# Trevali Announces Preliminary Q4-2020 Production Results and Provides 2021 Production and Cost Guidance

**January 18, 2021**

**Vancouver, British Columbia: Trevali Mining Corporation** ("Trevali" or the "Company") (TSX: TV, BVL: TV; OTCQX: TREVF, Frankfurt: 4TI) is pleased to release preliminary fourth quarter ("Q4") and full year production results for 2020 and provide 2021 operating, capital and exploration expenditure guidance. All financial figures are in U.S. dollars.

Ricus Grimbeek, Trevali's President and CEO stated, "The company ended 2020 on solid footing and is well-positioned to take full advantage of the significant opportunities provided by the positive momentum in the zinc market. Despite the multitude of challenges throughout the year, we successfully modified plans and accelerated the T90 program to reduce our all-in-sustaining cost per pound of zinc by a full year ahead of the initial schedule. We are on the precipice of accomplishing our goal and are very pleased with our operational results having safely achieved our production guidance by producing 313 million payable pounds of zinc in 2020. We also completed an equity raise which was upsized and over-allotted for $26.6 million that strengthened our balance sheet. We've earmarked some of the proceeds from the raise to restart the Caribou operation, progress exploration, and development opportunities, and pay down debt.

We are excited about the year ahead. Production is forecast at 330 – 360 million pounds of zinc from our four operations that will generate meaningful cash flow at current zinc prices. This expected organic cash flow will considerably strengthen our balance sheet, giving us the opportunity to further pay down debt, and creates additional flexibility for the funding of future opportunities including the RP2.0 Expansion Project at Rosh Pinah. We continue to be on track to deliver the Feasibility study in the second half of the year."

**Key 2020 Highlights Include:**

- **Improved safety performance with a 30% reduction to the Total Recordable Injury Frequency for 2020** when compared to 2019.
- **Achieved 2020 production guidance** by producing 313 million payable pounds of zinc.

- **Lead production exceeded 2020 guidance and silver production achieved guidance** with 30 million payable pounds of lead and 752 thousand payable ounces of silver produced in 2020.
- **Accelerated the T90 Business Improvement Program by a full year** 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 2021.
- **Published Trevali’s second annual Sustainability Report** setting targets to reduce water consumption and greenhouse gas emissions.
- **Amended the existing credit facility and put in place a secure loan facility with Glencore.**
- **Published the Pre-Feasibility Study for the RP2.0 Expansion Project** with the Feasibility Study expected in the second half of 2021.
- **Completed an equity raise of $26.6 million (C$34.5 million) to pursue growth activities** including advancing the RP2.0 expansion project, the restart of the Caribou operation, additional exploration work as well as repaying debt.
- **Implemented a hedging program covering approximately 40% of forecasted payable zinc production in 2021 or 148Mlbs** through a combination of forward swaps, fixed pricing arrangements and put options. The price of an additional 63.5Mlbs of payable zinc has also been hedged in 2022 through fixed pricing arrangements.

**Q4 2020 and Full Year 2020 Preliminary Production Results & 2021 Production Guidance**

Total zinc production from operations was 74 million pounds for Q4 2020 for total annual production of 313 million pounds, achieving the Company's annual guidance of between 312 to 327 million pounds of zinc production. Lead production exceeded the top end of production guidance at 30 million pounds and silver production achieved guidance at 752 thousand ounces.

Consolidated production guidance for 2021 is estimated between 330 – 360 million pounds of payable zinc, 45 – 50 million pounds of payable lead and 925 – 1,025 thousand ounces of payable silver. Zinc production is expected to be moderately higher in the second half of the year. The operational restart of Caribou is planned to begin in the first quarter with first production expected in March, and shortly thereafter, to ramp up to a steady state, while Rosh Pinah is expected to have moderately higher production rates in the second half of the year due to mine scheduling. This additional production in the second half of 2021 will be partially offset by production at Santander which is expected to have lower production levels by year end.

**Perkoa Mine, Burkina Faso**

Perkoa delivered annual production of 150 million pounds of zinc, slightly below the annual guidance of 152 – 157 million pounds. In 2021 zinc payable production is expected to be between 150 – 165 million pounds as higher mill throughput rates are expected to be achieved while the zinc grade is anticipated to remain consistent with 2020.

**Rosh Pinah Mine, Namibia**

Rosh Pinah produced 86 million pounds of payable zinc, meeting its annual guidance for zinc while also achieving the higher end of guidance for lead at 18 million pounds and exceeding the range for silver having produced 225 thousand ounces. In 2021, zinc payable production is expected to reduce to 70 – 75 million pounds of zinc as a result of expected lower head grades, however, lead production is expected to increase as the planned mine sequencing moves to higher lead grade areas.

**Caribou Mine, Canada**

The Company recently announced the restart of the Caribou mine from its current care and maintenance status with an initial two-year mine plan. Several operational and commercial enhancements are expected to be implemented throughout 2021. Mining and milling activities are planned to resume in Q1 2021 with first payable zinc production expected in the same quarter and full year production forecast to be between 60 – 65 million pounds while producing meaningful levels of lead and silver by-products. Trevali will continue to study metallurgical and operational opportunities to extend the current two-year mine plan, as well as other longer-term value enhancing initiatives in the Bathurst mining camp.

