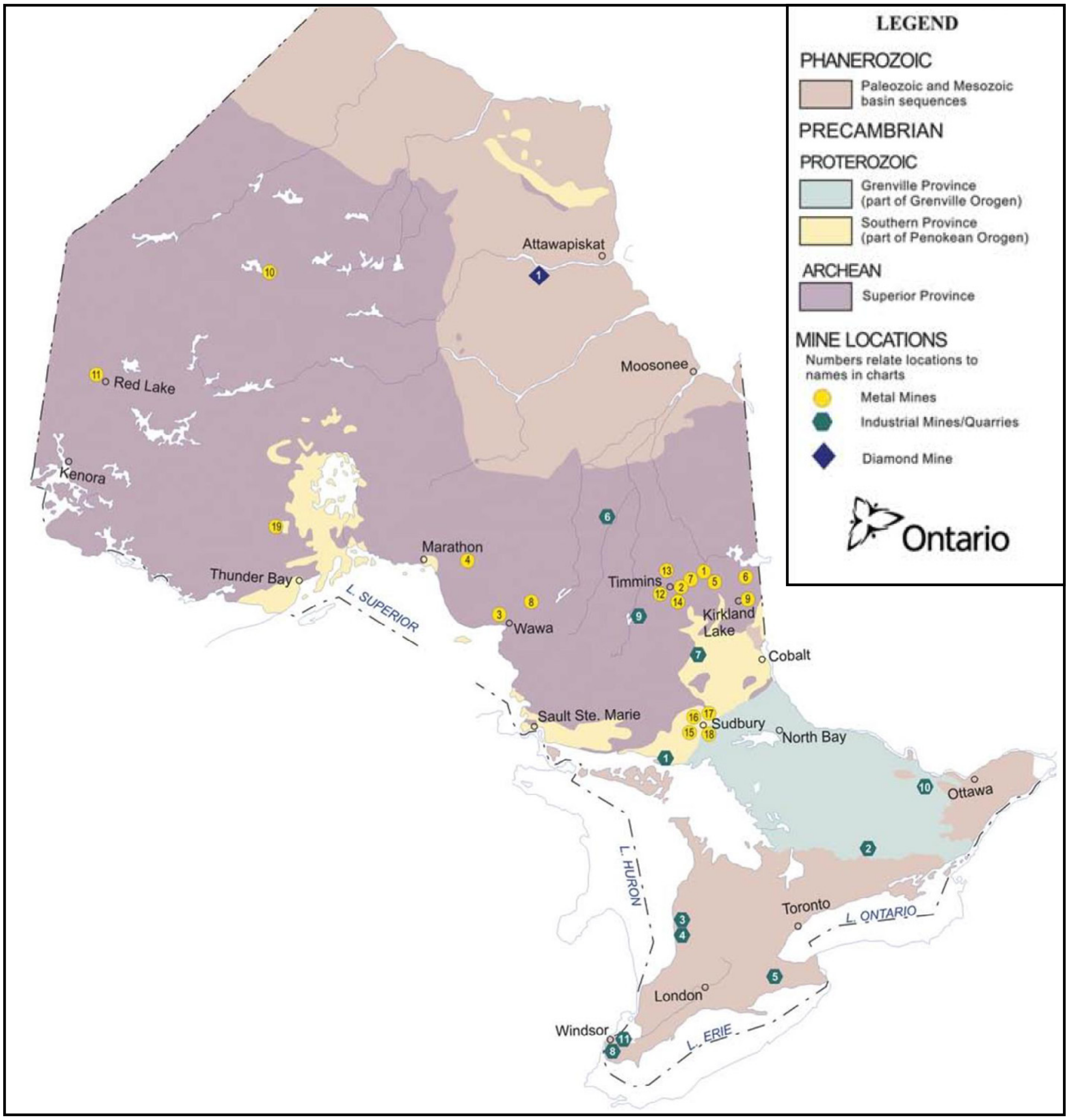
Additionally, Liberty holds several other projects, for which the company has planned exploration programs, and going forward, the company aims to expand beyond the Timmins region. Such programs may serve to increase Liberty's assets for processing in its mill in the future. Liberty's properties include the following: (1) land in the Shaw Dome Nickel Belt that includes the Redstone mine, McWatters mine, and Hart project; (2) the Groves project, which is focused on nickel, copper, and platinum group metals closer to Sudbury, Ontario; and (3) the McAra Lake-Ray project, which targets cobalt, nickel, and copper. During 2012, the company completed a preliminary economic assessment (PEA) and NI 43-101 Technical Report for its Hart nickel project, which identified a potential eight-year mine life for this project.

White Tiger Mining Corp. (WTC-TSX.V)
http://whitetigermining.com

Headquartered in West Vancouver, British Columbia, White Tiger is a junior exploration company with two properties in Ontario. The company holds rights to the Marshall Lake property, for which the focus is on copper, silver, gold, and zinc; and the Norton Lake property, where the company targets nickel, copper, cobalt, and platinum group elements. White Tiger has worked to consolidate several smaller land holdings into its Marshall Lake property, which now encompasses a sizeable combination of tracts (10 km by 16 km) previously owned by major companies, such as BHP Billiton Ltd. (BHP-NYSE), Teck Resources Ltd. (TCK-NYSE), and the former Falconbridge Copper Ltd. Thus far, the company has completed several drill programs at the Marshall Lake property, which are reported to have intersected wide zones of disseminated copper (Source: White Tiger's March 27, 2013, press release). At White Tiger's Norton Lake property, the company has completed 3D conceptual modeling of certain sulfide nickel-copper mineralized zones based on results from assays of historical drill core.

Figure 29

MAJOR ONTARIO MINING OPERATIONS (as of 2012) (not intended as an exhaustive collection of mineral producers)



Metal Mines (Gold, Base Metals, Platinum Group)

1) Brigus Gold Corp.'s Black Fox Mine
2) Goldcorp Inc. - Porcupine Gole Mines' Dome Mine
3) Wesdome Gold Mines Ltd.'s Eagle River Mine
4) Barrick Gold Corp.'s Hemlo Mine
5) St. Andrew Goldfields Ltd.'s Hislop Mine
6) St. Andrew Goldfields Ltd.'s Holloway-Holt Mine
7) Goldcorp Inc. - Porcupine Gold Mines' Hoyle Pond Mine
8) Richmont Mines Inc.'s Island Gold Mine
9) Kirkland Lake Gold Inc.'s Macassa Mine
10) Goldcorp Inc.'s Musselwhite Mine
11) Goldcorp Inc.'s Red Lake Gold Mines
12) Lake Shore Gold Corp.'s Timmins Mine
13) Xstrata plc's Kidd Creek Mine
14) Liberty Mines Inc.'s McWatters Mine
15) Ursa Major Minerals Inc.'s Shakespeare Mine
16) Quadra FNX Mining Ltd.'s Sudbury Operations
17) Vale S.A.'s Sudbury Operations
18) Xstrata plc's Sudbury Operations
19) North American Palladium Ltd.'s Lac des Iles Mine

Major Industrial Mineral Operations

1) Unimin Canada Ltd.'s Badgeley Island Quarry
2) Unimin Canada Ltd.'s Blue Mountain Operations
3) Sifto Canada Inc.'s Goderich Brine Field
4) Sifto Canada Inc.'s Goderich Mine
5) CGC Inc.'s Hagersville Mine
6) Agrium Inc.'s Kapuskasing Phosphate Operations
7) Extender Minerals of Canada Ltd.'s North Williams Mine
8) The Canadian Salt Company Ltd.'s Ojibway Mine
9) Imerys Talc's Penhorwood Mine
10) OMYA (Canada) Inc.'s Tatlock Quarry
11) The Canadian Salt Company Ltd.'s Windsor Brine Field

Diamond Mines

1) De Beers Canada Inc.'s Victor Diamond Mine

Source: the Ontario Prospector's Association's Ontario Mining and Exploration Directory, 2012.

