

Trigon Metals Agrees Offtake and Project Finance Terms and Provides Update on Project Restart Activities

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HIGHLIGHTS

- Offtake for 100% of annual production from the Kombat mine for up to 20,000mt of copper.
- Financing facility of up to US\$7.7 million for the Kombat mine production start up.
- Project restart activities well underway to achieve commencement of production by mid-2018.
- Infill drilling program complete as first step in updating current Mineral Resource estimate that will be basis for future production.
- Environmental permitting process on track for application in early 2018.

[Trigon Metals Inc.](#) (TSX VENTURE:TM) ("Trigon" or the "Company") is pleased to announce that it, together with its 80% subsidiary, Manila Investments (Pty) Ltd ("Manila"), has agreed terms with a major international trading house for copper concentrate offtake from the Company's Kombat mine in Namibia and a financing facility to fund operations restart activities in order to commence with open pit mining.

Copper Concentrate Offtake

Trigon and Manila have agreed offtake terms with a major international trading house to buy 100% of the annual production from the Kombat mine up to a total of 20,000mt of contained copper.

This represents the anticipated life of mine production from the open pit in the Kombat Central and East areas, based on the current Mineral Resource estimate as reported in the National Instrument 43-101 technical report entitled "NI 43-101 Technical Report on the Kombat Copper Project, Namibia" dated May 31, 2017 (the "Technical Report"). The Technical Report constitutes a preliminary economic assessment and is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.trigonmetals.com.

The terms of the offtake are subject to various conditions precedent, including final due diligence and approvals from the relevant regulatory authorities.

Financing Facility

In conjunction with the offtake, the trader will provide a financing facility to Manila of up to US\$7.7 million (the "Facility") to fund the concentrator at the Kombat mine, to upgrade infrastructures and for working capital purposes to bring the Kombat mine into production.

Trigon will act as guarantor for the Facility, and security will include first ranking charges and security interest over all present and future property and assets of Manila.

The terms of the Facility are subject to various conditions precedent, including final due diligence and approvals from the relevant regulatory authorities.

Stephan Theron, President and CEO of Trigon, commented: "The financing and offtake arrangements represent a major milestone for Trigon and Manila in re-starting the Kombat mine. We are pleased to be partnering with a major international trader in this exciting venture, which should ensure that we can meet our 2018 production restart goals."

Restart Activities

The Company is concurrently progressing various workstreams regarding its strategy to bring the Kombat mine back into production and is targeting the commencement of open pit mining by mid-2018. The Company does not have a current feasibility study and is not basing its decision to restart mining activities on any estimated mineral reserves or on a feasibility study. The economic or technical feasibility of the Kombat project. Historically, projects that are re-commenced prior to the mining company completing a feasibility study have a much higher risk of economic or technical failure. Estimates regarding production levels, development timetable and economic feasibility in respect of the Kombat mine are based on internal management estimates and are inherently uncertain and subject to continued refinement.

Drilling Program

The drilling program focused on the Kombat Central and East areas targeted by the Company for open pit mining is complete. 48 holes or an aggregate of 2,200 meters having been drilled in this first stage program, the primary aim of which is to convert the current Mineral Resource from the Inferred category to Measured and Indicated Mineral Resources.

Final assay results are expected to be received by the end of November 2017, following which the information will be used to remodel and upgrade the current Mineral Resource as set out above. The updated Mineral Resource is expected to be completed by December 2017 and will form the basis for the feasibility study on the surface mining areas as referred to below.

The Company further plans to undertake an additional drilling program to extend the current Mineral Resource. This program comprises an additional 34 holes, with an aggregate of 1,437 meters to be drilled.

Feasibility Studies

The Company intends to initiate a feasibility study on the surface mining areas and a pre-feasibility design on the Asis L underground mine during November 2017. The studies are anticipated to take six months to complete, during which period the refurbishment of the mill and concentrator can commence to facilitate timelines for commencement of open pit mining and processing of ore therefrom. The Company does not currently have a feasibility study in respect of the Kombat mine and production restart activities are based on internal management forecasts.

