

Trevali Announces First Quarter 2014 Financial Results

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 15, 2014) - **Trevali Mining Corporation** ("Trevali" or the "Company") (TSX:TV)(OTCQX:TREVF)(LMA:TV)(FRANKFURT:4TI) has released its financial results for the three months ended March 31, 2014 ("Q1"), posting income from operations of \$3.9 million from its Santander Mine in Peru on concentrate sales revenue of \$24.1 million, and net income of \$0.6 million.

Trevali will hold a conference call on May 16, 2014, at 10:30 a.m. Eastern Time (7:30 a.m. Pacific Time) to discuss these results. Call-in details are provided at the end of this release. This release should be read in conjunction with Trevali's unaudited condensed consolidated financial statements and management's discussion and analysis for the three months ended March 31, 2014, which is available on Trevali's website and on SEDAR. All financial figures are in Canadian dollar unless otherwise stated.

"With the successful achievement of Commercial Production at Santander during Q1, these inaugural results show profitable operations at the mine, with key metrics such as mill performance and production figures all in line with or ahead of our full year guidance," stated Dr. Mark Cruise, Trevali's President and CEO. "Optimization of both our processing and mining operations remains ongoing as we strive to increase efficiencies, metal production and revenues."

Q1-2014 Results Highlights:

- Commencement of Commercial Production at the Santander zinc-lead-silver mine in Peru
- Concentrate sales revenue of \$24.1 million
- Income from Santander operations of \$3.9 million
- Net income of \$0.6 million
- Production of 14.6-million payable pounds of zinc, 5.4-million payable pounds of lead and 268,600 payable ounces of silver at a site cash cost⁽⁴⁾ of US\$0.33 per pound of payable Zinc Equivalent ("ZnEq")⁽¹⁾ produced
- Realized selling prices for zinc, lead and silver of US\$0.92 per pound, US\$0.97 per pound and US\$20.44 per ounce respectively
- EBITDA⁽³⁾ of \$4.5 million
- Cash and cash equivalents on hand of \$27.6 million

Summary Financial Results for the Quarter (\$ millions except per-share amounts)

	Three months ended March 31,	
	2014	2013
Revenues	\$ 24.1	n/a
Income from Santander mining operations	3.9	n/a
Net income (loss)	0.6	(1.3)
Basic Income per share	0.00	(0.01)

Q1-2014 Santander Mine Production Statistics

	Q1-2014
Tonnes mined	156,030
Tonnes milled	173,820
Average head grades:	
	Zinc 4.76 %
	Lead 1.90 %
	Silver 1.97 oz/ton
Average recoveries:	

	Zinc	87 %
	Lead	86 %
	Silver	74 %
Concentrate produced DMT (dry metric tonnes):		
	Zinc	15,640
	Lead-Silver	4,510
Payable metal production:		
	Zinc (pounds)	14,597,890
	Lead (pounds)	5,466,350
	Silver (troy ounces)	268,600
Site cash cost ⁽⁴⁾ per ZnEq ⁽¹⁾ lb Payable Produced		USD\$0.33
Total cash cost ⁽⁴⁾ per ZnEq ⁽¹⁾ lb Payable Produced		USD\$0.69
Cash cost per tonne milled		USD\$50.18
Concentrate Sales Revenue (millions)		\$ 24.1
Income from Mining Operations (millions)		\$ 3.9

Q1-2014 Santander Mine Sales Summary

Zinc Concentrate (DMT)	13,790
Lead Concentrate (DMT)	4,330
Payable Sold Zinc (lbs)	12,696,380
Payable Sold Lead (lbs)	5,196,480
Payable Sold Silver (ozs)	249,425
Total Concentrate Revenues	USD\$21,849,500
Average Realized Metal Price:	
Zinc (per lb)	USD\$0.92
Lead (per lb)	USD\$0.97
Silver (per oz)	USD\$20.44
Zinc Equivalent Payable lbs Sold ⁽²⁾	23,657,000
Zinc Equivalent Payable lbs Produced ⁽¹⁾	26,244,980