**Santander Mine, Peru**

Santander produced 62 million pounds of zinc despite being negatively impacted by the suspension of operations due to COVID-19. After the halting of underground development in the second half of 2020 to focus on production, development is planned to restart in the first half of 2021 in order to support a full year of production from the Magistral deposit estimated to produce 50 – 55 million pounds of zinc. By the end of 2021, mining operations at the Magistral deposit are expected to complete and the Santander operation is planned to move into an exploration phase to focus on the discovery and definition of new mineralization to compliment the existing Santander Pipe mineral resource.

**Table 1: Preliminary Consolidated 2020 Production Results and 2021 Production Guidance**

| Payable Production by Asset | Actuals | | | Guidance [2] | |
|---|---|---|---|---|---|
| | Q1 – Q3 2020 | Q4 2020 | FY 2020 | FY 2020 | FY 2021 |
| **Zinc Production (Million lbs)** | | | | | |
| Perkoa (100%) [3] | 113 | 37 | 150 | 152 – 157 | 150 – 165 |
| Rosh Pinah (100%) [3] | 67 | 19 | 86 | 86 – 91 | 70 – 75 |
| Caribou | 15 | – | 15 | 15 | 60 – 65 |
| Santander | 44 | 18 | 62 | 59 – 64 | 50 – 55 |
| **Total Zinc Production** | **239** | **74** | **313** | **312 – 327** | **330 – 360** |
| **Lead Production (Million lbs)** | | | | | |
| Rosh Pinah (100%) [3] | 11 | 7 | 18 | 12 – 13 | 20 – 23 |
| Caribou | 5 | – | 5 | 5 | 21 – 23 |
| Santander | 5 | 2 | 7 | 6 – 7 | 4 – 4 |
| **Total Lead Production** | **21** | **9** | **30** | **23 – 25** | **45 – 50** |
| **Silver Production (Thousand ozs)** | | | | | |
| Rosh Pinah (100%) [3] | 147 | 78 | 225 | 253 – 263 | 180 – 200 |
| Caribou | 116 | – | 116 | 116 | 585 – 650 |
| Santander | 316 | 95 | 411 | 373 - 383 | 160 – 175 |
| **Total Silver Production** | **579** | **173** | **752** | **742 – 762** | **925 – 1,025** |

*(2) 2021 guidance 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.*

## 2021 Consolidated Cost Guidance

Consolidated cost guidance for 2021 for C1 Cash Cost[1] is estimated between $0.80 – $0.84 per pound of zinc and AISC[1] is expected to range between $0.90 – $0.97 per pound of zinc (see Table 2). Capital expenditures for the group is forecast at $50 million, consisting of $39 million in sustaining capital, $6 million in exploration capital, and $5 million in expansionary capital.

The Company expects costs in the first half of the year to be higher than the second half partly due to the decision to restart the Caribou operation as well as the decision to resume, with the expectation of completing, underground development activities at Santander in the first half of 2021.

Capital costs are expected to be higher in the first half of the year due to anticipated one-time costs related to the restart of Caribou and underground development costs at Santander. 2021 expansionary capital guidance currently excludes the RP2.0 Expansion Project as the timing and costs related to the RP2.0 Expansion Project will be determined and guided as part of the Feasibility Study and a positive investment decision by the Company.

Exploration activities will focus on extending the mine lives of Perkoa, Rosh Pinah, and Santander after being largely suspended in 2020. At Perkoa drilling recommenced on the T3 deposit in Q4 2020 and will be a focus for 2021. The 2021 exploration objectives at Rosh Pinah are two fold, to discover another Zn-Pb replacement style orebody within hauling distance of the mill along the Northern extensions on the WF3-Gergarub corridor and to extend the current deposits down plunge at depth at WF3 and AAB, while also advancing regional targets. The timing and extent of the expenditures for this exploration are contingent on positive exploration results and additional funds beyond guidance may be allocated.

**Table 2: 2021 Consolidated Operating Cost and Capital Expenditure Guidance[2]**

| Asset | C1 Cash Cost[1] ($/lb Zn) | AISC[1] ($/lb Zn) | Sustaining Capital Expenditures ($m) |
|---|---|---|---|
| Perkoa (100%) [3] | 0.81 – 0.86 | 0.89 – 0.94 | 9 |
| Rosh Pinah (100%) [3] | 0.61 – 0.65 | 0.85 – 0.90 | 18 |
| Caribou | 0.79 – 0.84 | 0.91 – 0.97 | 9 |
| Santander | 1.01 – 1.07 | 1.06 – 1.12 | 3 |
| **Total** | **0.80 – 0.84** | **0.90 – 0.97** | **39** |

*(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.*

2021 C1 Cash Cost[1] and AISC[1] guidance reflect an estimated annual treatment charge of $225 per tonne, a significant decrease from the historic high of $300 per tonne realized for 2020. Trevali estimates that for every $10 per tonne change (+/–10%) to the treatment charge, C1 Cash Cost[1] and AISC[1] is impacted by approximately $0.01 per pound of zinc.

