

# Trigon Announces Improved PEA and Updated Mineral Resource Estimate and Fulfils Conditions for Second Tranche of Private Placement Financing

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## KEY RESTART HIGHLIGHTS

- Updated and improved PEA NPV of estimated US\$86.7 million with highly attractive internal rate of return of 98.6%.
- Forecast open pit production of approximately 4,000 tonnes of copper per annum, at an average C1 cash cost of US\$1.32/CuEq tonne over the life of mine of Kombat.
- Upgraded NI 43-101 Mineral Resource estimate for the open pit portion of the Kombat Mine of 1.529 million tonnes of Indicated Mineral Resources at a grade of 1.14% copper, 0.72% lead and 2.88 g/t silver and 1.654 million tonnes of Inferred Mineral Resources at a grade of 1.38% copper, 1.82% lead and 2.12 g/t silver.
- Increase in NI 43-101 Mineral Resource estimate for the underground portion of the Kombat Mine to 3.929 million tonnes of Inferred Mineral Resources at a grade of 3.72% copper, 1.03% lead and 31.29 g/t silver.
- Environmental Impact Assessment completed for stakeholder comments and application for environmental permitting to be made in February 2018.
- Feasibility study to be completed by May 2018.
- Fulfilment of conditions precedent to close the second tranche of the previously announced private placement for gross proceeds of \$1,500,000.

TORONTO, Feb. 06, 2018 (GLOBE NEWSWIRE) -- [Trigon Metals Inc.](#) (TSX-V:TM) ("Trigon" or the "Company") is pleased to announce an updated Mineral Resource estimate for its Kombat Mine located in northern Namibia of 1.529 million tonnes of Indicated Mineral Resources at a grade of 1.14% copper, 0.72% lead and 2.88 g/t silver and 5.583 million tonnes of Inferred Mineral Resources at a grade of 3.02% copper, 1.26% lead and 22.65 g/t silver (the "Updated Mineral Resource Estimate").

Stephan Theron, President and CEO of Trigon, commented: "We are extremely pleased with such a positive start to the new year, and remain on target to achieve production within the year. Commodity markets continue to forecast bullish prices and we look forward to Trigon participating in this upside."

In aggregate, the Updated Mineral Resource Estimate is comprised of the surface accessible (targeted open pit) Mineral Resources of 1.529 million tonnes of Indicated Mineral Resources at a grade of 1.14% copper, 0.72% lead and 2.88 g/t silver and 1.654 million tonnes of Inferred Mineral Resources at a grade of 1.38% copper, 1.82% lead and 2.12 g/t silver, and the underground Mineral Resources of 3.929 million tonnes of Inferred Mineral Resources at a grade of 3.72% copper, 1.03% lead and 31.29 g/t silver, as further presented in the tables below.

The Updated Mineral Resource Estimate has been defined using the results of the drilling program undertaken by the Company in 2017. The program was focused on the Kombat Central and East targeted open pit areas with 48 holes for an aggregate of 2,179 meters drilled. The primary aim of the drilling program was to upgrade the targeted open pit Mineral Resources from the Inferred category to Measured and Indicated Mineral Resources categories.

The Company still plans to undertake additional drilling with the goals of: (i) increasing the open pit Mineral

Resource within the current pit boundaries, (ii) drilling the gap between the Central and East pits, which is outside of the existing pit boundaries, and (iii) testing potential to the north and west of these areas. The three phase drilling program to extend the current open pit Mineral Resource comprises a further 34 holes, with an aggregate of 1,437 meters to be drilled.

#### Updated Mineral Resource Estimate

The Updated Mineral Resource Estimate, as presented in detail in Tables 1, 2 and 3 below, has been prepared and classified by Minxcon (Pty) Ltd (&ldquo;Minxcon&rdquo;) in accordance with the reporting guidelines as set out in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* (&ldquo;NI 43-101&rdquo;) as required by the Canadian Securities Administrators. A technical report will be filed under the Company&rsquo;s profile on SEDAR within 45 days of this press release. For further information with respect to the key assumptions, parameters, risks, the mineral resource estimate, data verification, QA/QC and other technical information with respect to the Kombat Mine, please refer to the technical report, when available.

