

# Trevali Reports Record Preliminary Q4-2017 and 2017 Annual Production, and Provides 2018 Production and Cost Guidance

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## Preliminary Q4 zinc production of 104.8-million payable lbs; 13.5-million lbs payable lead and 396,899 oz payable silver

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jan 15, 2018) - Trevali Mining Corporation ("Trevali" or the "Company") (TSX:TV)(LMA:TV)(OTCQX:TREVF)(FRANKFURT:4TI) reports preliminary consolidated fourth quarter ("Q4") 2017 production of 104.8-million payable pounds of zinc, 13.5-million payable pounds of lead and 396,899 payable ounces of silver. Preliminary 2017 annual production was 177.4-million payable pounds of zinc, 45.8-million payable pounds of lead and 1,561,508 payable ounces of silver.

Table 1: 2017 Preliminary Consolidated Production

	Q4-2017	Q4-2016	2017 <sup>(1)</sup>	2016
Tonnes Mined	832,878	415,523	1,924,383	1,166,381
Tonnes Milled	818,690	469,723	2,070,442	1,300,037
Concentrate Produced DMT (Dry Metric Tonnes):				
Zinc	113,284	42,275	198,550	110,027
Lead	15,442	13,284	53,784	34,335
Payable Production:				
Zinc (million lbs)	104.8	36.8	177.4	98.0
Lead (million lbs)	13.5	11.3	45.8	33.0
Silver (000 ozs)	396.9	409.7	1,561.5	1,215.9

<sup>(1)</sup> 2017 preliminary production includes September-December 2017 production from Perkoa and Rosh Pinah reflecting the closure of the African zinc asset acquisition from Glencore on August 31, 2017. Production from April 1 to August 31, 2017 was treated as part of the working capital adjustments captured in the purchase price calculation.

## Q4-2017 and 2017 Annual Operational Highlights

- Record overall consolidated Q4-2017 and 2017 annual zinc and lead production.
- Highest annual zinc production, mill throughput and mine output at the Perkoa mine.
- Record quarterly metal production, mine output and mill throughput at the Caribou mine with continued ongoing operational improvements following transition to owner-operated mining activities.
- Rosh Pinah mill re-grind circuit completed in Q4 and anticipated to boost recoveries and increase concentrate quality.
- Completion of the Santander mine underground water pumping infrastructure upgrade - anticipated to reduce power requirements and improve overall mine efficiency.
- Integration of Perkoa and Rosh Pinah mines, acquired from Glencore on August 31, 2017, continues to progress well.

"2017 marked a transformational year for Trevali with the acquisition of the Perkoa and Rosh Pinah zinc mines, elevating the Company to a Top-10 zinc producer," stated Dr. Mark Cruise, Trevali's President and CEO. "These new assets have contributed significantly to Trevali's production profile, leading to record quarterly and annual production, and we anticipate additional improvements through an ongoing focus on operational excellence in 2018."

Santander Mine, Peru

Preliminary Q4-2017 production was 14.1 million payable pounds of zinc, 1.7 million payable pounds of lead and 97,941 payable ounces of silver (see Table 2). Recoveries averaged 87% for zinc, 78% for lead and 57% for silver.

Santander mill throughput for Q4-2017 was 214,791 tonnes, approximately 17% above nameplate design capacity. Mine production the quarter was 201,198 tonnes.

The Company has completed the upgrade of its pumping infrastructure to facilitate long-range planning as mining transitions deeper in the Magistral zones. It is anticipated to result in reduced power requirements and improve overall mine efficiency.