Key Points

Currency is listed in U.S. dollars, unless otherwise noted as Canadian dollars (C$). As of May 17, 2013, US$1.00 ≈ C$1.02.

- Mining in the Cobalt region largely ceased in the late 1980s due to a global drop in the price of silver. Today, due to higher commodity prices that make reprocessing tailings ponds and other stockpiles economical as well as the availability of new exploration technologies, which can identify new areas of mineralization not previously explored, miners are refocusing their attention on Cobalt, Ontario, and its surrounding land.

- Trio owns 100% of the 94-acre Duncan Kerr property located in the former Cobalt Mining Camp approximately three kilometers from the town of Cobalt, Ontario. During the 20th century, mines in the Cobalt Mining Camp produced over 445 million ounces of silver. In addition to continued exploration potential, the Duncan Kerr property holds 1.3 million tons of existing, aboveground mineralized material and a small mill as a result of historical mining operations on the property.

- These mineralized stockpiles and ability to mill represent key competitive advantages for Trio versus many other junior exploration and development companies. Based on being able to conduct onsite processing of its inventory and then ship it to an experienced refinery for metal recovery, Trio believes that it possesses the ability to be cash flow positive while it conducts exploration activities. Revenue generated from the sale of Trio's stockpiles is intended to support the Company's advanced exploration programs.

- Trio has entered into a five-year, off-take agreement with United Commodity AG, which the Company has stated has a potential value of up to $30 million. The Company began shipping its material to United Commodity in early 2013, which has been able to recover 95% to 99% of the residual silver, cobalt, and nickel present in Trio's ore. Trio expects to earn $236,000 from the first shipment, and up to $500,000 per month for future shipments (which are double the volume of material initially processed).

- Due to its proximity to town and long history of mining activity, the Duncan Kerr property is well served by existing infrastructure, which includes access to major highways, rail spurs, power, and fresh water. Trio views its existing infrastructure as a competitive advantage in that it helps address some of the challenges common for new exploration and milling companies, such as permitting and financing the construction of new infrastructure as well as ensuring that there are adequate power and water resources to conduct operations.

- In the near term, Trio is focused on monetizing its existing, aboveground mineralized assets while simultaneously conducting an exploration program at the Duncan Kerr property. Preliminary diamond drilling and bulk sampling of trenches in 2012 returned favorable results; thus, Trio plans to continue with exploration in 2013, including 5,000 meters of additional diamond drilling, a GIS compilation, and additional work required to complete an NI 43-101 Technical Report. Trio expects to publish NI 43-101 resource valuations for the property's stockpiles by August 2013, followed by SEC Industry Guide 7-compliant values in September 2013.

- A major initiative for Trio is to upgrade its mill to a 360 ton/day capacity, which the Company estimates could lead to gross profits in the first year of silver/cobalt production of $7.8 million, for a net profit of $4.8 million. With further development and an increase in capacity, Trio believes that it has the potential to yield $1.5 million to $2 million in gross output per month (Source: Trio's Corporate Presentation as of April 2013).

- Trio further seeks to acquire 900 acres of land adjacent to the Duncan Kerr property. These properties also include historical mine workings, muck piles, and other mineralized materials. The Company believes such an acquisition could give it an opportunity to be a leader in this region and provide a barrier to entry for potential competitors, as well as enable economies of scale for processing and exploration.

- Trio's management has expertise in business development and finance for both public and private companies. CEO J. Duncan Reid has over 30 years of senior leadership experience, with more than a decade in the mining industry, and is currently leading Trio's expansion efforts.

- The Company presently seeks to raise $2.5 million to fund growth.

Historical Financial Results

Figures 30, 31, and 32 (pages 40-42) provide a summary of Trio's key historical financial statements: its condensed, consolidated Statements of Operations and Comprehensive Loss, Balance Sheets, and Statements of Cash Flows, as presented in the Company's Form 10-Q filed with the U.S. Securities and Exchange Commission (SEC) on May 14, 2013. The Company's fiscal year ends on September 30th. The following statements are expressed in U.S. dollars ($), though Trio's functional currency is the Canadian dollar (C$). As of March 31, 2013, US$1.00 ≈ C$1.02.

Figure 30

Trio Resources, Inc. (An Exploration Stage Company)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (unaudited)

Expressed in U.S. Dollars

	Three Months Ended March 31, 2013	Six Months Ended March 31, 2013	Cumulative From May 16, 2012 (inception) to March 31, 2013
REVENUES			
Other revenues	$ 166,299	$ 166,299	$ 166,299
EXPENSES			
Depreciation	3,686	7,022	10,616
Corporate expenses	510,649	1,077,747	1,372,811
Interest expense	56,411	106,561	121,124
Exploration and development costs	85,518	151,735	317,546
Total Expenses	656,264	1,343,065	1,822,097
NET LOSS	(489,965)	(1,176,766)	(1,655,798)
Other comprehensive loss:			
Foreign currency translation adjustment	25,751	12,870	2,574
COMPREHENSIVE LOSS	$ (464,214)	$ (1,163,896)	$ (1,653,224)
Weighted Average Number of common shares Outstanding, basic and diluted	338,643,889	295,888,736	
Loss Per Share, basic and diluted	$ (0.0014)	$ (0.0039)	

Source: Trio Resources, Inc.

Figure 31

Trio Resources, Inc. (An Exploration Stage Company)

CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

Expressed in U.S. Dollars

	As at March 31, 2013 (unaudited)	As at September 30, 2012
CURRENT ASSETS		
Cash	$ 209	$ 8,086
Accounts receivable	137,344	—
Inventory	1,559	1,770
Other receivables	—	7,553
Prepaid expenses (Note 4)*	277,241	2,691
Total Current Assets	416,353	20,100
Loan receivable - related party (Note 6)	66,600	68,820
Patented claim (Notes 3 and 6)	10,015	10,374
Property and equipment, net (Note 3)	119,714	115,796
TOTAL ASSETS	$ 612,682	$ 215,090
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 530,813	$ 62,675
Loan payable	10,335	—
Total current liabilities	541,148	62,675
LONG-TERM LIABILITIES		
Convertible notes payable (Note 8)	1,310,138	621,049
Convertible note payable-related party (Note 7)	339,428	298,135
Total Liabilities	2,190,714	981,859
SHAREHOLDERS' DEFICIT		
Common stock, 400,000,000 no par value authorized; 338,650,000 issued and outstanding at March 31, 2013 (213,000,000 at September 30, 2012) (Note 4)	338,650	213,000
Excess of purchase price over net asset value (Notes 6 and 7)	(299,105)	(299,105)
Additional paid in capital	312,683	—
Accumulated other comprehensive loss	2,574	(10,296)
Deficit accumulated during the exploration stage	(1,932,834)	(670,368)
Total Shareholders' Deficit	(1,578,032)	(766,769)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	$ 612,682	$ 215,090

* Notes are located in Trio's Form 10-Q for the period ended March 31, 2013, filed with the SEC on May 14, 2013.

Source: Trio Resources, Inc.