Table 1 below is a summary of the Updated Mineral Resource Estimate for the open pit areas (Kombat and Gross Otavi) as at January 28, 2018.

The previous Mineral Resource Estimate for the open pit areas (Kombat and Gross Otavi) as at April 2017, was an Inferred Mineral Resource of 3.053 million tonnes grading 1.54% copper, 1.35% lead and 2.98 g/t silver, at a cut-off grade of 0.77% copper equivalent.

Table 1 &ndash; Updated Mineral Resource Estimate as at January 28, 2018 &ndash; open pit

Open pit (Kombat 0.60 % CuEq cut off & Otavi 0.77 % CuEq cut off)

Mine	Resource Class	Section	Tonnes (Mt)	Density (t/m <sup>3</sup> )	Cu (%)	Pb (%)	Ag (ppm)	Cu (tonnes)	Pb (Tonnes)	Ag (kg)
Kombat	Indicated	East	0.951	2.82	1.03	0.92	1.01	9,806	8,721	961
Kombat	Indicated	Central	0.578	2.81	1.32	0.41	5.96	7,623	2,341	3,440
Kombat	Indicated	West								
Total	Indicated		1.529	2.82	1.14	0.72	2.88	17,428	11,062	4,401
Kombat	Inferred	East	0.318	2.81	0.91	0.42	1.87	2,888	1,322	593
Kombat	Inferred	Central	0.264	2.82	1.29	0.61	5.70	3,412	1,612	1,508
Kombat	Inferred	West	0.357	2.88	2.75	2.61	2.22	9,801	9,326	791
Kombat (total)	Inferred		0.939	2.84	1.71	1.31	3.08	16,101	12,260	2,892
Otavi	Inferred	Total	0.715	2.84	0.93	2.50	0.85	6,673	17,837	607
Total	Inferred	Total	1.654	2.84	1.38	1.82	2.12	22,774	30,097	3,498
Open pit		Total	3.182	2.83	1.27	1.31	2.47	40,202	41,158	7,899

#### Notes

1. Historical mine voids have been depleted from the Mineral Resource.
2. Historical mine voids were not available for Gross Otavi so the tonnage has been reduced by 1% for historical mining.
3. Additional 7.5% porosity factor has been applied to Gross Otavi for the karst voids.
4. The open pit Mineral Resource is declared to a depth of 150m with a CuEq cut off of 0.60% at Kombat and 0.77% at Gross Otavi.
5. Densities for the hard rock material have been modelled.
6. A geological loss of 10% has been applied to the Indicated Mineral Resource, and of 15% to the Inferred Mineral Resource.
7. The cut-off for the East and Central pit Updated Mineral Resource Estimate is based on a copper price of US\$8,535/tonne. The previous Mineral Resource Estimate was based on a copper price of US\$7,111/tonne.
8. All reported Mineral Resources are limited to fall within the property boundaries of the project area.
9. Columns may not add up due to rounding.

10. *Inferred Mineral Resources have a large degree of uncertainty as to their existence and whether they can be mined economically. It cannot be assumed that all or any part of the Inferred Mineral Resource will be upgraded to a higher confidence category.*
11. *There are no known environmental, permitting, legal, title, taxation, socio-economic, political, marketing or other relevant factors that could materially affect the above estimate of mineral resources.*

Table 2 below is a summary of the Updated Mineral Resource Estimate for the underground areas at Kombat as at January 28, 2018.

The previous Mineral Resource Estimate for the underground areas at Kombat as at April 2017, was an Inferred Mineral Resource of 3.851 million tonnes grading 3.75% copper, 1.00% lead and 31.86 g/t silver, at a cut-off grade of 1.40% copper equivalent.