Environmental Permitting

On September 25, 2017, the Company announced that it had received notification from the Minister of Environment and Forestry of Namibia that it had been awarded an Environmental Clearance Certificate for proposed exploration on the mining license area in Manila. The clearance is valid for a period of three years from September 18, 2017.

The Company is currently engaged with its environmental consultant, SLR Environmental Consulting (Namibia) (Pty) Ltd to obtain the Environmental Clearance Certificate required for open pit mining and associated activities, as well as those needed for exploration activities for underground mining. The required specialist studies are planned to be completed by the end of 2017, and application for the necessary permitting will be made in early 2018 after the relevant Environmental Impact Assessment ("EIA") reports have been reviewed by stakeholders.

Metallurgical Testwork

The results of metallurgical testwork commissioned on historic drill cores from the targeted open pit mining areas to evaluate grades and achievable recoveries used for the purposes of the preliminary economic assessment ("PEA") have been published. Further testing to optimize future comminution and flotation parameters is expected to be completed by January 2018 and used in the DFS referred to above.

Power

An application has been made to Namibian Power Corporation (Proprietary) Limited to increase the current power supply from 4.5MVA, in order to meet the requirements for the targeted mining and processing operations.

Highlights of the PEA

The PEA, highlights of which were published in the Technical Report, confirms that the Kombat operations, including both open pit and underground mining operations, have a best-estimated net present value ("NPV") of US\$72 million, and a robust internal rate of return of 45.5%, using a long term copper price of US\$2.95/lb. The current copper price at US\$3.17/lb is higher than the long term forecasts.

The PEA is based on Inferred Mineral Resources of 6.905 million tonnes at a grade of 2.78% copper, 1.14% lead and 1.14% silver, and results in a combined open pit and underground life of mine of nine years at an average mined grade of 2.83% copper, 1.14% lead and 1.14% silver.

producing 122,106 CuEq tons, at a C1 cash cost of US\$1.33/lb.

The PEA was prepared by Minxcon (Pty) Ltd ("Minxcon") and issued on May 26, 2017.

The PEA is preliminary in nature and includes Inferred Mineral Resources that 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 no certainty that the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

The Company's phase 1 strategy of open pit mining to facilitate early cash flow generation is estimated to only require a total capital of US\$7.73 million.

Stephan Theron further commented: "The restart activities are in many instances proving better results than the assumptions in the PEA, and in the current copper price environment we are extremely bullish about getting this project off the ground and into production. We look forward to reporting further positive news to the market as we achieve our targets."

Qualified Person

Mr. Uwe Engelmann (BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, MGSSA) of Minxcon, is a "qualified person" as such term is defined in NI 43-101 and has reviewed and approved the technical information and data included in this release. As a director of Minxcon, Mr. Engelmann is considered independent.

[Trigon Metals Inc.](#)

Trigon is a publicly traded Canadian exploration and development company with its core business focused on copper in southern Namibia, one of the world's most prospective copper regions, where it has substantial assets in place with significant upside. The Company continues to hold an 80% interest in five mining licenses in the Otavi Mountain lands, an area of Namibia widely recognized for its high-grade copper deposits. Within these licenses are three past producing mines including the Company's flagship property, the Kombat Mine.

Cautionary Notes

This news release may contain forward-looking statements. These statements include statements regarding the offtake agreement, the financing facility terms, the drilling program and Mineral Resource estimate, the feasibility studies and permitting requirements, the results of metallurgical testwork, the Company's strategies and the Company's abilities to execute such strategies, the mineralization of the Kombat mine, the realization of the PEA for the Kombat mine, potential expansion of Mineral Resources, the expectations of future cash flow, refurbishment of plant and equipment, the updating of the Mineral Resources, the ability to complete a drilling program, the ability to complete a DFS, the ability to obtain financing, the ability to enter into binding offtake agreements, the value and rate of return of the Kombat mine and operations, the ability to generate cashflow, the tradeability of the Kombat mine, the purchase of the Kombat mine, the granting of applicable permitting, the Company's ability to restart the Kombat mine operations, the results of the Technical Report and PEA, the Company's expectations for the Kombat operations and the Company's future plans and objectives. These statements are based on current expectations and assumptions that are subject to various 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.

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