Figure 32

Trio Resources, Inc. (An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (unaudited)

Expressed in U.S. Dollars

	Six Months Ended March 31, 2013	Cumulative from May 16, 2012 (inception) to March 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	(1,176,766)	(1,655,798)
Adjustment to reconcile net loss to net cash used by operating activities		
Amortization	7,022	10,616
Stock-based payment for services	329,333	329,333
Accretion expense on convertible note payable-related party	41,293	41,293
Changes in assets and liabilities		
(Increase) in accounts receivable	(137,344)	(137,344)
Decrease (increase) in other receivable	7,533	—
Decrease (increase) in inventory	211	(1,559)
(Increase) in prepaid expenses	(274,550)	(277,241)
Increase in accounts payables and accrued expenses	468,137	530,812
Other, net	—	(970)
NET CASH USED IN OPERATING ACTIVITIES	**(735,131)**	**(1,160,858)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in patented claim(s)	359	(10,015)
Loan receivable-related party	2,220	(66,600)
Purchases of property and equipment	(12,696)	(132,106)
NET CASH USED IN INVESTING ACTIVITIES	**(10,117)**	**(208,721)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from convertible notes payable	689,089	1,310,138
Proceeds from loan payable	10,335	10,335
Cash paid in acquisition	25,077	46,741
NET CASH PROVIDED BY FINANCING ACTIVITIES	**724,501**	**1,367,214**
Effect of exchange rate changes on cash	12,870	2,574
NET (DECREASE) INCREASE IN CASH	**(7,877)**	**209**
CASH, BEGINNING OF PERIOD	8,086	—
CASH, END OF PERIOD	**209**	**209**
NON CASH FINANCIAL ACTIVITIES		
Increase in Convertible Note Payable - Related Party	—	298,135
Non cash investing and financing activities	—	(299,105)
NON CASH FINANCIAL ACTIVITIES	**—**	(970)

Source: Trio Resources, Inc.

Risks and Disclosures

Currency is listed in U.S. dollars, unless otherwise noted as Canadian dollars (C$). As of May 17, 2013, US$1.00 ≈ C$1.02.

This Executive Informational Overview® (EIO) has been prepared by Trio Resources, Inc. ("Trio" or "the Company") with the assistance of Crystal Research Associates, LLC ("CRA") based upon information provided by the Company. CRA has not independently verified such information. Some of the information in this EIO relates to future events or future business and financial performance. Such statements constitute forward-looking information within the meaning of the Private Securities Litigation Act of 1995. Such statements can only be predictions and the actual events or results may differ from those discussed due to the risks described in Trio's statements on Forms 10-K, 10-Q, and 8-K, as well as other forms filed from time to time.

The content of this report with respect to Trio has been compiled primarily from information available to the public released by the Company through news releases, Annual Reports, and U.S. Securities and Exchange Commission (SEC) filings. Trio is solely responsible for the accuracy of this information. Information as to other companies has been prepared from publicly available information and has not been independently verified by Trio or CRA. Certain summaries of activities and outcomes have been condensed to aid the reader in gaining a general understanding. CRA assumes no responsibility to update the information contained in this report. In addition, CRA has been compensated by the Company in cash of forty thousand U.S. dollars and two hundred and fifty thousand shares for its services in creating this report, for updates, and for printing costs. For more complete information about the risks involved in an investment in the Company, please consult Trio's most recently filed SEC filings.

Investors should carefully consider the risks and information about Trio's business, as described below. Investors should not interpret the order in which considerations are presented in this or other filings as an indication of their relative importance. The risks and uncertainties overviewed below are not the only risks that the Company faces. Additional risks and uncertainties not presently known to Trio or that it currently believes to be immaterial may also adversely affect the Company's business. If any of such risks and uncertainties develops into an actual event, Trio's business, financial condition, and results of operations could be materially and adversely affected, and the trading price of the Company's shares could decline.

This report is published solely for information purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any state. Past performance does not guarantee future performance. Additional information about Trio and its public filings, as well as copies of this report, can be obtained in either a paper or electronic format by calling (416) 409-2802 or (855) 321-TRIO.

Going Concern

Investing in Trio's securities involves a high degree of risk. Since its inception on May 16, 2012, the Company has not generated significant revenue and has incurred a net loss of $1,655,798. The Company has a working capital deficit of $124,795 as at March 31, 2013, and incurred a net loss accumulated during the exploration stage of $1,932,834 as at March 31, 2013. Accordingly, it has not generated positive cash flows from operations and has primarily relied upon debt and equity financing from third parties and related parties to fund its operations. The Company has negotiated a Canadian (CDN) C$500,000 Draw Down facility with Seagel Investments Corp. of which $335,000 has been drawn as at March 31, 2013. However, there can be no assurance that such financial support shall be ongoing or available on terms or conditions acceptable to Trio. These factors raise substantial doubt about the Company's ability to continue as a going concern. Accordingly, no adjustment relating to the recoverability and classification of recorded asset amounts and the classification of liabilities has been made to the Company's quarterly financial statements in anticipation of Trio not being able to continue as a going concern.

Obtaining additional financing would be subject to a number of factors. These factors may adversely affect the timing, amount, terms, or conditions of any financing that Trio may obtain, or may make any additional financing unavailable to the Company. There is no assurance that any additional financing will be available or, if available, on terms that will be acceptable to Trio. Additionally, Trio has a limited operating history upon which an evaluation of its future success or failure can be made.

Legal Proceedings

From time to time, Trio may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm its business. The Company is not currently aware of any such legal proceedings or claims that will have, individually or in the aggregate, a material adverse effect on its business, financial condition, or operating results.

Environmental Liabilities

On October 22, 2012, the previous owner of the property, 2023682 Ontario Inc., which is owned by Trio's CEO J. Duncan Reid, was fined C$56,265 by the Ontario Ministry of the Environment under the Environmental Protection Act for failing to comply with a Court Order to remove specified waste materials from the mill site. Under the terms of the Order, 2023682 Ontario Inc. has until October 22, 2013, to pay the fines and to comply with the Court Order to remove the specified waste material and, in the interim, to ensure that there is no migration or discharge of these materials into the ground or water. The liabilities and obligations with respect to this fine are with 2023682 Ontario Inc. Nevertheless, the Company has obtained a contractual indemnity from 2023682 Ontario Inc. in respect to this matter and any related liabilities in the event that 2023682 Ontario Inc. does not duly satisfy its obligations, and an agreement that 2023682 Ontario Inc. will hold harmless the Company for any fines, legal actions, or penalties associated with this matter. In addition, Trio has an agreement with 2023682 Ontario Inc. pursuant to which 2023682 Ontario Inc. has undertaken to dispose, at its cost, of the material as required in the court order within the specified time. In the event that 2023682 Ontario Inc. defaults with respect to any of these obligations, the Company may be subject to liability and exposure, including the disposal of these materials, any interim discharge from these materials (which are not currently in a permitted tailings pond), and related fines.

RISKS RELATED TO TRIO'S BUSINESS

Trio's properties contain no known reserves and Trio has not obtained a pre-feasibility study, feasibility study, or other technical report. There can be no assurance that its properties contain any reserves or that Trio will ever commence mining operations, in which case its business, prospects and financial condition could be materially adversely affected.

The Company operates as an exploration and small-scale processing company in the province of Ontario, Canada. The properties that Trio has acquired are without known reserves. The Company currently undertakes no mining operations and its proposed program is exploratory in nature. The Company has not obtained a "final" or "bankable" feasibility study or other technical report in respect of its properties. In this respect, Trio is not basing its production decisions on a pre-feasibility or feasibility study of mineral reserves which demonstrates its economic and technical viability. Moreover, there is a great amount of uncertainty as to the economic feasibility and viability of the estimated mineralized materials on its properties. Accordingly, there is increased uncertainty with regard to the specific economic and technical risks of failure associated with its production decisions. There can be no assurance that its properties contain any reserves, that Trio will ever commence mining operations, or that the mineralized materials on its property will be economically viable, in which case its business, prospects, and financial condition could be materially adversely affected. The SEC does not permit companies in their filings with the SEC to disclose estimates other than mineral reserves.

The Company has limited operating history and there can be no assurance that Trio will be successful in its business plan and exploration.