Table 2: Santander 2017 Preliminary Production Statistics

	Q4-2017	Q4-2016	2017	2016	
Tonnes Mined	201,198	171,084	681,785	716,893	
Tonnes Milled	214,791	218,481	839,546	863,307	
Average Head Grades:					
Zinc	4.1	% 4.4	% 3.9	% 4.3	%
Lead	0.5	% 0.8	% 0.7	% 1.2	%
Silver - ounces/ton	0.8	1.2	1	1.3	
Average Recoveries:					
Zinc	87	% 89	% 87	% 89	%
Lead	78	% 83	% 80	% 86	%
Silver	57	% 66	% 64	% 71	%
Concentrate Produced DMT:					
Zinc	16,286	17,553	60,841	67,397	
Lead	1,712	3,111	10,792	17,189	
Payable Production:					
Zinc (million lbs)	14.1	15.8	53.1	61.3	
Lead (million lbs)	1.7	3.1	10.5	19.3	
Silver (000 ozs)	97.9	177.9	602.7	813.8	

The Phase-1 2017 Santander exploration drill program commenced during the second quarter, utilizing both surface directional and underground drill rigs, with the aim of converting inferred tonnages into higher confidence categories as well as aggressively probing the depth and lateral extents of the Magistral and Santander polymetallic systems that remain open for expansion. Results of the work will support long-range mine planning, and follow up conversion and expansion drilling is planned for 2018.

#### Caribou Mine, Canada

Preliminary Q4-2017 Caribou production was a record 21.7 million pounds of payable zinc, 8.7 million payable pounds of lead and 249,643 payable ounces of silver (see Table 3). Both mine output and mill throughput for the quarter established new highs of 250,225 tonnes and 252,857 tonnes respectively.

Ongoing transition to owner mining has enabled productivity improvements including the reduction of stope dilution below 10%. Other key initiatives saw the stabilization of zinc recoveries with significant improvement lead and silver compared to the same period in 2016.

Table 3: Caribou 2017 Preliminary Production Statistics

	Q4-2017	Q4-2016	2017	2016	
Tonnes Mined	250,225	244,439	937,459	449,488	
Tonnes Milled	252,857	251,242	945,436	436,730	
Average Head Grades:					
Zinc	6.0	% 6.0	% 5.9	% 6.0	%
Lead	2.6	% 2.7	% 2.6	% 2.7	%

Silver - ounces/ton	2.3	2.3	2.2	2.3	
Average Recoveries:					
Zinc	78	% 76	% 77	% 77	%
Lead	66	% 60	% 63	% 58	%
Silver	40	% 36	% 39	% 36	%
Concentrate Produced (DMT):					
Zinc	25,021	24,722	90,580	42,630	
Lead	10,644	10,173	38,706	17,146	
Payable Production:					
Zinc (million lbs)	21.7	20.9	79.9	36.7	
Lead (million lbs)	8.7	8.2	30.9	13.8	
Silver (000 ozs)	249.6	231.7	890.3	402.1	

## Rosh Pinah Mine, Namibia

Preliminary Q4-2017 Rosh Pinah production was 21.3 million pounds of payable zinc, 3.1 million payable pounds of lead and 49,217 payable ounces of silver (see Table 4). Mine output and mill throughput for the quarter was 177,820 tonnes and 171,020 tonnes respectively.

During the quarter, reported recoveries were affected by a one-time reconciliation adjustment due to unusual patterns of concentrate stockpiling. Procedures are being taken to ensure more frequent reconciliations of material movements are completed.

Table 4: Rosh Pinah 2017 Preliminary Production Statistics (100% basis)

	Sep-17	Q4-2017	2017 <sup>(1)</sup>	
Tonnes Mined	60,045	177,820	237,865	
Tonnes Milled	56,630	171,020	227,650	
Average Head Grades:				
Zinc	8.7	% 8.4	% 8.5	%
Lead	1.9	% 1.4	% 1.6	%
Silver - ounces/ton	0.7	0.5	0.6	
Average Recoveries:				
Zinc	87	% 80	% 82	%
Lead	58	% 60	% 60	%
Silver	50	% 52	% 51	%
Concentrate Produced (DMT):				
Zinc	7,840	23,399	31,239	
Lead	1,200	3,086	4,286	
Payable Production:				
Zinc (million lbs)	8.0	21.3	29.3	
Lead (million lbs)	1.3	3.1	4.4	
Silver (000 ozs)	19.2	49.3	68.5	

<sup>(1)</sup> 2017 preliminary production include September-December 2017 production from the Perkoa and Rosh Pinah, reflecting the closure of the African zinc asset acquisition from Glencore on August 31, 2017.