Table 2 – Updated Mineral Resource Estimate as at January 28, 2018 – underground

Underground (1.4 % CuEq cut off)

Mine	Resource Class	Section	Tonnes (Mt)	Density (t/m <sup>3</sup> )	Cu (%)	Pb (%)	Ag (ppm)	Cu (tonnes)	Pb (Tonnes)	Ag (kg)
Kombat	Inferred	East	0.079	2.86	1.93	2.25	0.71	1,521	1,773	56
Kombat	Inferred	Central	0.023	2.89	2.23	3.86	8.39	514	890	193
Kombat	Inferred	West	0.104	2.91	2.79	4.15	3.27	2,899	4,307	339
Kombat	Inferred	Total	0.206	2.89	2.40	3.39	2.86	4,934	6,971	588
Asis	Inferred	West	2.641	2.88	3.94	1.22	31.65	104,122	32,325	83,592
Asis	Inferred	Far West	1.082	2.85	3.42	0.10	35.81	37,000	1,036	38,763
Asis	Inferred	Total	3.723	2.87	3.79	0.90	32.86	141,122	33,361	122,355
Underground		Total	3.929	2.87	3.72	1.03	31.29	146,056	40,331	122,943

Notes

1. *Historical mine voids have been depleted from the Mineral Resource.*
2. *The underground Mineral Resource (below 150m) is declared at a CuEq cut off of 1.4%.*
3. *Densities for the hard rock material have been modelled.*
4. *A geological loss of 15% has been applied to the Inferred Mineral Resource.*
5. *All reported Mineral Resources are limited to fall within the property boundaries of the project area.*
6. *Columns may not add up due to rounding.*
7. *Inferred Mineral Resources have a large degree of uncertainty as to their existence and whether they can be mined economically. It cannot be assumed that all or any part of the Inferred Mineral Resource will be upgraded to a higher confidence category.*
8. *There are no known environmental, permitting, legal, title, taxation, socio-economic, political, marketing or other relevant factors that could materially affect the above estimate of mineral resources.*

Table 3 below is a summary of the Updated Mineral Resource Estimate for the combined open pit and underground areas at Kombat, Asis and Gross Otavi as at January 28, 2018.

The previous combined total Mineral Resource Estimate for Kombat, Asis and Gross Otavi as at April 2017, was an Inferred Mineral Resource of 6.905 million tonnes grading 2.78% copper, 1.14% lead and 19.11 g/t silver.

Table 3 – Updated Mineral Resource Estimate as at January 28, 2018 – combined

Combined Open Pit and UG Resource

Mine	Resource Class	Section	Tonnes (Mt)	Density (t/m <sup>3</sup> )	Cu (%)	Pb (%)	Ag (ppm)	Cu (tonnes)	Pb (Tonnes)	Ag (kg)
Kombat	Indicated	All	1.529	2.82	1.14	0.72	2.88	17,428	11,062	4,401
Total	Indicated	Total	1.529	2.82	1.14	0.72	2.88	17,428	11,062	4,401

Kombat Inferred	All	1.144	2.85	1.84	1.68	3.04	21,035	19,231	3,480
Otavi Inferred	Otavi	0.715	2.84	0.93	2.50	0.85	6,673	17,837	607
Asis Inferred	West	2.641	2.88	3.94	1.22	31.65	104,122	32,325	83,592
Asis Inferred	Far West	1.082	2.85	3.42	0.10	35.81	37,000	1,036	38,763
Total Inferred	Total	5.583	2.86	3.02	1.26	22.65	168,830	70,428	126,441
Total (Indicated & Inferred)		7.111	2.85	2.62	1.15	18.40	186,259	81,490	130,842