The Company is a small processor and exploration company with limited operating history in the mineral exploration field. This factor makes it impossible to reliably predict future growth and operating results. Accordingly, Trio is subject to all the risks and uncertainties that are characteristic of a relatively new business enterprise, including the substantial problems, expenses, and other difficulties typically encountered in the course of its business, in addition to normal business risks. The Company was organized in 2012 and has had only losses since its inception related to its drilling, milling, and exploration operations. The Company faces a high risk of business failure because Trio has commenced extremely limited business operations. Moreover, Trio commenced its milling operations without a feasibility study or other technical report with respect to its properties, and with this respect, its production decisions are not based on a study or report which demonstrates its economic and technical viability. There is no history upon which to base any assumption as to the likelihood that its business will be successful, and there can be no assurance that Trio will be able to raise sufficient capital to continue operations, that Trio will generate significant operating revenues in the future or that Trio will ever be able to achieve profitable operations in the future. The Company faces all of the risks commonly encountered by other businesses that lack an established operating history, including, but not limited to, the need for additional capital and personnel, and competition.

Trio's operations depend on its acquisition of certain equipment, which has yet to be finalized.

In order to ramp-up to full capacity at its mill, Trio will require additional products, equipment, and materials, and will continue to require such assets in the course of its operations. Trio's working capital is currently limited, and there can be no assurance that Trio will obtain sufficient financing or cash flow from operations to acquire such assets. In addition, competition and unforeseen limited sources of supplies in the industry could result in occasional spot shortages of supplies and certain equipment, such as bulldozers, excavators, and parts for the milling operation that Trio might need to conduct its operations. If Trio is unable to obtain the products, equipment, and materials it needs, the Company will have to suspend or limit its operations, which may adversely affect its business, prospects, operations, results of operations, and financial condition.

Failure to generate sufficient cash flow from operations to fund its capital expenditure plans may result in a delay or indefinite postponement of exploration, development, or production at Trio's properties.

The Company requires cash flow from operations or external financing to continue its operations and its exploration plans. The availability of financing capital is subject to general economic conditions and investor interest in the Company and its plans. The construction of an expanded mill as well as continued exploration and, if viable, mining facilities will require substantial capital expenditures. In addition, a portion of the Company's future plans is directed toward the search for, and the development of, new mineral deposits. The Company may be required to seek additional financing to maintain its expenditures at planned levels. The Company will also have additional capital requirements to the extent that it decides to expand its present milling operations and continue its exploration activities, and/or take advantage of other business opportunities that may arise. Financing may not be available when needed or, if available, may not be available on terms acceptable to the Company. Failure to obtain any financing necessary for the Company's capital expenditure plans may result in a delay or indefinite postponement of exploration, development, or production by the Company.

Trio's potential earnings are directly related to the market prices for various minerals.

Revenues from future sales, if any, of Trio's mineralized materials and concentrates will depend on the market prices for various commodities, including silver, cobalt, and other materials which Trio may discover in its assets. The markets for each of these materials is highly volatile and is subject to various factors including political stability, general economic conditions and levels of demand, speculative trading, production costs in various producing regions and worldwide production levels. The aggregate effect of these factors is impossible to predict with accuracy. Fluctuations in the prices of these materials may materially adversely affect the Company's prospects, financial condition, and results of operations, and its development plans may be rendered uneconomic, delayed, or suspended.

The Company currently has a single property. It will be required to replace materials depleted by production to maintain production levels over the long term.

The Company currently has a single property and will be required to replace materials depleted by production to maintain production levels over the long term. Trio's exploration plans and future property acquisition plans are intended to address this replacement. Exploration is highly speculative in nature. Trio's exploration plans involve many risks and may be unsuccessful. Even if a site with mineralization is discovered and acquired, it may take several years, and substantial expenditures, from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. As a result, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of materials will not be offset by discoveries or acquisitions.

Exploration is highly speculative and risky, and there can be no certainty of Trio's successful development of profitable commercial mining operations.

The exploration and development of mineral properties involves significant risks that even a combination of careful evaluation, experience, and knowledge may not eliminate. Exploration is highly speculative and often unsuccessful. Substantial expenditures are required to develop mineral reserves, develop metallurgical processes, and construct mining and processing facilities at a particular site. There can be no assurance that its current or future exploration will be successful or profitable. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the following: the particular attributes of the deposit, such as size, grade, and proximity to infrastructure; metals prices, which are highly cyclical; drilling and other related costs that appear to be rising; and government regulations, including those related 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 have a material adverse effect on its business, prospects, and financial condition.

The Company has relied and will continue to rely on independent analysis to evaluate its mineral claims and carry out its planned exploration activities.

The Company does not currently employ any geologists or engineers. Trio has relied and will continue to rely on independent geologists to engage in field work on its claim, to analyze its prospects, plan and carry out its exploration program, including an exploratory drilling program, and to prepare resource reports. While these geologists rely on standards established by various licensing bodies, there can be no assurance that their estimates or results will be accurate. Analyzing drilling results and estimating reserves or targeted drilling sites is not a certainty. Miscalculations and unanticipated drilling results may cause the geologists to alter their estimates. If this should happen, Trio may have devoted resources to areas where resources could have been better allocated, and as a result, its business could suffer.

It should further be stated that Trio is not basing its production decision on a pre-feasibility or feasibility study of mineral reserves, which demonstrate its economic and technical viability. Accordingly, there is increased uncertainty with regard to specific economic and technical risks of failure associated with its properties and production decisions.

A part of Trio's proposed business plan involves the acquisition of additional mineral claims, for which Trio does not currently have the resources.

The Company currently does not have resources to fund acquisitions of additional mineral claims. The Company will need to monetize its existing claims or obtain additional financing to, among other things, fund any future exploration, mining, and drilling projects that it attempts to undertake and for general working capital purposes. Any additional equity financing may be dilutive to its shareholders and any such additional equity securities may have rights, preferences, or privileges that are senior to those of the common stock. Debt financing, if available, will require payment of interest and may involve restrictive covenants that could impose limitations on its operating flexibility. The Company cannot assure investors that additional funds will be available when and if needed from any source or, if available, will be available on terms that are acceptable to the Company. Further, Trio may incur substantial costs in pursuing future capital and/or financing, including investment banking fees, legal fees, accounting fees, printing and distribution expenses, and other costs. Trio's ability to obtain needed financing may be impaired by such factors as the condition of the capital markets, its capital structure, the lack of a market for its shares of common stock, and its lack of profitability—all of which could impact the availability or cost of future financings. If Trio is unable to raise capital or sufficient capital to meet its needs on acceptable terms or at all, it could forfeit its mineral property interests and/or reduce or terminate operations. In addition, and as is also disclosed in its financial statements, these matters raise substantial doubt about Trio's ability to continue as a going concern.

Because its business involves numerous operating hazards, Trio may be subject to claims of a considerable size, which would cost a significant amount of funds and resources to rectify. This could force the Company to cease its operations.

Trio's operations are subject to the usual hazards inherent in exploring for minerals, such as general accidents, explosions, chemical exposure, and cratering. The occurrence of these or similar events could result in the suspension of operations, damage to or destruction of the equipment involved, and injury or death to personnel. Operations also may be suspended because of machinery breakdowns, abnormal climatic conditions, failure of subcontractors to perform or supply goods or services, or personnel shortages. The occurrence of any such contingency would require the Company to incur additional costs, which would adversely affect its business. In addition, milling operations are subject to various hazards, including, without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

Potential Site Remediation

There remain open cuts on the Company's Duncan Kerr property, which have been fenced, and there remain both the muck pile and tailings pond, which are also a result of the previous mining activity on the property. Agnico-Eagle Mines Ltd. filed a Mine Closure Plan with the Province of Ontario in 1994. If Trio proceeds with mining activity, it will be responsible for filing an updated Mine Closure Plan and for the costs associated with such Closure Plan, which may be significant. Trio's plans for remediation of the site would coincide with the initiation of mining operations on its property. The remediation is currently anticipated to include ensuring all access to open cuts is disabled through being fenced off; rehabilitating the tailings pond, which will include lining the bed of the pond with permanent non-penetrable material; as well as replacing existing piping to allow excess water to safely move to the polishing ponds. Trio is committed to ensuring that it complies with all regulations, and will work with the Ministry of Northern Development and Mines to ensure compliance in its remediation efforts. There is currently no plan to mine the property and no work, budgets, or cost estimates have been prepared with respect to any remediation requirements.

