TREVALI

# Trevali Exceeds 2019 Production Guidance, Achieves Record Annual Zinc Production and Provides 2020 Guidance

**January 20, 2020**

**Vancouver, British Columbia: Trevali Mining Corporation ("Trevali" or the "Company") (TSX: TV; OTCQX: TREVF)** is pleased to release preliminary fourth quarter ("Q4") and full year production results for 2019 and provides 2020 operating, capital and exploration expenditure guidance. All financial figures are in U.S. dollars.

Ricus Grimbeek, Trevali's President and CEO stated, "In 2019 we started the transformation of Trevali. The Company meaningfully beat annual production guidance, the board was refreshed, a new senior management team was assembled, and we launched the T90 Program to modernize our operations and bring them down the cost curve. The Company is well positioned to be a 400-million-pound annual zinc producer with a reducing cost profile until 2022 when we intend to make a step change in production and cost as the RP2.0 Expansion Project at Rosh Pinah in Namibia is commissioned."

**Key 2019 Highlights Include:**

- Marked improvement to safety performance having reduced the Total Recordable Injury Frequency Rate by 46% in 2019 compared to 2018.
- Exceeded 2019 zinc production guidance by producing a record annual 417 million payable pounds of zinc in 2019.
- Total lead and silver production also exceeded 2019 guidance with 50 million payable pounds of lead and 1,489 thousand payable ounces of silver produced in 2019.
- Refreshed the board of directors and introduced a new senior management team.
- Launched the T90 Program inclusive of the Digital Transformation Program aimed at realizing $50 million in annual sustainable efficiencies and reducing All-In Sustaining Cost[1] ("AISC") to $0.90 per pound of zinc by the beginning of 2022.
- Published Trevali's inaugural annual Sustainability Report.
- Advanced the RP2.0 Expansion Project with an investment decision poised for Q1 2020.
- Completed the Rosh Pinah filtration & grinding upgrade project on time and on budget.
- Discovered a third VMS lens at Perkoa below the existing mining horizons named "T3".
- Paid down debt of $70 million in 2019.
- Repurchased 28.6 million shares as part of the normal course issuer bid since November 2018.

## 2020 Catalysts and Key Drivers

- **T90 Program:** Results of the T90 Program will be highlighted and reflected in our production and financials throughout 2020.
- **RP2.0 Expansion Project:** Trevali plans on publishing a pre-feasibility study by the end of Q1 2020 to support the initial long lead procurement investment decision which will be followed by the full feasibility study in Q4 2020. The feasibility study will be used to support the full execution funding decision.
- **2019 Mineral Resources and Reserves Statement:** The annual statement will be published by the end of Q1 2020.
- **2020 Sustainability Report:** The report will be published in Q2 2020 and will provide an update on the progress of our sustainability programs and initiatives as part of Trevali's commitment to be a leader in sustainability and to providing transparency in the areas of environment, social and governance.
- **Perkoa T3 drilling program:** Drilling of the 2019 discovery of T3 – the third VMS lens at Perkoa – will advance along with regional targets.
- **Santander Pipe:** Infill drilling of the Santander Pipe in Peru will continue in 2020. An internal preliminary economic assessment is expected to be completed by the end of Q4 2020 which will evaluate the economic viability of incorporating the Santander Pipe ore into the existing operation.

## Q4 2019 and Full Year 2019 Preliminary Production Results & 2020 Production Guidance

Total zinc production from operations totaled 105 million pounds for Q4 2019 and an annual record of 417 million pounds for the full year, exceeding the Company's annual guidance of between 361 to 401 million pounds of zinc production. Lead and silver production for 2019 also exceeded guidance at 50 million pounds and 1,489 thousand ounces of production respectively.

Consolidated production guidance for 2020 is estimated between 380 – 410 million pounds of payable zinc, 51 – 57 million pounds of payable lead and 1,440 – 1,580 thousand ounces of payable silver.

