

# Trigon Metals Provides Update on Progress of Proposed Strategic Sale of the Kombat Mine

16.12.2024 | [Business Wire](#)

[Trigon Metals Inc.](#) (TSX-V: TM; OTCQB: PNTZF) ("Trigon" or the "Company") announced today that it has signed a binding loan agreement (the "Loan Agreement") with Horizon Corporation Ltd ("Horizon") for a loan from Horizon of up to USD\$5 million to Trigon. Pursuant to the Loan Agreement, Trigon has granted Horizon exclusivity rights to negotiate the purchase of Trigon's interest in the Kombat Mine in Namibia (see press release dated December 3, 2024) (the "Proposed Transaction"). The Proposed Transaction contemplates a valuation for the Kombat mine of USD \$30 million (C\$0.97/share based on today's fully-diluted share count -- although the final valuation may be significantly higher depending on operational milestones), which will be subject to definitive agreements, shareholder approval, regulatory consent, and other closing conditions.

The Proposed Transaction reflects Trigon's strategic focus on advancing its Addana, Silver Hill and Kalahari exploration projects, strengthening the Company's financial position while ensuring operational continuity and promoting expansion for the Kombat Mine.

The Loan allows Horizon to begin investing in the Kombat Mine and provide capital to the project in advance of the completion of the sale. As outlined below should the Trigon and its shareholders elect to consummate the Proposed Transaction, the Loan will become equity contributed to the Kombat Mine, but if Trigon chooses not to complete the transaction the funds will become payable as loans to the Company plus associated break fees. The Loan is separate from the sale price consideration of USD \$30 million and follow-up payments ranging from USD \$10 million to USD \$20 million.

Jed Richardson, CEO and Executive Chairman of Trigon Metals, commented: "This deal is a decisive win for the Company and shareholders. We had been committed to operating and growing the Kombat mine but this deal offers the Company and shareholders an opportunity to maximize growth for the Company as a whole. The Agreement allows us to realize significant value from the Kombat Mine in an expensive and uncertain funding market while ensuring stability and continuity for the workforce at site. The influx of capital will position Trigon to advance exploration and development at our Addana and Kalahari projects, accelerating our next phase of growth as a company. Since the Company will be in a strong financial position with negligible debt, we also propose to return a meaningful portion of the proceeds back to the market in the form of share buybacks, dividends or a combination of the two, once the various Agreement milestones are achieved."

## Transaction Overview:

### Loan Financing

- USD \$5 million, issued in three tranches, to provide interim development capital for the Kombat Mine, being as follows:
  - Tranche One: USD \$500,000 within 7 working days of signing the Loan Agreement;
  - Tranche Two: USD \$2 million within 7 working days of completing the security agreements and approvals relating to the Loan Agreement; and
  - Tranche Three: USD \$2.5 million within 45 days of the Tranche Two payment.
- The Loan will have a grace period of 6 months from the date of Tranche Two drawdown and will be amortized over 18 equal payments from the end of the grace period to the end of the 2-year term bearing an annual interest rate of 15%.
- Horizon will be entitled to appoint a board observer to the Company on advance of Tranche Two of the Loan.
- Horizon will be granted exclusivity to negotiate and finalize the Proposed Transaction on advance of Tranche One of the Loan.

## Terms for Proposed Acquisition of Kombat Mine

- Horizon will acquire up to 100% of a Canadian domiciled holding company, which indirectly owns 80% of the Kombat Mine for a price consideration of USD \$30 million upon closing of all shareholder and regulatory approvals.
- Trigon will retain a 1% net revenue royalty on copper production when the Kombat mine achieves copper metal production of 1,000 tonnes for each of two consecutive calendar months. Thereafter a royalty of 1% will be payable on net copper revenue, when invoiced copper price on final invoicing is greater than USD \$4.00 per pound, payable quarterly for 20 quarters.
- A break fee of USD \$5 million applies if the Proposed Transaction is terminated due to non-approval or a superior bid.
- Follow-Up payment of ranging between USD \$10 million to USD \$20 million when underground production exceeds on average of 2,250 tpd over 90 days and also once the streaming copper royalty ("Sprott Trigger Date") reduces as per the Sprott streaming agreement. Calculation of this payment is subject to the following matrix:

LME 3-month Cu price

	<9,000	9,000<10,000	>10,000	<15,000*
(USD/Tonne) at Sprott Trigger Date				
Sprott Trigger Date	7,500,000	10,000,000	15,000,000	
1 <sup>st</sup> Anniversary of Sprott Trigger Date	2,500,000	5,000,000	5,000,000	
Post Mill Expansion to 1,500 tpd				
	0	0	0	10,000,000
(Expedited Scenario)				
1 <sup>st</sup> Anniversary of Mill Expansion to 1,5000 tpd				
	0	0	0	10,000,000
(Expedited Scenario)				

\*Expedited option is not additional to other follow-on payments, nor is it subject to Sprott Trigger Date

The Proposed Transaction ensures that the Kombat Mine's obligations under existing agreements, including the Sprott streaming agreement, will be appropriately addressed as part of the closing of the Proposed Transaction.

## Next Steps

The completion of the Proposed Transaction is subject to the following milestones:

1. Definitive Agreements: A binding purchase agreement is being negotiated by the parties.
2. Shareholder Approval: A shareholder vote will be held to approve the transaction.
3. Regulatory Approvals: Including TSX Venture Exchange approval and Namibian regulatory consents.
4. Completion of Due Diligence: Horizon will complete its detailed review prior to closing.

Jed Richardson, CEO and Executive Chairman of Trigon Metals, commented: "We are pleased to make this step toward a successful transaction with Horizon. The Proposed Transaction is expected to realize significant value from the Kombat Mine in an expensive funding market while ensuring stability and continuity for the workforce at site. The influx of capital will position Trigon to advance exploration and development at our Addana and Kalahari projects, accelerating our next phase of growth as a Company. We also propose to return a meaningful portion of the proceeds from the Proposed Transaction back to the market in the form of share buybacks, dividends or a combination of the two, once the various transactional milestones are achieved."

Trigon Metals Inc.

Trigon is a publicly-traded Canadian exploration and development company with its core business focused on copper and silver holdings in mine-friendly African jurisdictions. Currently, the company has operations in

Namibia and Morocco. In Namibia, the Company holds a 100% interest in the Kalahari Copperbelt Project and an 80% interest in five mining licences in the Otavi Mountainlands where the Company operates the Kombat Mine. In Morocco, the Company is the holder of the Silver Hill and Addana projects, highly prospective copper and silver exploration projects.

#### Cautionary Notes

This news release may contain forward-looking statements. These statements include statements regarding the Loan Agreement, the Proposed Transaction, the Sprott Trigger Date, the Company's strategies and the Company's abilities to execute such strategies, the economic viability of the Kombat Mine, the Company's ability to satisfy the conditions for the Proposed Transaction the Company's expectations for the Kombat Mine, and the Company's future plans and objectives. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially because of factors discussed in the management discussion and analysis section of our interim and most recent annual financial statements or other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulations. We do not assume any obligation to update any forward-looking statements, except as required by applicable laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/487673--Trigon-Metals-Provides-Update-on-Progress-of-Proposed-Strategic-Sale-of-the-Kombat-Mine.html>

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