Damage to the environment could also result from its operations. If its business is involved in one or more of these hazards, Trio may be subject to claims of a significant size that could force the Company to cease its operations.

Mineral resource exploration, production, and related operations are subject to extensive rules and regulations of federal, provincial, state, and local agencies. Failure to comply with these rules and regulations can result in substantial penalties. Trio's cost of doing business may be materially affected by the regulatory burden on the mineral industry. Although Trio intends to substantially comply with all applicable laws and regulations, because these rules and regulations frequently are amended or interpreted, Trio cannot predict the future cost or impact of complying with these laws.

Environmental enforcement efforts with respect to mineral operations have increased over the years, and it is possible that regulations could expand and have a greater impact on future mineral exploration operations. Although its management intends to comply with all legislation and/or actions of local, provincial, state, and federal governments, non-compliance with applicable regulatory requirements could subject the Company to penalties, fines, and regulatory actions, the costs of which could harm its results of operations. The Company cannot be sure that its proposed business operations will not violate environmental laws in the future. In addition, Trio faces potential exposure due to fines and currently unresolved removal obligations imposed by the Ontario Ministry of the Environment on the former owner of its site. If the former owner defaults on its obligations under this order, Trio may face liabilities and expenses that may have a material adverse effect on its liquidity, financial condition, and prospects. See also "Legal Proceedings" on page 44.

Trio's operations and properties are subject to extensive laws and regulations relating to environmental protection, including the generation, storage, handling, emission, transportation, and discharge of materials into the environment, and relating to health and safety. These laws and regulations may do any of the following: (i) require the acquisition of a permit or other authorization before exploration commences; (ii) restrict the types, quantities and concentration of various substances that can be released in the environment in connection with exploration activities; (iii) limit or prohibit mineral exploration on certain lands lying within wilderness, wetlands, and other protected areas; (iv) require remedial measures to mitigate pollution from former operations; and (v) impose substantial liabilities for pollution resulting from its proposed operations.

The exploration and development of mineral reserves are subject to all of the usual hazards and risks associated with such activities, which could result in damage to life or property, environmental damage, and possible legal liability for any or all damages. Difficulties, such as unusual or unexpected rock formations encountered by workers but not indicated on a map, or other conditions may be encountered in the gathering of samples and information, and could delay its exploration program. Even though Trio is at liberty to obtain insurance against certain risks in such amounts deemed adequate, the nature of those risks is such that liabilities could exceed policy limits or be excluded from coverage. The Company does not currently carry insurance to protect against these risks and there is no assurance that Trio will obtain such insurance in the future. There are also risks against which Trio may be unable, or may elect not, to insure. The costs, which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations, may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial position, future earnings, and/or competitive position.

The Company may not be able to compete with current and potential mining exploration and development companies, some of whom have greater resources and experience than Trio does in developing mineral reserves.

The natural resource market is intensely competitive, highly fragmented, and subject to rapid change. Trio's business plan includes plans to acquire additional mineral claims in the future after Trio has raised sufficient additional financing and/or generated capital by monetizing its current interests and assets. However, Trio may be unable to obtain additional financing or monetize its current interests and assets; even if Trio is able to do so, it may be unable to compete successfully with its existing competitors or with any new competitors in acquiring additional assets. The Company will be competing with many exploration and development companies that have significantly greater personnel, financial, managerial, and technical resources than Trio does. This competition from other companies with greater resources and reputations may result in its failure to maintain or expand its business.

The Company is heavily dependent on its management and a loss of any member of its management, particularly J. Duncan Reid, its chief executive officer and chairman of the Board, would be severely detrimental to its prospects.

The Company has a very limited management and number of employees. The Company is highly dependent on all members of its management, in particular Jeffrey Duncan Reid, its chief executive officer and chairman of the Board of Directors. Trio's future performance will be substantially dependent on the continued services of its management and the ability to retain and motivate them. The loss of the services of any of its officers or directors, particularly those of Mr. Reid, would materially and adversely affect its business and operations. If he were to resign, there can be no assurance that Trio could replace him with qualified individuals in a timely or economic manner, if at all. At the present time, Trio does not maintain any "key-man" life insurance policies. Trio's inability to attract and retain capable leaders and key management and professional personnel could have a material adverse effect on its business, financial condition, and/or results of operations.

Defective title to Trio's assets could have a material adverse effect on its exploration and exploitation activities.

There are uncertainties as to title matters in the mining industry. The Company believes Trio has good title to its assets; however, any defects in such titles that cause the Company to lose its rights in these mineral properties would seriously jeopardize its planned business operations. The Company has investigated its rights to explore, exploit, and develop its assets in manners consistent with industry practice and, to the best of its knowledge, those rights are in good standing. However, Trio cannot guarantee that the title to or its rights to explore, exploit, and develop its assets will not be challenged by third parties or governmental agencies. In addition, there can be no assurance that its assets are not subject to prior unregistered agreements, transfers, or claims. Trio's title may be affected by undetected defects. A successful challenge to its title to its properties could result in its being unable to operate on its property as anticipated or being unable to enforce its rights with respect to its property, which could have a material adverse effect on the Company.

At the present time, Trio is unable to pay any dividends.

The Company has not paid any cash dividends and does not anticipate paying any cash dividends on its common stock in the foreseeable future. The Company anticipates that earnings, if any, which may be generated from operations, will be used to finance its continued operations. Investors who anticipate the immediate need of cash dividends from their investment should refrain from purchasing any of its securities.

RISKS RELATED TO TRIO'S INDUSTRY

The exploration and mining industry is highly competitive.

Competition in the mining industry is extremely intense in all aspects, including but not limited to raising investment capital for exploration and obtaining qualified managerial and technical employees. The Company is an insignificant participant in the mining industry due to its limited financial and personnel resources. Trio's competition includes large established mining companies, with substantial capabilities and greater financial and technical resources than Trio, as well as a myriad of other exploration-stage companies. As a result of this competition, Trio may be unable to attract the necessary funding or qualified personnel. If Trio is unable to successfully compete for funding or for qualified personnel, its activities may be slowed, suspended, or terminated, any of which would have a material adverse effect on its ability to continue operations.

The prices of natural resources are highly volatile and a decrease in metal prices can have a material adverse effect on its business.

The profitability of natural resource operations is directly related to market prices for the underlying commodities. Market prices of metals fluctuate significantly and are affected by a number of factors beyond control, including, but not limited to, the rate of inflation, the exchange rate of the dollar to other currencies, interest rates, and global economic and political conditions. Price fluctuations in the metals market from the time that exploration of a mine is undertaken and the time production can commence can significantly affect the profitability of a mine. Accordingly, Trio may begin to develop a minerals property at a time when the price of the underlying metals make such exploration economically feasible and, subsequently, incur losses because metal prices have decreased. Adverse fluctuations of metals market prices may force the Company to curtail or cease its business operations.

The speculative price of natural resources may adversely impact commercialization efforts.

Exploration and production is highly speculative and involves numerous natural risks that may not be overcome by knowledge and experience. In particular, even if Trio is successful in mining silver and other deposits, for which no assurances can be given, the commercialization will be dependent upon the existing market price for gold and other minerals, among other factors. The market price of silver and other minerals has historically been unpredictable, and subject to wide fluctuations. The decline in the price of silver and other minerals could render a discovered property uneconomic for unpredictable periods of time.