**Table 1: Preliminary Consolidated 2019 Production Results and 2020 Production Guidance [2&3]**

| Production by Asset | Q1 – Q3 2019 | Q4 2019 | Full Year 2019 | 2019 Guidance | 2020 Guidance |
|---|---|---|---|---|---|
| **Zinc Production (Million lbs)** | | | | | |
| Perkoa (100%) | 133.5 | 46.4 | 179.9 | 151 – 168 | 150 – 160 |
| Rosh Pinah (100%) | 71.1 | 20.9 | 92.0 | 80 – 89 | 80 – 90 |
| Caribou | 56.1 | 18.9 | 75.0 | 71 – 79 | 80 – 85 |
| Santander | 51.9 | 18.7 | 70.6 | 59 – 65 | 70 – 75 |
| **Total Zinc Production** | **312.6** | **104.8** | **417.4** | **361 – 401** | **380 – 410** |
| **Lead Production (Million lbs)** | | | | | |
| Rosh Pinah (100%) | 6.7 | 5.4 | 12.1 | 10 – 11 | 16 – 18 |
| Caribou | 20.8 | 5.9 | 26.7 | 24 – 27 | 27 – 30 |
| Santander | 8.9 | 2.6 | 11.5 | 10 – 11 | 8 – 9 |
| **Total Lead Production** | **36.5** | **13.8** | **50.3** | **44 – 49** | **51 – 57** |
| **Silver Production (Thousand ozs)** | | | | | |
| Rosh Pinah (100%) | 82 | 98 | 180 | 145 – 161 | 240 – 260 |
| Caribou | 573 | 133 | 705 | 641 – 713 | 740 – 810 |
| Santander | 457 | 145 | 603 | 536 - 595 | 460 – 510 |
| **Total Silver Production** | **1,111** | **378** | **1,489** | **1,322 – 1,469** | **1,440 – 1580** |

[2] *Constitutes forward-looking information; see "Cautionary Note Regarding Forward-Looking Statements".*
[3] *Trevali's ownership interest is 90% of Perkoa and 90% of Rosh Pinah.*

## 2020 Consolidated Cost Guidance

Consolidated cost guidance for 2020 for C1 Cash Costs[1] is estimated between $0.85 – $0.93 per pound of zinc and AISC[1] is expected to range between $0.98 – $1.08 per pound of zinc (see Table 2). Capital expenditures for the group is forecast at $81 million, consisting of $57 million in sustaining capital, $12 million in exploration capital, and $12 million in expansionary capital, which relates to initiatives under the T90 Program, including deploying technology to improve productivity and decision making.

**Table 2: 2020 Consolidated Operating Cost and Capital Expenditure Guidance (1,2,&3)**

| Asset | C1 Cash Costs ($/lb Zn) | AISC[1] ($/lb Zn) | Sustaining Capital Expenditures ($M) | Exploration Expenditures ($M) | Expansionary Capital Expenditures ($M) |
|---|---|---|---|---|---|
| Perkoa (100%) | 0.86 – 0.95 | 0.92 – 1.02 | 10 | 4 | 2 |
| Rosh Pinah (100%) | 0.76 – 0.84 | 0.93 – 1.03 | 16 | 2 | 6 |
| Caribou | 0.97 – 1.07 | 1.12 – 1.24 | 14 | 1 | 3 |
| Santander | 0.79 – 0.87 | 1.00 – 1.10 | 17 | 5 | 1 |
| **Total** | **0.85 – 0.93** | **0.98 – 1.08** | **57** | **12** | **12** |

*(1) See "Non-IFRS Financial Performance Measures".*
*(2) Constitutes forward-looking information; see "Cautionary Note Regarding Forward-Looking Statements".*
*(3) Trevali's ownership interest is 90% of Perkoa and 90% of Rosh Pinah.*

2020 C1 Cash Costs[1] and AISC[1] guidance reflect the currently high spot zinc concentrate treatment charges. Included in 2020 cost guidance is an assumption of $300 per tonne of zinc concentrate. This is up from $250 per tonne of zinc concentrate which was the annual benchmark set for the industry in 2019. For every $30/tonne change (+/-10%) there is an impact to C1 Cash Cost[1] and AISC[1] of approximately $0.03 per pound of zinc.