**T90 Program**

In November 2019, Trevali launched the T90 business improvement program which originally targeted a reduction in AISC[1] to $0.90 per payable pound of zinc by the beginning of 2022 through achieving annual sustainable efficiencies of $50 million. In response to market conditions as a result of the COVID-19 pandemic, the implementation of cost benefits under the T90 business improvement program was accelerated by a full year to the beginning of 2021.

Given improvements to the zinc market, the decision to restart Caribou was made with the expectation that the operation will generate significant free cash flow over its planned two year mine life. However, restarting mining operations at Caribou is expected to result in a higher AISC[1] at Caribou than the T90 target for 2021 and, as a result, Caribou is expected to contribute negatively against this metric, on an aggregate basis, during 2021. Following the planned ramp-up of Caribou in 2021, the AISC[1] for Caribou is forecast to be between $0.84 and $0.90 per pound of zinc in 2022, well under the consolidated $0.90 per pound of zinc target in Trevali's T90 business improvement program.

Furthermore, in response to the improved zinc market, the decision was made to restart underground development at Santander after having suspended activities during the second half of 2020. AISC[1] for Santander is therefore now being guided to be between $1.06 and $1.12 per pound of zinc in 2021; while this is expected to contribute negatively to the T90 target for the year, the forecasted AISC[1] is well below the current zinc price and the average hedged price for the Company's zinc, and as such is expected to contribute positively to free cash flow during the year while providing the Company with optionality to evaluate the long-term future of the asset.

**Q4 2020 and Full Year Results Conference Call and Webcast Details**

Trevali will release the Q4 2020 and full year financial and operating results before the market opens on Thursday, February 25, 2020 and a conference call will be held the same day for management to discuss the Q4 2020 financial and operating results.

Conference call dial-in details:
Date: Thursday, February 25, 2020 at 01:00PM Eastern Time
Toll-free (North America): 1 (877) 291-4570
International: +1 (647) 788-4919
Webcast: http://www.gowebcasting.com/11056

**ABOUT TREVALI**

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.

**Investor and Media Relations Contact**:
Brendan Creaney – Chief Financial Officer
Email: bcreaney@trevali.com
Phone: +1 (778) 655-6070

**Cautionary Note Regarding Forward-Looking Information and Statements**

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 statement are published, and the Company assumes no obligation to update any forward-looking statement, except as required by law. 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. Forward-looking statements relate to future events or future performance and reflect management’s expectations or beliefs regarding future events . Forward-looking statements also include statements with respect to the Company’s operations, including the resumption of operations at Caribou, the anticipated costs associated therewith, the dates upon which the Company expects to resume mining and production at Caribou and the operational and commercial enhancements expected to be implemented at Caribou, the Company’s expectations with respect to the economics of Caribou after the re-start, including the Company’s ability to generate positive cash flow from the operation of Caribou, financial and operational guidance for the fiscal year 2021, including the Company’s forecasted AISC, C1 Cash Cost, capital cost and production, expectations with respect to the Company’s financial results for fiscal year 2021, including its expectations with respect to cash flows generated from its operations, the Company’s ability to finance the RP2.0 Expansion Project at Rosh Pinah from cash flows, the timing and delivery of the feasibility study for the RP2.0 Expansion Project at Rosh Pinah, expectations with respect to the use of proceeds from the Company’s equity financing, expectations and timing regarding the T90 business improvement program, hedging activities, the Company’s growth strategies and planned development activities, including the Company’s planned development and exploration activities at Santander, the timing and nature of these activities and the expected benefits to the Company resulting therefrom, expected annual savings from capital projects, anticipated effects of commodity prices on revenues, estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production and capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, future anticipated property acquisitions, the content, cost, timing and results of future exploration programs and life of mine expectancies and the impact on the Company’s operations of current and future actions taken by governmental authorities, counterparties and others to the COVID-19 pandemic. 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 the resumption of operations at Caribou, including that the Company may not be able to restart Caribou on the expected timeline and at the expected costs, or at all; that the Company's cost and production guidance may not accurately estimate the Company's actual costs or the actual production at the Company's projects; the Company's operations may not generate cash flow in the amount anticipated, or at all; that the Company may not complete the RP2.0 Expansion Project at Rosh Pinah on the anticipated timeline, or at all; that the Company may not use the proceeds generated from the Company's equity financing in the manner currently contemplated; that the Company may fail to meet its T90 business improvement program objectives or may abandon these objectives prior to the completion of the T90 business improvement program; that the Company may not undertake its planned development and exploration activities on the timelines currently contemplated, or at all; 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 decrees and regulations, including any new or ongoing decrees and regulations issued by a governmental authority in response to the COVID-19 pandemic; 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 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.

**Source: Trevali Mining Corporation**