Mining operations generally involve a high degree of risk.

Mining operations are subject to all the hazards and risks normally encountered in the exploration, development, and production of base or precious metals, including unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, flooding, and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, and possible legal liability. Mining operations could also experience periodic interruptions due to bad or hazardous weather conditions and other acts of God. Milling operations are subject to hazards, such as equipment failure or failure of retaining dams around tailing disposal areas, which may result in environmental pollution and consequent liability.

If any of these risks and hazards adversely affects its operations or its exploration activities, they may: (i) increase the cost of exploration to a point where it is no longer economically feasible to continue operations; (ii) require the Company to write down the carrying value of one or more mines or a property; (iii) cause delays or a stoppage in the exploration of minerals; (iv) result in damage to or destruction of mineral properties or processing facilities; and (v) result in personal injury, death, or legal liability. Any or all of these adverse consequences may have a material adverse effect on its financial condition, results of operations, and future cash flows.

Increased insurance risk could negatively affect its business.

Insurance and surety companies may take actions that could negatively affect Trio's proposed business, including increasing insurance premiums, requiring higher self-insured retentions and deductibles, requiring additional collateral or covenants on surety bonds, reducing limits, restricting coverage, imposing exclusions, and refusing to underwrite certain risks and classes of business. Any of these would adversely affect Trio's ability to obtain appropriate insurance coverage at reasonable costs, which would have a material adverse effect on its business.

Trio's operations could be adversely affected by changes in mining laws related to royalties, net profit payments, land, and mineral ownership.

Trio's operations could be adversely affected by changes in mining laws related to royalties, net profit payments, land, and mineral ownership and similar matters. Major changes to the mining laws of the jurisdictions in which Trio owns mining properties may be considered from time to time. If these legislative changes, which may relate to, among other things, environmental matters, reclamation, royalty fees, or net profit payments, are enacted in the future, they could have a significant effect on the ownership, use, operation, and profitability of mining claims that Trio owns or holds, and any amendment to current laws and regulations governing its rights and obligations, including in respect of the payment of royalties, net profits interests, reclamation, or similar amounts, in jurisdictions in which Trio has operations, could have a material adverse impact on its financial condition and/or results of operations.

Trio's operations are subject to permitting requirements.

Trio's operations are subject to licensing and permitting requirements, which could require the Company to delay, suspend, or terminate its operations. Trio's operations, including but not limited to any exploitation program, require permits from the Ontario provincial government. The Company may be unable to obtain these permits in a timely manner, on reasonable terms, or at all. If Trio cannot obtain or maintain the necessary permits, or if there is a delay in receiving these permits, its timetable and business plan for exploration and/or exploitation, may be materially and adversely affected. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of its assets, which could adversely impact its operations and profitability. Such licenses and permits are subject to changes in various circumstances. Failure to comply with applicable laws and regulations may result in injunctions, fines, suspensions, or revocation of permits and licenses, and other penalties. There can be no assurance that Trio has been or will be at all times in compliance with all such laws and regulations and with its licenses and permits or that Trio has all required licenses and permits in connection with its operations. The Company may be unable to timely obtain, renew, or maintain in the future all necessary licenses and permits that may be required to explore and develop its property, commence construction or operation of milling facilities, or to maintain continued operations that economically justify the cost.

The Company may experience supply and equipment shortages.

The Company may not be able to purchase all of the supplies and materials needed to continue its proposed activities due to shortage of funds, lack of availability, or other reasons. This could cause the Company to delay or suspend operations. Competition and unforeseen limited sources of supplies in the industry could result in occasional spot shortages of supplies, and certain equipment, such as bulldozers, drilling equipment, and excavators that Trio might need to conduct its activities. If Trio cannot find the supplies and equipment needed, it may have to suspend its operations until it finds the supplies and equipment needed. If Trio is unable to find the supplies in Canada but can find them in another location, the cost will increase significantly, as will the time to deliver them.

The Company is subject to Canadian governmental regulations that may limit its operations, increase its expenses, or subject the Company to liability.

Trio's operations are subject to Canadian laws, ordinances, and regulations regarding, among other things:

- Environmental matters, including the presence of hazardous or toxic substances;
- Land preservation;
- Health and safety; and
- Zoning, land use, and other entitlements.

In developing any project in Canada, Trio may be required to obtain the approval of numerous Canadian governmental authorities (and others) regulating matters such as the installation of utility services, including gas, electric, water, and waste disposal; permitted land uses; and the design, methods, and materials used in the exploration and mining for previous metals and other minerals.

The Company may not now nor in the future be in compliance with all regulatory requirements. If Trio is not in compliance with these regulatory requirements, it will be subject to penalties or forced to incur significant expenses to cure any noncompliance. In addition, some of the land that Trio could in the future acquire if it will at such time have the requisite resources and ability, may not have received planning approvals or entitlements necessary for planned or future development. Failure to obtain entitlements necessary for development on a timely basis or to the extent desired would adversely affect its business, results of operations, financial condition, and future prospects.

RISKS RELATED TO TRIO'S SHARES OF COMMON STOCK

Trio's stock price may be volatile.

Trio's stock price may be volatile, and as a result, investors could lose all or part of their investment. In addition to volatility associated with over-the-counter securities in general, the value of any investment could decline due to the impact of any of the following factors upon the market price of the Company's common stock:

- Changes in the worldwide price for silver and other minerals;
- Disappointing results from its exploration and drilling efforts;
- Fluctuation in production costs that make exploration or milling uneconomical;
- Unanticipated variations in grade and other geological problems;
- Unusual or unexpected rock formations;
- Failure to reach commercial production or producing at lower rates than those targeted;
- Decline in demand for its common stock;
- Downward revisions in securities analysts' estimates or changes in general market conditions;
- Investor perception of its industry or its company; and/or
- General economic trends.

In addition, stock markets have experienced extreme price and volume fluctuations and the market price of securities has been highly volatile. These fluctuations are often unrelated to asset value and may have a material adverse effect on the market price of its common stock. As a result, investors may be unable to resell their shares at a fair price.

Trio's Common Stock is quoted on the Over-the-Counter Bulletin Board (OTC.BB), which may have an unfavorable impact on its stock price and liquidity.

Trio's common stock is quoted on the OTC.BB, which is a significantly more limited trading market than the New York Stock Exchange (NYSE) or the NASDAQ Stock Market. The quotation of the Company's shares on the OTC.BB may result in a less liquid market available for existing and potential stockholders to trade shares of its common stock, could depress the trading price of its common stock, and could have a long-term adverse impact on its ability to raise capital in the future.

There is limited liquidity on the OTC.BB, which may result in stock price volatility and inaccurate quote information.

When fewer shares of a security are being traded on the OTC.BB, volatility of prices may increase and price movement may outpace the ability to deliver accurate quote information. Due to lower trading volumes in shares of Trio's common stock, there may be a lower likelihood of orders for shares of its common stock being executed, and current prices may differ significantly from the price quoted at the time of order entry.

Trio's common stock is extremely thinly traded, so investors may be unable to sell at or near asking prices or at all if one needed to sell shares to raise money or otherwise desired to liquidate shares.

Though its common stock is listed on the OTC.BB, there is little to no market for Trio's common stock. Investors may have to bear the economic risk of an investment in the Company for an indefinite period of time. Future trading volume may be limited by the fact that many major institutional investment funds, including mutual funds, as well as individual investors follow a policy of not investing in OTC.BB stocks and certain major brokerage firms restrict their brokers from recommending OTC.BB stocks because they are considered speculative, volatile, and thinly traded. The OTC.BB market is an inter-dealer market much less regulated than the major exchanges and its common stock is subject to abuses, volatility, and shorting. Thus, there is currently no broadly followed and established trading market for the Company's common stock. An established trading market may never develop or be maintained. Active trading markets generally result in lower price volatility and more efficient execution of buy and sell orders. Absence of an active trading market reduces the liquidity of the shares traded there.