#### Notes

1. Historical mine voids have been depleted from the Mineral Resource.
2. Historical mine voids were not available for Gross Otavi so the tonnage has been reduced by 1% for historical mining.
3. Additional 7.5% porosity factor has been applied to Gross Otavi for the karst voids.
4. The open pit Mineral Resource is declared to a depth of 150m with a CuEq cut off of 0.60% at Kombat and 0.77% at Gross Otavi.
5. The underground Mineral Resource (below 150m) is declared at a CuEq cut off of 1.4%.
6. No tailings have been declared at a 0.4% Cu cut off (upside potential at 0.3% Cu cut-off).
7. Densities for the hard rock material have been modelled.
8. A geological loss of 10% has been applied to the Indicated Mineral Resource, and of 15% to the Inferred Mineral Resource.
9. The cut-off for the East and Central pit Updated Mineral Resource Estimate is based on a copper price of US\$8,535/tonne. The previous Mineral Resource Estimate was based on a copper price of US\$7,111/tonne.
10. All reported Mineral Resources are limited to fall within the property boundaries of the project area.
11. Columns may not add up due to rounding.
12. Inferred Mineral Resources have a large degree of uncertainty as to their existence and whether they can be mined economically. It cannot be assumed that all or any part of the Inferred Mineral Resource will be upgraded to a higher confidence category.
13. There are no known environmental, permitting, legal, title, taxation, socio-economic, political, marketing or other relevant factors that could materially affect the above estimate of mineral resources.

#### Feasibility Study

As previously announced by the Company, the Updated Mineral Resource Estimate will form the basis for a feasibility study, including a feasibility analysis on the surface mining areas and a pre-feasibility design on the Asis Far West underground mine.

The feasibility study was initiated in January 2018 and is anticipated to take approximately five months to complete. During this time, the Company intends to commence with the refurbishment of the mill and concentrator to facilitate timelines for commencement of open pit mining and the 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.

#### Updated PEA

In conjunction with the Updated Mineral Resource Estimate, the Company has also updated the financial model used in the Company's preliminary economic assessment ("PEA") which is 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 "Updated PEA"). 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). The Updated PEA will be included in the Company's new technical report which will be filed under the Company's profile on SEDAR within 45 days of this press release.

The Updated PEA has been based on the Updated Mineral Resource Estimate as set out above, and incorporates current forecast commodity prices, results of metallurgical testing undertaken in 2017 and

offtake terms for copper concentrate as agreed with a major international trading house as announced on October 26, 2017. All other assumptions used in the PEA, including capital expenditure and operating costs, remain unchanged at this stage.

Using the discounted cash flow method to calculate the net present value (&ldquo;NPV&rdquo;) in real terms, the Kombat operations are projected to have an improved estimated NPV of US\$86.7 million at a real discount rate of 10.92%, a payback period of 3.4 years and a highly attractive internal rate of return of 98.6%.

The combined open pits and underground mines have a potential life of mine (&ldquo;LoM&rdquo;) of eight years mining 4,071 kt at an average mined grade of 2.84% copper as set out in the table below.

Item	Unit	Updated PEA
Ore Tonnes Mined	kt	4,071
Average Cu Grade Mined	%	2.84%
Average Pb Grade Mined	%	1.00%
Average Ag Grade Mined	g/t	21.85
Total Cu Concentrate	kt	361
Total Pb Concentrate	kt	22
Total Cu Metal Recovered	kt	105
Total Pb Metal Recovered	kt	13
Total Ag Metal Recovered	koz	2,385
LoM	Years	8

The following commodity price forecasts have been used in the Updated PEA.

Item	Unit	2019	2020	2021	2022	2023	Long term
Silver	US\$/oz	17.61	17.61	17.61	17.61	17.61	17.61
Copper	US\$/tonne	6,578	6,527	6,653	6,581	6,464	6,551
Copper	US\$/lb	2.98	2.96	3.02	2.99	2.93	2.97
Lead	US\$/tonne	2,419	2,225	2,073	2,035	1,975	1,966
Lead	US\$/lb	1.10	1.01	0.94	0.92	0.90	0.89

The turnover, cost and earnings numbers are displayed in the tables below per recovered copper equivalent pound.