While it is Trevali's view that these historically high spot treatment charges will not subsist for the long term, management has taken a conservative approach and included it in the 2020 cost guidance. Despite this inclusion, the Company is on track to deliver on the T90 Program and reduce AISC[1] to $0.90 per pound of zinc by the beginning of 2022.

**Table 3: Sensitivity Guidance on 2020 Zinc Concentrate Treatment Charges (1)**

| Zinc Concentrate Treatment Charge per tonne | Sensitivity | Cash Cost[1] | AISC[1] |
|---|---|---|---|
| $250 | –17% (2019 annual benchmark) | 0.80 – 0.88 | 0.93 – 1.03 |
| $270 | –10% | 0.82 – 0.90 | 0.95 – 1.05 |
| **$300** | **2020 Guidance** | **0.85 – 0.93** | **0.98 – 1.08** |
| $330 | +10% | 0.88 – 0.96 | 1.01 – 1.11 |

*(1) See "Non-IFRS Financial Performance Measures".*

## Quarterly Variability of 2020 Full Year Guidance

- **Production:** While production guidance has been provided on an annual basis, we do expect moderate fluctuations on a quarter-to-quarter basis due to mine scheduling. Zinc production overall is forecast to be slightly higher in the second half of 2020 as Caribou and Santander are scheduled to deliver higher production rates relative to the first half of 2020.
- **Operating costs ("C1 Cash Cost[1] and AISC[1]")**: The Company expects costs to begin the year at the higher end of the guided range and trend lower as the year advances as initiatives from the T90 Program are implemented and their benefits are realized in the business.
- **Sustaining and expansionary capital:** Quarterly variability of the capital program is not expected to be material. Note that 2020 expansionary capital guidance currently excludes the RP2.0 Expansion Project as timing and costs will be determined and guided as part of the pre-feasibility study to be published by the end of Q1 2020.
- **Exploration expenditures:** The 2020 exploration program will continue to focus on advancing near-mine exploration targets towards the development of new mineral resources located within trucking distance of existing mines, while also maintaining a necessary level of expenditures on regional programs to make new discoveries. Timing of expenditures is contingent on positive exploration results and additional funds beyond guidance may be allocated.

## T90 Program

At the end of Q3 2019, Trevali launched the T90 Business Improvement Program which targets $50 million of annual sustainable efficiencies and a reduction in AISC[1] to $0.90 per pound of zinc by the beginning of 2022. As of the end of 2019, $42 million in sustainable efficiencies have been identified and $14 million in sustainable efficiencies have been implemented and will be realized on an ongoing annual basis. Highlights of the T90 Program will be discussed in detail in the Q4 2019 and Full Year Results.

## Q4 2019 and Full Year Results Conference Call and Webcast Details

Trevali will release the Q4 2019 and full year financial and operating results before the market opens on Friday, February 21, 2020. The Company will hold a conference call on Friday, February 21,2020 for management to discuss the Q4 2019 financial and operating results.