Improvement programs have been implemented to target key operational opportunities, including production drilling support, trial of raise-boring in the stope production cycle and mobile fleet rationalization. These initiatives are delivering improvements to the site and will be ongoing through 2018. Planned sequencing changes resulted in higher grades being mined and processed.

## Perkoa Mine, Burkina Faso

Preliminary Q4-2017 Perkoa production was a record 47.7 million pounds of payable zinc with an average zinc recovery of 94%, the highest levels to date (see Table 5). Mine output and mill throughput for the

quarter were 203,635 tonnes and 180,022 tonnes respectively. The re-introduction of the zinc regrind mill to the circuit has realized improvements in zinc concentrate grades compared to prior months.

Table 5: Perkoa 2017 Preliminary Production Statistics (100% basis)

	Sep-17	Q4-2017	2017 <sup>(1)</sup>	
Tonnes Mined	67,274	203,635	270,909	
Tonnes Milled	57,810	180,022	237,832	
Average Zinc Head Grade	15.2	% 15.0	% 15.0	%
Average Zinc Recovery	92.0	% 94.0	% 93.7	%
Zinc Concentrate Produced (DMT)	15,890	48,579	64,469	
Payable Zinc Production (million lbs)	15.1	47.7	62.8	

<sup>(1)</sup> 2017 preliminary production includes September-December 2017 production from Perkoa and Rosh Pinah, reflecting the closure of the African zinc asset acquisition from Glencore on August 31, 2017.

## 2018 CONSOLIDATED PRODUCTION AND COST GUIDANCE (all costs in US\$)

Consolidated production guidance for 2018 is estimated between 400 and 427 million pounds of payable zinc, 43.8 and 46.0 million pounds of payable lead and 1.4 and 1.47 million ounces of payable silver. Consolidated operating costs will range from \$60-\$66 per tonne, with cash costs (net of by-product credits) of between \$0.67-\$0.73 per pound of zinc (see Table 6).

Table 6: 2018 Consolidated Production and Cost Guidance <sup>(2 & 4)</sup>

Mine	2018 Zinc Production (million pounds payable)	2018 Lead Production (million pounds payable)	2018 Silver Production (000 ounces payable)	Operating Costs (per tonne)	Cash of By-product (per lb)
Caribou	86-90	27.1-28.4	627-658	\$55-\$61	\$0.68
Perkoa (100%) <sup>(4)</sup>	155-165	N/A	N/A	\$103-\$113	\$0.82
Rosh Pinah (100%) <sup>(4)</sup>	105-115	5.7-6.0	123-129	\$49-\$54	\$0.55
Santander	54-57	11.0-11.6	654-687	\$38-\$42	\$0.49
Total	400-427	43.8-46.0	1,400-1,474	\$60-\$66	\$0.67

<sup>(2)</sup> Constitutes forward-looking information; see "Cautionary Note Regarding Forward Looking Statements".

<sup>(3)</sup> Cash costs are based on various assumptions and estimates, including, but not limited to: production volumes, commodity prices (Zn: \$1.25/lb Pb: \$1.00/lb Ag: \$19/lb) and foreign currency exchange rates (N\$/USD: 13.00; XOF/USD: 609; PEN/USD 3.25; C\$/USD \$1.25).

<sup>(4)</sup> Trevali's interest is 90% of Perkoa and 80% of Rosh Pinah.

Production guidance has been provided on an annual basis but we expect moderate production fluctuations on a quarter-to-quarter basis due to mine scheduling, with modestly lower first quarter production versus the balance of the year.