The trading volume of its common stock has been and may continue to be extremely limited and sporadic. As a result of such trading activity, the quoted price for the Company's common stock on the OTC.BB may not necessarily be a reliable indicator of its fair market value. Further, if Trio ceases to be quoted, holders would find it more difficult to dispose of Trio's common stock or to obtain accurate quotations as to the market value of the Company's common stock and as a result, the market value of its common stock would likely decline.

In addition, the stock market in general, and the market for mining companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. Market and industry factors may adversely affect the market price of its common stock, regardless of its operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class-action litigation has often been instituted. Such litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources. The Company may not have complied in the past with federal and/or state securities laws and regulations, which could potentially result in litigation, penalties, and/or fines, other substantial costs and expenses, and a substantial diversion of management's attention and resources.

Because Trio became public by means of a "reverse merger," it may not be able to attract the attention of major brokerage firms.

Additional risks may exist since Trio will become public through a "reverse merger." Securities analysts of major brokerage firms may not provide coverage of the Company since there is little incentive to brokerage firms to recommend the purchase of its common stock. The Company cannot assure investors that brokerage firms will want to conduct any secondary offerings on behalf of its company in the future.

The sale of securities by the Company in any equity or debt financing could result in dilution to its existing stockholders and have a material adverse effect on its earnings.

Any sale of common stock by Trio in a future private placement offering could result in dilution to the existing stockholders as a direct result of its issuance of additional shares of its capital stock. In addition, its business strategy may include expansion through internal growth, by acquiring subscribers' email lists, or by establishing strategic relationships with targeted customers and vendors. In order to do so, or to finance the cost of its other activities, Trio may issue additional equity securities that could dilute its stockholders' stock ownership. The Company may also assume additional debt and incur impairment losses related to goodwill and other tangible assets if Trio acquires another company and this could negatively impact its earnings and results of operations.

Future sales of its common stock in the public market could lower the price of its common stock and impair the Company's ability to raise funds in future securities offerings.

Future sales of a substantial number of shares of Trio's common stock in the public market, or the perception that such sales may occur, could adversely affect the then prevailing market price of its common stock and could make it more difficult for the Company to raise funds in the future through a public offering of its securities.

The Company is subject to penny stock regulations and restrictions and investors may have difficulty selling shares of its common stock.

The Company is subject to the provisions of Section 15(g) and Rule 15g-9 of the Exchange Act, commonly referred to as the "penny stock rule." Section 15(g) sets forth certain requirements for transactions in penny stocks, and Rule 15g-9(d) incorporates the definition of "penny stock" that is found in Rule 3a51-1 of the Exchange Act. The SEC generally defines a penny stock to be any equity security that has a market price less than $5.00 per share, subject to certain exceptions. The Company will be subject to the SEC's penny stock rules.

Since its common stock is deemed to be a penny stock, trading in the shares of its common stock is subject to additional sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and accredited investors. "Accredited investors" are persons with assets in excess of $1,000,000 (excluding the value of such person's primary residence) or annual income exceeding $200,000 or $300,000 together with their spouse. For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of such security and must have the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock (unless exempt), the rules require the delivery, prior to the first transaction of a risk disclosure document, prepared by the SEC, relating to the penny stock market. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements must be sent disclosing recent price information for the penny stocks held in an account and information to the limited market in penny stocks. Consequently, these rules may restrict the ability of broker-dealer to trade and/or maintain a market in its common stock and may affect the ability of the Company's stockholders to sell their shares of common stock.

There can be no assurance that Trio's shares of common stock will qualify for exemption from the Penny Stock Rule. In any event, even if its common stock was exempt from the Penny Stock Rule, Trio would remain subject to Section 15(b)(6) of the Exchange Act, which gives the SEC the authority to restrict any person from participating in a distribution of penny stock if the SEC finds that such a restriction would be in the public interest.

Because Trio does not intend to pay dividends, stockholders will benefit from an investment in its common stock only if it appreciates in value.

The Company has never declared or paid any cash dividends on its preferred stock or common stock. For the foreseeable future, it is expected that earnings, if any, generated from its operations will be used to finance the growth of its business, and that no dividends will be paid to holders of the Company's preferred stock or common stock. As a result, the success of an investment in its preferred stock or common stock will depend upon any future appreciation in its value. There is no guarantee that Trio's preferred stock or common stock will appreciate in value.

Certain provisions of its Articles of Incorporation and Bylaws and Nevada law make it more difficult for a third party to acquire the Company and make a takeover more difficult to complete, even if such a transaction were in the stockholders' interest.

Trio's Articles of Incorporation and Bylaws and certain provisions of Nevada State law could have the effect of making it more difficult or more expensive for a third party to acquire, or from discouraging a third party from attempting to acquire control of the Company, even when these attempts may be in the best interests of its stockholders. For example, Nevada law provides that approval of a majority of the stockholders is required to remove a director, which may make it more difficult for a third party to gain control of the Company. This concentration of ownership limits the power to exercise control by the minority shareholders.

Compliance with the reporting requirements of federal securities laws can be costly.

Public reporting companies in the U.S. are subject to the information and reporting requirements of the Exchange Act and other federal securities laws, and the compliance obligations of the Sarbanes-Oxley Act. The costs of preparing and filing annual and quarterly reports and other information with the SEC and furnishing audited reports to stockholders are substantial. In addition, Trio will incur substantial expenses in connection with the preparation of registration statements and related documents with respect to the registration of resale of the common stock.

Applicable regulatory requirements, including those contained in and issued under the Sarbanes-Oxley Act, may make it difficult for the Company to retain or attract qualified officers and directors, which could adversely affect the management of its business and its ability to obtain or retain listing of its common stock.

The Company may be unable to attract and retain qualified officers, directors, and members of board committees required to provide for effective management because of the rules and regulations that govern publicly held companies, including, but not limited to, certifications required by principal executive officers. The enactment of the Sarbanes-Oxley Act has resulted in the issuance of a series of related rules and regulations and the strengthening of existing rules and regulations by the SEC, as well as the adoption of new and more stringent rules by the stock exchanges. The perceived increased personal risk associated with these changes may deter qualified individuals from accepting roles as directors and executive officers.

Further, some of these changes heighten the requirements for board or committee membership, particularly with respect to an individual's independence from the corporation and level of experience in finance and accounting matters. The Company may have difficulty attracting and retaining directors with the requisite qualifications. If Trio is unable to attract and retain qualified officers and directors, the management of its business and its ability to obtain or retain listing of its shares of common stock on any stock exchange (assuming Trio elects to seek and is successful in obtaining such listing) could be adversely affected.

If Trio fails to maintain an effective system of internal controls, it may not be able to accurately report its financial results or detect fraud. Investors could lose confidence in its financial reporting and this may decrease the trading price of its common stock.

Section 404 of the Sarbanes-Oxley Act ("SOX") requires an annual assessment by management of the effectiveness of the Company's internal control over financial reporting. The Company may fail to achieve and maintain the adequacy of its internal control over financial reporting as such standards are modified, supplemented, or amended from time to time, and the Company may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting in accordance with Section 404 of SOX. The Company has been assessing its internal controls to identify areas that need improvement. The acquisition of Trio may provide the Company with challenges in implementing the required processes, procedures, and controls in its acquired operations. Acquired companies, such as Trio, may not have disclosure controls and procedures or internal controls over financial reporting that are as thorough or effective as those required by securities laws currently applicable to the Company. Failure to maintain an effective system of internal controls could harm the Company's operating results and cause investors to lose confidence in its reported financial information. Any such loss of confidence would have a negative effect on the trading price of the Company's common stock.