Item	Unit	Updated PEA
Copper Equivalent Tonnes	Tonnes	107,237
Net Turnover	US\$/CuEq lb	2.98
Mine Cost	US\$/CuEq lb	0.62
Plant Costs	US\$/CuEq lb	0.21
Other Costs	US\$/CuEq lb	0.50
Direct Cash Costs (C1)	US\$/CuEq lb	1.32
Capex	US\$/CuEq lb	0.35
Production Costs (C2)	US\$/CuEq lb	1.67
Royalties	US\$/CuEq lb	0.08
Corporate Overheads	US\$/CuEq lb	0.05
All-in Sustainable Costs (C3)	US\$/CuEq lb	1.81
EBITDA	US\$/CuEq lb	1.52

The Updated 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. There is no certainty that the results of the Updated PEA will be realized.

A further update of the Updated PEA will be undertaken as part of the feasibility study referred to above.

### *Environmental Permitting*

The Environmental Impact Assessment reports, including required specialist studies and an Environmental Management Plan, have been prepared and made available to stakeholders for comment until February 23, 2018. The Company will then apply to secure the Environmental Clearance Certificate required for open pit mining and associated activities. An application for the permitting needed for exploration activities for underground mining will be made once comments from stakeholders have been received and appropriately addressed.

### *Private placement financing*

On December 19, 2017, Trigon announced a strategic investment by investors introduced to the Company by Forbes & Manhattan Resources Inc. ("Forbes") pursuant to a private placement financing of up to 5,714,285 units (the "Units") in two tranches, at a price of \$0.35 per Unit, for gross proceeds of up to \$2,000,000 (the "Offering").

Each Unit consists of one common share of the Company (a "Share") and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to acquire one Share at a price of \$0.50 for a period of 24 months following the closing date of the relevant tranche, subject to an acceleration provision whereby in the event that at any time after the expiry of the statutory hold period, the Shares trade at \$1.00 or higher on the TSX Venture Exchange (on an average trading volume of not less than 200,000 Shares per day) for a period of 20 consecutive days, the Company shall have the right to accelerate the expiry date of the Warrants to the date that is 30 days after the Company issues a news release announcing that it has elected to exercise the acceleration right.

The first tranche of the Offering was closed on January 15, 2018 for aggregate gross proceeds of \$500,000.

The second tranche of the Offering (the "Second Tranche"), for gross proceeds of \$1,500,000, was conditional on the Company completing the Updated Mineral Resource Estimate and the Updated PEA. The conditions to the Second Tranche have now been fulfilled and the Second Tranche is expected to close on or before February 15, 2018, subject to final approval of the TSX Venture Exchange. The securities issued pursuant to the Second Tranche will be subject to a four month and one day statutory hold period.

The Company intends to use the net proceeds from the Second Tranche for preparation of the feasibility study referred to above, 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 working capital and general corporate purposes.

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 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"). The Production Payment will be calculated as 0.5% of net smelter returns related to the Company's Namibian open pit mining operations. The Production Payment will be payable on a quarterly basis from commencement of production from the Kombat mine open pit until depletion of the open pit resource as described in the Updated Resource Estimate or any future increases thereof.

### *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 press 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 operations in 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.

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### Cautionary Notes

*This news release may contain forward-looking statements. These statements include statements regarding the estimated mineral resources in the Updated Mineral Resource Estimate, the projections in the Updated PEA, the Company's ability to complete the feasibility study, the Company's strategies and the Company's abilities to execute such strategies, the Company's ability to restart the Kombat Mine, the Company's ability to complete the Second Tranche, the Company's ability to obtain adequate financing, the Company's expectations for the Kombat Mine, the economic viability of mining at the Kombat Mine, the timing of completion of the technical report, the results of the technical report 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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