Conference call dial-in details:
Date: Friday, February 21, 2020 at 01:00PM Eastern Time
Toll-free (North America): 1 (877) 291-4570
International: +1 (647) 788-4919
Webcast: [http://www.gowebcasting.com/10472](http://www.gowebcasting.com/10472)

## About Trevali Mining Corporation

Trevali is a global base-metals mining company, headquartered in Vancouver, Canada. The bulk of Trevali's revenue is generated from base-metals mining at its four operational assets: the 90%-owned Perkoa Mine in Burkina Faso, the 90%-owned Rosh Pinah Mine in Namibia, the wholly-owned Caribou Mine in northern New Brunswick, Canada and the wholly-owned Santander Mine in Peru. In addition, Trevali owns the Halfmile and Stratmat Properties and the Restigouche Deposit in New Brunswick, Canada, and the past-producing Ruttan Mine in northern Manitoba, Canada. Trevali also owns an effective 44%- interest in the Gergarub Project in Namibia, as well as an option to acquire a 100% interest in the Heath Steele deposit located in New Brunswick, Canada. The shares of Trevali are listed on the TSX (symbol TV), the OTCQX (symbol TREVF), the Lima Stock Exchange (symbol TV), and the Frankfurt Exchange (symbol 4TI). For further details on Trevali, readers are referred to the Company's website (www.trevali.com) and to Canadian regulatory filings on SEDAR at www.sedar.com.

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## Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). Forward-looking statements are based on the beliefs, expectations and opinions of management of the Company as of the date the statements are published, and the Company assumes no obligation to update any forward-looking statement, except as required by law. Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events including, but not limited to, statements with respect to the Company's growth strategies, the continued success of mineral exploration, Trevali's ability to fund future exploration activities, the timing and amount of estimated future production, costs of production and capital expenditures and success of mining operations. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "outlook", "guidance", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities, including the inherent uncertainty of mineral exploration and estimations of exploration targets; changes in project parameters as plans continue to be refined; future prices of zinc, lead, silver and other minerals and the anticipated sensitivity of our financial performance to such prices; possible variations in ore reserves, grade or recoveries; dependence on key personnel; potential conflicts of interest involving our directors and officers; labour pool constraints; labour disputes; availability of infrastructure required for the development of mining projects; delays or inability to obtain governmental and regulatory approvals for mining operations or financing or in the completion of development or construction activities; counterparty risks; increased operating and capital costs; foreign currency exchange rate fluctuations; operating in foreign jurisdictions with risk of changes to governmental regulation; compliance with governmental regulations; compliance with environmental laws and regulations; land reclamation and mine closure obligations; challenges to title or ownership interest of our mineral properties; maintaining ongoing social license to operate; impact of climatic conditions on the Company's mining operations; corruption and bribery; limitations inherent in our insurance coverage; compliance with debt covenants; competition in the mining industry; our ability to integrate new acquisitions into our operations; cybersecurity threats; litigation; and other risks of the mining industry including, without limitation, other risks and uncertainties that are more fully described in the Company's annual information form, interim and annual audited consolidated financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Trevali provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events may differ from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

**Compliance with NI 43-101**

Unless otherwise indicated, Trevali has prepared the technical information in this news release ("Technical Information") based on information contained in the technical reports, news releases and MD&A's (collectively the "Disclosure Documents") available under the Company's company profile on SEDAR at www.sedar.com. Each Disclosure Document was prepared by, or under the supervision of, a qualified person (a "Qualified Person") as defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators ("NI 43-101"). Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents. The disclosure of Technical Information in this news release was reviewed and approved by Yan Bourassa, P. Geol., Vice President, Mineral Resource Management, a Qualified Person under NI 43-101.

## Note to United States Investors

In accordance with applicable Canadian securities regulatory requirements, all mineral resource estimates of the Company disclosed or incorporated by reference in this news release have been prepared in accordance with NI 43-101, classified in accordance with Canadian Institute of Mining Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves Definitions and Guidelines". The Company uses the terms "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". While these terms are recognized by Canadian securities regulatory authorities, they are not recognized by the United States Securities and Exchange Commission. US investors are cautioned not to assume that any part or all of the material in these categories will ever be converted into reserves.

## Non-IFRS Financial Performance Measures

The items marked with a "[1]" are non-IFRS measures and readers should refer to "Use of Non-IFRS Financial Performance Measures" in the Company's Management's Discussion and Analysis for the three and nine months ended September 30, 2019.