



May 24, 2017

**Attention: U.S. SHAREHOLDERS**

**IMPORTANT TAX NOTICE**

Re: Passive Foreign Investment Company Status

**This notice is provided for shareholders who are U.S. persons for purposes of the U.S. Internal Revenue Code. It is not relevant to other shareholders.**

The attached passive foreign investment company (“PFIC”) Annual Information Statement is being provided to you pursuant to U.S. Treasury Regulations Section 1.1295-1(g)(1). The PFIC Annual Information Statement contains information to enable you or your tax advisor to prepare your U.S. federal income tax return if you elect to treat TriStar Gold Inc. (“TSG”) and its non-U.S. subsidiaries as qualified electing funds (“QEFs”) for U.S. federal income tax purposes.

In general, a non-U.S. corporation is classified as a PFIC for a taxable year if either: (i) 75% or more of its gross income is passive income or (ii) 50% or more of the average value of its gross assets is attributable to assets that produce passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents, and certain gains from commodities and securities transactions. If any subsidiary of a non-U.S. corporation that is a PFIC is also a PFIC, a U.S. person that owns stock in the parent PFIC generally will also be deemed to own its proportionate share of the stock of any subsidiary PFIC for U.S. federal income tax purposes.

TSG believes that it was a PFIC for the period beginning on January 1, 2016 and ending on December 31, 2016 and that its non-U.S. subsidiaries listed in the attached PFIC Annual Information Statement were PFICs for the same periods. TSG and one or more of its non-U.S. subsidiaries may continue to be PFICs in future taxable years until TSG generates revenue from operations.

A U.S. shareholder of a PFIC generally is subject to adverse U.S. federal income tax consequences unless such U.S. shareholder makes a QEF or mark-to-market election with respect to its PFIC stock. U.S. shareholders of TSG should consult with their own tax advisors regarding the advisability of making either election in their particular circumstances. A U.S. shareholder that makes a QEF election with respect to TSG and its non-U.S. subsidiaries is required to annually include in his, her or its income his, her or its *pro rata* share of the ordinary earnings and net capital gains of TSG and its non-U.S. subsidiaries. The QEF election is made by completing and attaching Form 8621 to your U.S. federal income tax return filed by the due date of the return, as extended.

**WE STRONGLY URGE U.S. SHAREHOLDERS TO CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY DECISION TO MAKE (OR REFRAIN FROM MAKING) ANY ELECTION THAT MAY BE AVAILABLE TO THEM BECAUSE ANY SUCH DECISION WILL DEPEND UPON THEIR OWN PARTICULAR TAX SITUATION AND MAY HAVE SIGNIFICANT AND CONTINUING U.S. FEDERAL INCOME TAX CONSEQUENCES.**

**TSG IS UNABLE TO GIVE ADVICE IN THIS REGARD**



Further information on the PFIC rules is available at the U.S. Internal Revenue Service website.

Detailed information about the PFIC rules and the QEF election:  
[www.irs.gov/instructions/i8621/ch01.html](http://www.irs.gov/instructions/i8621/ch01.html)

Instructions to complete Form 8621: [www.irs.gov/pub/irs-pdf/i8621.pdf](http://www.irs.gov/pub/irs-pdf/i8621.pdf)

Form 8621: [www.irs.gov/pub/irs-pdf/f8621.pdf](http://www.irs.gov/pub/irs-pdf/f8621.pdf)

**Any discussion of tax issues set forth in this document was written in connection with the matters described in this document. Such discussion was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any tax penalties that may be imposed on such person. Each investor should seek advice based on his, her or its particular circumstances from an independent tax advisor.**



## PFIC ANNUAL INFORMATION STATEMENT

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1. This PFIC Annual Information Statement applies to TSG, TriStar Gold (Brazil) Inc., Mineracao Castelo de Sonhos Ltda. and TriStar Mineracao Do Brasil Ltda. for the period beginning on January 1, 2016 and ending on December 31, 2016. The mail address for each company is: 7950 E Acoma Drive, Suite 209, Scottsdale, Arizona 85260, United States.

2. Your *pro rata* shares of ordinary earnings and net capital gain of TSG and its subsidiaries listed below for the period specified in paragraph (1) above are:

	Your <i>pro rata</i> share of ordinary earnings:	Your <i>pro rata</i> share of net capital gain:
TriStar Gold Inc.	Cad\$ 0.00	Cad\$ 0.00
TriStar Gold (Brazil), Inc.	Cad\$ 0.00	Cad\$ 0.00
Mineracao Castelo de Sonhos Ltda.	Cad\$ 0.00	Cad\$ 0.00
TriStar Mineracao Do Brasil Ltda.	Cad\$ 0.00	Cad\$ 0.00

3. The amount of cash and the fair market value of other property distributed or deemed distributed to you by TSG and its subsidiaries listed below during the period specified in paragraph (1) above are:

	Cash:	Fair market value of property:
TriStar Gold Inc.	None	None
TriStar Gold (Brazil), Inc.	None	None
Mineracao Castelo de Sonhos Ltda.	None	None
TriStar Mineracao Do Brasil Ltda.	None	None

4. To the extent required by U.S. Treasury Regulations, TSG and its subsidiaries listed above will permit shareholders to inspect and copy the permanent books of account, records, and such other documents as may be maintained by them that are necessary to establish that their ordinary earnings and net capital gain are computed in accordance with U.S. federal income tax principles, and to verify these amounts and a shareholder's *pro rata* shares thereof.

### TriStar Gold Inc.

/s/ Scott Brunsdon

By: Scott Brunsdon  
 Title: Chief Financial Officer  
 Date: May 24, 2017

THIS PFIC ANNUAL INFORMATION STATEMENT PROVIDED TO U.S. SHAREHOLDERS OF TSG IN ORDER TO ASSIST THE U.S. SHAREHOLDERS THAT WISH TO MAKE A QUALIFIED ELECTING FUND ("QEF") ELECTION FOR U.S. FEDERAL INCOME TAX PURPOSES. THIS PFIC ANNUAL INFORMATION STATEMENT DOES NOT CONSTITUTE TAX ADVICE. U.S. SHAREHOLDERS THAT HAVE MADE OR MAY MAKE A QEF ELECTION SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF MAKING A QEF ELECTION IN THEIR PARTICULAR CIRCUMSTANCES.