Trio's auditors are not required to issue a report on its internal control over financial reporting in its annual reports.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, its management is responsible for establishing and maintaining adequate internal control structures and procedures for financial reporting. Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 and related temporary SEC rules, Trio is not required to include a report of the Company's registered public accounting firm on its internal control over financial reporting. While Trio has concluded that its internal control over financial reporting was effective as of December 14, 2012, which was prior to its acquisition of Trio, Trio cannot be certain that if its auditors were required to perform an audit of its internal control over financial reporting, they would deliver their report without identifying areas for further attention or improvement, including material weaknesses.

The price of its common stock may become volatile, which could lead to losses by investors and costly securities litigation.

The trading price of its common stock is highly volatile and could fluctuate in response to factors such as:

- actual or anticipated variations in its operating results;
- announcements of developments by the Company or its competitors;
- announcements by the Company or its competitors of significant acquisitions, strategic partnerships, joint ventures, or capital commitments;
- adoption of new accounting standards affecting the its industry;
- additions or departures of key personnel;
- sales of the its common stock or other securities in the open market; and
- other events or factors, many of which are beyond its control.

The stock market is subject to significant price and volume fluctuations. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been initiated against such a company. Litigation initiated against the Company, whether or not successful, could result in substantial costs and diversion of its management's attention and Company resources, which could harm its business and financial condition.

Glossary

Archean—Of, relating to, or denoting the eon that constitutes the earlier (or middle) part of the Precambrian eon, believed to be the time from 3,800 million years to 2,500 million years ago. Also, the system of rocks deposited during the Archean eon.

Brazing—A process for joining similar or dissimilar metals using a filler metal that typically includes a base of copper combined with silver, nickel, zinc, or phosphorus. Typically, brazing is employed in manufacturing compressors, diesel engine circulation tubes, mining tools, plumbing fixtures, jewelry, musical instruments, refrigerators, condensers, and automotive applications.

Bullion—Gold or silver considered in mass rather than in value, or gold or silver in the form of bars or ingots.

Canadian Shield—A large plateau that occupies more than 40% of the land area of Canada. It extends from the Great Lakes northward to the Arctic Ocean. Also called the Laurentian Plateau.

Cone Crusher—A crusher is a machine designed to reduce large rocks into smaller rocks, gravel, or rock dust. A cone crusher squeezes rock between a gyrating spindle and an enclosing concave hopper. As rock enters the top of the cone crusher, it becomes wedged and squeezed between the spindle and the hopper. Large pieces of ore are broken once, and then fall to a lower position where they are broken again. This process continues until the pieces are small enough to fall through the narrow opening at the bottom of the crusher.

Diamond Drilling—A drilling machine with a rotating, hollow, diamond-studded bit that cuts a circular channel around a core, which can be recovered to provide a more or less continuous and complete columnar sample of the rock penetrated. This is a common method of prospecting for mineral deposits that utilizes various mechanisms motivated by internal-combustion, hydraulic, compressed-air, or electric motors to rotate the drill bits.

Exploration Stage—Trio is considered to be an Exploration Stage company as defined under SEC Guide 7 (a) (4) (i) Description of Property by Issuers Engaged or to be Engaged in Significant Mining. Trio's principal business is the exploration of mineral resources on the Company's existing property (and any new properties it may acquire) as well as the processing of mineralized material on its property.

Fault—A break in a rock mass along which movement has occurred.

Geographic Information System (GIS)—A computer system that integrates hardware, software, and data for capturing, managing, analyzing, and displaying all forms of geographically referenced information.

Hopper—A container for a bulk material, such as grain, rock, or trash. It typically tapers downward and is able to discharge its contents at the bottom.

Huronian—Rocks that correspond in time to the later part of the Archean age.

Igneous—Rock formed by the solidification of molten magma.

Ingot—A mass of metal cast in a convenient form for shaping, re-melting, or refining.

Jaw Crusher—A machine designed to reduce large rocks into smaller rocks, gravel, or dust. A jaw crusher consists of a set of vertical jaws, one jaw being fixed and the other moving back and forth like a nutcracker. The jaws are farther apart at the top than at the bottom, forming a tapered chute so that the material is crushed progressively smaller and smaller as it travels downward until it is small enough to escape from the bottom opening.

Lithological Contact—The surface that separates rock bodies of different lithologies, or rock types. A contact can be conformable or unconformable depending upon the types of rock, their relative ages, and their attitudes. A fault surface can also serve as a contact.

Mafic—A term used in reference to magmas or igneous rocks that are relatively poor in silica and rich in iron and magnesium. These rocks are usually dark colored.

Muck Pile—Typically entails a large pile of loose, broken rock, earth, clay, or ore that has been fragmented as a result of blasting or prior excavation.

National Instrument (NI) 43-101—A rule developed by the Canadian Securities Administrators (CSA) and administered by the provincial securities commissions that governs how issuers disclose scientific and technical information about their mineral projects to the public. It covers oral statements as well as written documents and websites. It requires that all disclosure be based on advice by a Qualified Person and in some circumstances that the person be independent of the issuer and the property.

NI 43-101—Abbreviation for *National Instrument 43-101*; see definition above.

Nipissing Diabase—A large 2,217- to 2,210-million year old group of sills (a tabular sheet intrusion that has intruded between older layers of rock) in parts of the Canadian Shield in Ontario, Canada, which intrude the Huronian Supergroup of paleoproterozoic (2.45 - 2.22 Ga) siliciclastic sedimentary rocks.

Outcrop—Bedrock that is not covered with soil or overburden. It does not necessarily imply the visible presentation of the mineral on the surface of the earth, but includes those deposits that are so near to the surface as to be found easily by digging.

Ramp Mining—The development of moderately inclined roads or access-ways from the surface to mining levels for hauling ore, materials, waste, workers, and equipment.

Receivership—A type of corporate bankruptcy in which a receiver is appointed by bankruptcy courts or creditors to run the company. The receiver may be appointed by a bankruptcy court, as a matter of private proceedings, or by a governing body. In most cases the receiver is given ultimate decision-making powers and has full discretion in deciding how the received assets will be managed.

Recovery Rate—A metal process involving the recovery of a percentage of valuable metal from a primary source, such as a processed ore, or from a secondary source, such as a waste stream.

SEC Industry Guide 7—*Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations*: A guide to the U.S. Securities and Exchange Commission's (SEC) basic mining disclosure policy. The definitions and disclosure instructions contained in Industry Guide 7 apply to all public mining entities and their public disclosures pursuant to the rules of Regulation S-K.

Sedimentary—A rock that is formed by the deposition of sediments, such as limestone, sandstone, siltstone, and conglomerate.

Shaft Mining—The method of excavating a vertical or near-vertical tunnel from the top down, where there is initially no access to the bottom.

Shear Zone—A tabular zone of rock that has been crushed and brecciated by many parallel fractures due to shear strain. Such an area is often mineralized by ore-forming solutions.

Tailings Pond—Man-made structures that contain tailings and water and are designed to allow tailing particles to settle to the bottom of the ponds. Tailings are the materials left after the process of separating out the valuable minerals from ore. They can often contain trace mineralization that was not extracted during the initial processing.

Veins—Zones of mineralized rock that are distinct from neighboring rock.

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Crystal Research Associates is led by veteran Wall Street sell-side analyst Jeffrey Kraws, who is well known by the international financial media for his years of work on Wall Street and for providing consistent award-winning analyses and developing long-term relationships on both the buy-side and sell-side. He has been consistently ranked on Wall Street among the Top Ten Analysts for pharmaceutical stock performance in the world for almost two decades as well as ranked as the Number One Stock Picker in the world for pharmaceuticals by Starmine and for estimates from Zacks. Additionally, Mr. Kraws has been 5-Star ranked for top biotechnology stock performance by Starmine.

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