### Caribou 2018 Guidance:

Debottlenecking of the mine and mill has produced continued operational improvements since the declaration of commercial production mid-2016. The 2018 business improvement program will continue with production anticipated to increase further as improvements are made to the power infrastructure, control systems, mining conversion, ground control management and ventilation.

### Perkoa 2018 Guidance:

A key initiative at Perkoa in 2017 was to re-commission the zinc regrind mill, which was completed in the fourth quarter, with positive impacts on recovery and concentrate grades. These benefits are expected to continue in 2018.

### Rosh Pinah 2018 Guidance:

The installation of improved grinding capacity in 2017 is already producing results at or above modelled expectations. Improvements in mine planning and underground drilling support has increased the mine production capacity.

Santander 2018 Guidance:

Production represents a modest improvement from 2017, based on improved ore availability from areas impacted by water in 2017. Significant investments were made to the mine pumping infrastructure in 2017. Mill maintenance in the first quarter (head of ball mill replacement on one of the four mills) will result in lower mill throughput, with mined ore stockpiled for processing in subsequent quarters.

Exploration - Targeting Resource and Reserve Growth and Mine Life Extensions

Trevali recently commenced an accelerated growth initiative at its four mines. This initiative will focus on brownfield exploration targets to expand and discover new mineral resources in proximity to existing mine infrastructure that have the potential to increase production, lower unit costs, increase cash flows and extend the current mine lives. For 2018, the Company expects to invest over \$10 million, primarily focused on:

- Updated resource and reserve estimates at all sites in Q1.
- Expanded resource-growth program totaling approximately 60,000 metres of diamond drilling from surface and underground, consisting of approximately 21,000 metres at Santander, 10,000 metres at Caribou, 17,000 metres at Perkoa and 12,000 metres at Rosh Pinah.
- Generating exploration targets from the compilation of prior exploration campaigns, followed up by diamond drilling and geophysical surveys. Subject to positive results, additional funding may be dedicated to further drill those targets.
- Geophysics, litho-geochemistry, prospecting and mapping will also be conducted to advance additional target areas for future drilling.

Capital Expenditures

Capital expenditures for 2018 are expected to be approximately \$74 million, comprised of the following:

2018 Capital Expenditure Guidance (US\$)

Sustaining Capex	\$41 million
Exploration	\$10 million
Infrastructure	\$23 million
	\$74 million

Integration Update

Corporate and Business Unit technical, financial and strategic integration continues to progress well with the team focusing on streamlining reporting systems and cost savings from supply chain and technical support initiatives. The main objective being improving efficiencies within group reporting, procurement, information technology, embedding a continuous operational improvement culture and positioning Trevali for future growth through its respective business development strategies and to deliver on cost effective production targets.

Qualified Person and Quality Control/Quality Assurance

EurGeol Dr. Mark D. Cruise, Trevali's President and CEO, is a qualified person as defined by NI 43-101, have supervised the preparation of and have verified the scientific and technical information that forms the basis for this news release. Dr. Cruise is not independent of the Company as he is an officer, director and shareholder.

ABOUT TREVALI MINING CORPORATION

Trevali is a zinc-focused, base metals company with four mines: the wholly-owned Santander mine in Peru, the wholly-owned Caribou mine in the Bathurst Mining Camp of northern New Brunswick, its 80% owned Rosh Pinah mine in Namibia and its 90% owned Perkoa mine in Burkina Faso.

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](http://www.trevali.com)) and to Canadian regulatory filings on SEDAR at [www.sedar.com](http://www.sedar.com).

On Behalf of the Board of Directors of TREVALI MINING CORPORATION

Mark D. Cruise, President

#### Cautionary Note Regarding Forward-Looking Statements

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 Resources, anticipated results of future exploration, and forecast future metal prices, expectations that environmental, permitting, legal, title, taxation, socio-economic, political, marketing or other issues will not materially affect estimates of Mineral Resources. 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; 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, Namibia, Burkina Faso, 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 resources 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.

We advise US investors that while the terms "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral 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.

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