

# Trigon Metals Announces Strategic Investment and Provides Update on Project Restart Activities and Project Financing

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[Trigon Metals Inc.](#) (TSX VENTURE:TM) ("Trigon" or the "Company") announces that Forbes & Manhattan Resources Inc. ("Forbes") and certain other investors will subscribe to a private placement financing of up to 5,714,285 units (the "Units") of \$0.35 per Unit for gross proceeds of up to \$2,000,000 (the "Offering").

## The Offering

Each Unit will be comprised of one common share of Trigon (a "Share") and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to acquire one Share at a price of \$0.50 for a period of 24 months from the closing date of the Offering, subject to an acceleration provision whereby in the event that at any time after the expiration of the statutory hold period, the Shares trade at \$1.00 or higher on the TSX Venture Exchange (on an average trading volume of more than 200,000 Shares per day) for a period of 20 consecutive days, the Company shall have the right to accelerate the exercise of the Warrants to the date that is 30 days after the Company issues a news release announcing that it has elected to exercise its acceleration right.

Closing of the Offering is expected to occur in two tranches. The first tranche, for gross proceeds of \$500,000, is expected to occur on or about December 22, 2017 (the "First Tranche"). The second tranche, for gross proceeds of \$1,500,000, is expected to occur on or before January 30, 2018 (the "Second Tranche"). The Second Tranche is conditional on the Company completing a mineral resource estimate in respect of the surface accessible (targeted open pit) portion of the Kombat mine (the "Updated Resource Estimate") and updating the financial model used in the Company's preliminary economic assessment ("PEA") summarized within the Company's National Instrument 43-101 compliant technical report entitled "NI 43-101 Technical Report on the Kombat Copper Project, Namibia" dated May 31, 2017. The technical report is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.trigonmetals.com](http://www.trigonmetals.com).

Closing of each of the First and Second Tranches remains subject to a number of conditions, including receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. All securities issued by Trigon will be subject to a period of four months and one day from the respective date of issue. The Company intends to use the net proceeds from the Offering to update its resource estimate in respect of the surface accessible (open pit) portion of the Kombat mine, prepare a bankable feasibility study on the surface accessible (open pit) portion of the Kombat mine, exploration and development of the Kombat mine, to secure equipment for the refurbishment of the existing mill and concentrator at the Kombat mine and for general capital and general corporate purposes.

Stephan Theron, President and CEO of Trigon, commented: "This funding will provide the initial capital for Trigon's restart and will put us in a strong position to achieve our production target in 2018."

Following the completion of the First and Second Tranches, if the Company completes a private placement financing for gross proceeds of at least \$1,000,000 on or before April 30, 2018 with Forbes or other investors introduced to the Company by Forbes, Forbes shall be entitled to receive a production payment related to the Company's Namibian open pit mining operations (the "Production Payment"). Forbes has notified the Company that if the Company launches another private placement financing before April 30, 2018, it is interested in investing an additional \$1,000,000.

The Production Payment will be calculated as 0.5% of net smelter returns related to the Company's Namibian open pit

operations. The Production Payment will be payable on a quarterly basis from commencement of production from the Kombat open pit until depletion of the open pit resource as described in the Updated Resource Estimate or any future increases in production (the "Production Period").

#### Restart Activities

The Company continues to target the commencement of open pit mining at Kombat by the third quarter of 2018 and is making progress in advancing the various workstreams as previously reported and as updated below.

The Company does not have a current feasibility study and is not basing its decision to restart mining activities on any mineral reserves or on a feasibility study regarding the economic or technical feasibility of the Kombat project. Historical operations that are re-commenced prior to the mining company completing a feasibility study have a much higher risk of economic failure. Estimates regarding production levels, development timetable and economic feasibility in respect of the Kombat project are based on internal management forecasts and are inherently uncertain and subject to continued refinement.

#### *Drilling Results, Updated Mineral Resource Estimate and Updated Financial Model*

Final assay results from the October 2017 drilling programs which focused on the Kombat Central and East areas are expected to be received by the end of December 2017. The information will then be utilized to remodel the current Mineral Resource Estimate as required to close the Second Tranche of the Offering as referred to above. The Updated Resource Estimate will form the basis for the feasibility study on the surface mining areas as referred to below.

In conjunction with the Updated Resource Estimate, the Company will also update the financial model used in the Company's

#### *Environmental Permitting*

The Company remains on track to secure the Environmental Clearance Certificate required for open pit mining and associated activities, as well as those approvals needed for exploration activities for underground mining. The required specialist studies are in their final stages of completion, and application for the necessary permitting will be made in early 2018 after the relevant Environmental Impact Assessment reports have been reviewed by stakeholders.

#### *Metallurgical Testwork*

Variability testing on the optimized flotation conditions as announced on November 30, 2017, is expected to be completed by February 2018. The testing results and will be used in the feasibility study referred to below.

#### *Plant Refurbishment and Other On-site Activities*

The Company intends to apply a portion of the proceeds of the Offering to securing equipment for the refurbishment of the mill and concentrator at Kombat.

In addition, the Company will commence with the process of selecting a mining contractor in early 2018 to facilitate on-site mobilization to meet the targeted timelines for commencement of mining.

#### *Feasibility Studies*

The Company intends to initiate a feasibility study on the surface mining areas and a pre-feasibility design on the Asis underground mine in January 2018. The Company does not currently have a feasibility study in respect of the Kombat project. All production restart activities are based on internal management forecasts.

#### Offtake and Project Finance Agreements

The Company is well placed to move forward with the finalization of the offtake and project finance agreements with a number

international trading house, details of which were announced on October 26, 2017.

In respect of the offtake, the trading house has agreed to purchase 100% of the annual production from the Kombat mine, a total of 20,000 metric tonnes of contained copper (the "Offtake"), representing the anticipated life of mine production from the open pit in the Kombat Central and East areas.

In conjunction with the Offtake, the trader will provide a financing facility to Manila Investments (Pty) Ltd of up to US\$7.5 million ("Facility") to refurbish the concentrator at the Kombat mine, to upgrade infrastructures and for working capital purposes to convert the Kombat open pit mine into production.

The finalization of the Offtake and the Facility are subject to various conditions precedent, including final due diligence and regulatory approvals from the trader.

#### Qualified Person

The technical and scientific contents of this press release have been prepared under the supervision of and have been reviewed and approved by Fanie Muller, P.Eng, VP Operations of Trigon, who is a Qualified Person as defined by NI 43-101.

#### [Trigon Metals Inc.](#)

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

#### Cautionary Notes

*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.*

*This news release may contain forward-looking statements. These statements include statements regarding the Offering, the expected use of proceeds of the Offering, the Company's ability to develop a producing mine, the Company's ability to commence open pit mining, the timing of the Company's drill results, the Company's ability to secure the necessary permits, the Company's ability to secure equipment and refurbish the mill and concentrator, the Company's ability to update mineral resource estimates, its financial models, the Company's ability to complete feasibility studies, the terms of the Offtake and Facility, the finalization of the Offtake and Facility, the Company's ability to raise adequate financing and the Company's future plans and objectives. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results may differ materially because of factors discussed in the management discussion and analysis section of our interim and annual financial statements or other reports and filings with the TSX Venture Exchange and applicable Canadian securities laws and regulations. We do not assume any obligation to update any forward-looking statements, except as required by applicable securities laws.*

*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 have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

#### Contact

Blake Hylands  
Investor Relations  
+1 (416) 216 5445  
bhylands@trigonmetals.com  
www.trigonmetals.com

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