- (1) $\text{ZnEq Payable Pounds Produced} = ((\text{Zn Payable lbs Produced} \times \text{Zn Price}) + (\text{Pb Payable lbs Produced} \times \text{Pb Price}) + (\text{Cu Payable lbs Produced} \times \text{Cu Price}) + (\text{Au oz Payable Produced} \times \text{Au Price}) + (\text{Ag oz Payable Produced} \times \text{Ag Price})) / \text{Zn Price}$.
- (2) $\text{ZnEq Payable Pounds Sold} = ((\text{Zn Payable lbs Sold} \times \text{Zn Price}) + (\text{Pb Payable lbs Sold} \times \text{Pb Price}) + (\text{Cu Payable lbs Sold} \times \text{Cu Price}) + (\text{Au oz Payable Sold} \times \text{Au Price}) + (\text{Ag oz Payable Sold} \times \text{Ag Price})) / \text{Zn Price}$. (All metal prices are the average realized metal price for the period)
- (3) EBITDA (earnings before interest, taxes, depreciation and amortization) is calculated by considering Company's earnings before interest payments, tax, depreciation, and amortization are subtracted for any final accounting of its income and expenses. The EBITDA of a business gives an indication of its current operational profitability and is a NON-IFRS measure.
- (4) Refer to Non-IFRS Measures in the March 31, 2014 Management Discussion and Analysis

Santander Operations

Production:

In the first quarter of 2014, the Company's Santander mine produced 14.6-million payable pounds of zinc, 5.4-million payable pounds of lead and 268,600 payable ounces of silver at a site cash cost of US\$0.33 per pound of payable ZnEq produced.

Average recoveries for the quarter were 87% for zinc, 86% for lead and 74% for silver reflecting ongoing optimization and improvements over Q4-2013 mill performance. Q1-2014 throughput at the 2,000-tonne-per-day-rated Santander processing complex was 173,820 tonnes, delivering a mill utilization factor of 99.8%. Average head grades of 4.76% Zn, 1.9% Pb and 1.97 oz/ton Ag were realized to produce approximately 15,640 tonnes of zinc concentrate and 4,510 tonnes of lead-silver concentrate.

The Company will continue to optimize surface, processing plant and underground operations during the forthcoming quarters in order to maximize operational efficiencies.

Guidance:

2014 annual production guidance at Santander is estimated at approximately 670,000 to 690,000 tonnes of

mill throughput, with average head grades estimated at 4.0% to 4.2% zinc, 1.5% to 1.7% lead and 1.4 oz/ton to 1.6 oz/ton silver to produce, in payable metals, 42-45 million pounds of zinc; 15-17 million pounds of lead and 700,000 to 720,000 ounces of silver. (Please see Cautionary Note Regarding on Forward Looking Statements at the end of this document.)

Exploration:

An approximately 5,000 metre, predominantly underground, drill program is also planned during the year at Santander in order to convert inferred tonnes to a higher confidence category and to continue to define and potentially expand the newly discovered Rosa lead-silver-zinc zone to depth.

New Brunswick Operations

Caribou:

In Canada, detailed engineering and associated work programs at the Caribou Mine and Mill continue to progress. Metallurgical test work examining the feasibility of adding a copper recovery circuit to the Caribou Mill is complete. These studies were incorporated into an independent PEA study announced on May 12, 2014. Upon receipt of final approvals and successful closure of a long term debt facility, the Company plans to restart its Caribou mining and milling operations in New Brunswick.

Stratmat:

During the quarter, 9,145 metres of diamond drilling was completed on the Stratmat Property. The program consisted of 13 holes and targeted the historic S1 Zones with the purpose of increasing confidence in the resource and potentially converting the Inferred Resource to a higher confidence category. Drilling is ongoing and results will be released upon receipt.

Financial Results

During the three months ended March 31, 2014, the Company recorded a net income of \$611,000 compared to a loss of \$1,275,000 in the same period of the prior year, or a gain of \$0.00 per share (2013 - loss of \$0.01). The majority of the increase in operating income is due to the revenues net of cost of sales recorded at the Company's Santander mine.

Revenues of \$24,113,000 (2013 - \$Nil) due to the sale of 13,790 tonnes of zinc concentrates containing 14.6 million pounds of payable zinc and 4,330 tonnes of lead-silver concentrates containing 5.5 million pounds of payable lead and 268,600 ounces of payable silver. Provisional realized commodity prices in USD were \$0.92 per pound zinc, \$0.97 per pound lead and \$20.44 per ounce silver at a US to CAD foreign exchange of 1.105. There were no revenues in the prior period.

Total mine operating expenses of \$20,257,000 (2013 - \$Nil) related to the sale of concentrate to Glencore. Costs consisted of direct site production costs of \$9,624,000 related to mining, milling and camp, lab and surface maintenance facilities. Smelting, refining and freight costs were \$7,471,000 and royalty expense were \$481,000. The Company also charged \$2,681,000 of depreciation and amortization. There were no such operating costs in the prior comparable period.

Q1-2014 Financials Conference Call:

Trevali will host a conference call and audio webcast at 10:30 a.m. Eastern Time on Friday, May 16, 2014, to review the financial results. Participants are advised to dial in 5-to-10 minutes prior to the scheduled start time of the call.

Conference call dial-in details:

Toll-free (North America): 1-800-769-8320

Toronto and international: 1-416-340-8530

Audio Webcast: <http://www.gowebcasting.com/5537>

ABOUT TREVALI MINING CORPORATION

Trevali is a zinc-focused base metals mining company with operations in Peru and Canada.

In Peru, the Company is actively operating its wholly-owned Santander underground zinc-lead-silver mine and 2,000-tonne-per-day metallurgical plant, and producing zinc and lead-silver concentrates.

In Canada, Trevali owns the Caribou mine and mill, Halfmile mine and Stratmat polymetallic deposit all located in the Bathurst Mining Camp of northern New Brunswick. Initial trial production from the Halfmile underground mine was successfully undertaken in 2012 and the Company anticipates commencing operations at its 3,000-tonne-per-day Caribou Mill Complex in 2015.

All of the Company's deposits remain open for expansion.

The common shares of Trevali are listed on the TSX (symbol TV), the OTCQX (symbol TREVF) and on the Lima Stock Exchange (symbol TV). For further details on Trevali, readers are referred to the Company's web site (www.trevali.com) and to Canadian regulatory filings on SEDAR at www.sedar.com.

On Behalf of the Board of Directors of **TREVALI MINING CORPORATION**

Mark D. Cruise, President

This news release contains "forward-looking statements" within the meaning of the United States private securities litigation reform act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation. Statements containing forward-looking information express, as at the date of this news release, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results and the company does not intend, and does not assume any obligation to, update such statements containing the forward-looking information. Such forward-looking statements and information include, but are not limited to statements as to: the accuracy of estimated mineral reserves and resources, anticipated results of future exploration, and forecast future metal prices, anticipated results of future electrical sales and expectations that environmental, permitting, legal, title, taxation, socio-economic, political, marketing or other issues will not materially affect estimates of mineral reserves. These statements reflect the Company's current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies.

These statements reflect the Company's current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained in this news release and the company has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: fluctuations in spot and forward markets for silver, zinc, base metals and certain other commodities (such as natural gas, fuel oil and electricity); fluctuations in currency markets (such as the Peruvian sol versus the U.S. dollar); risks related to the technological and operational nature of the Company's business; changes in national and local government, legislation, taxation, controls or regulations and political or economic developments in Canada, the United States, Peru or other countries where the Company may carry on business in the future; risks and hazards associated with the business of mineral

exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected geological or structural formations, pressures, cave-ins and flooding); risks relating to the credit worthiness or financial condition of suppliers, refiners and other parties with whom the Company does business; inadequate insurance, or inability to obtain insurance, to cover these risks and hazards; employee relations; relationships with and claims by local communities and indigenous populations; availability and increasing costs associated with mining inputs and labour; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses and permits and the presence of laws and regulations that may impose restrictions on mining; diminishing quantities or grades of mineral reserves as properties are mined; global financial conditions; business opportunities that may be presented to, or pursued by, the Company; the Company's ability to complete and successfully integrate acquisitions and to mitigate other business combination risks; challenges to, or difficulty in maintaining, the Company's title to properties and continued ownership thereof; the actual results of current exploration activities, conclusions of economic evaluations, and changes in project parameters to deal with unanticipated economic or other factors; increased competition in the mining industry for properties, equipment, qualified personnel, and their costs.

Investors are cautioned against attributing undue certainty or reliance on forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. The Company does not intend, and does not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements or information, other than as required by applicable law.

Trevali's production plans at Caribou-Halfmile-Stratmat and Santander are based only on Indicated and Inferred Mineral Resources and not Mineral Reserves and do not have demonstrated economic viability. Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is therefore no certainty that the conclusions of the production plans and Preliminary Economic Assessment (PEA) will be realized. Additionally where Trevali discusses exploration/expansion potential, any potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

We advise US investors that while the terms "measured resources", "indicated resources" and "inferred resources" are recognized and required by Canadian regulations, the US Securities and Exchange Commission does not recognize these terms. US investors are cautioned not to assume that any part or all of the material in these categories will ever be converted into reserves.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended, or the securities laws of any state and may not be offered or sold within the United States, absent such registration or an applicable exemption from such registration requirements.

The TSX has not approved or disapproved of the contents of this news release.

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