

# Trevali Issues Statement on COVID-19 Response and Provides Business Update, Including Amendment to Revolving Credit Facility

03.04.2020 | [GlobeNewswire](#)

VANCOUVER, April 03, 2020 - [Trevali Mining Corp.](#) (TSX: TV, BVL: TV; OTCQX: TREVF, Frankfurt: 4TI) (&#8220;Trevali&#8221; or the &#8220;Company&#8221;) is providing details of its response to the COVID-19 pandemic, including the steps taken to ensure the health and safety of its workforce, as well as the initiatives underway across the Company to accelerate its T90 program to sustainably reduce the cost structure of the business, preserve cash and support the long term value of its assets. In addition, the Company is announcing an amendment to its revolving credit facility entered into with its lenders, as well as an update as to the status of each of its operations.

Ricus Grimbeek, President and CEO stated, &#8220;The health of our people and communities is our first priority. We adopted early COVID-19 management practices, which have been recognized by the governments in Peru, Burkina Faso and in Namibia and have enabled us to continue operating. Actions include stopping all non-essential travel and all employees who can work remotely are doing this. At all of our operations, we have implemented testing, social distancing and greatly increased cleaning and disinfection. We will continue to demonstrate organizational agility using our technology platform. We will continue to invest in healthcare support for our local communities and countries where we operate, because their protection is both the right thing to do and it reduces risk for our operations.

As of today, Perkoa and Rosh Pinah continue to operate at full capacity with enhanced health measures in place. The situation remains dynamic and the status of the operations are showing some evidence of disruption with the notable example being a curtailment of processing activities at Santander. Despite difficult conditions our workforce is engaged, and they have shown great resolve.

Our industry is facing strong headwinds, but over the last year the team has achieved record production while reducing costs and increasing efficiencies under our T90 program launched last November. We have delivered nearly half of the annual sustainable efficiencies against T90&#8217;s initial target of \$50 million. The overall goal of T90 had been to reach an All-In-Sustaining-Cost (&#8220;AISC?&#8221;) of \$0.90 per pound of payable zinc by the beginning of 2022 &#8211; we are now in a position to accelerate that target by a full year, to the beginning of 2021.

As the pandemic continues to depress zinc prices, we have also taken strong measures to reduce cash outflows and preserve liquidity. We have placed Caribou on care and maintenance to preserve the value of the orebody, reduced capital spending and rationalized our supply chain. We will continue to operate with the health and wellbeing of our workers and communities at the front of mind, while taking aggressive measures to steer us through the unprecedented market that is affecting us all.&#8221;

## Acceleration of T90 Program and 2020 Cost Reductions

Launched in November 2019, the T90 program is aimed at lowering costs and increasing efficiency across the Company, with a focus on operational improvements, standardization, and the deployment of technology. These objectives are as important as ever. In response to current market conditions and near-term zinc price uncertainty as a result of the COVID-19 pandemic, Trevali has had to defer or reduce the projects that require significant investment, such as the expansion of the Rosh Pinah zinc mine &#8220;RP2.0&#8221;. Despite the change, the program has already delivered \$24 million of annualized efficiencies and is focused on implementing initiatives that provide near term recurring cost savings. The result is an acceleration to a consolidated AISC? of \$0.90 per pound of payable zinc by the beginning of 2021, a full year earlier than the original target, assuming no further reduction of activities is required in response to the COVID-19 pandemic.

In addition to the T90 Program, Trevali is implementing further costs reductions in 2020 that will preserve \$44 million in liquidity, including the following:

- **Sustaining & Expansionary Capital (\$32 million):** Sustaining and Expansionary capital expenditures in 2020 will be reduced to approximately \$37 million down from previous guidance of \$69 million. Trevali's operations have been well capitalized in recent years, creating an opportunity to defer \$15 million in sustaining capital costs while ensuring operations are maintained to a high standard and expansionary capital will be reduced by \$7 million. \$10 million relates to sustaining capital at Caribou that under care and maintenance will not be spent.
- **Exploration Program (\$8 million):** The 2020 exploration budget will be reduced to \$4 million from previous guidance of \$12 million. The T3 drill program at Perkoa and the Santander Pipe infill drilling program including the internal preliminary economic assessment will be paused.
- **Operating Costs (\$4 million):** \$4 million in one-time cost reductions to operating costs.
- **Development Project Capital:** Trevali plans on publishing the RP2.0 Expansion Project pre-feasibility study in Q2 2020. The investment decision initially planned for 2020 is being deferred and will be evaluated in the future.

#### Amendment to Revolving Credit Facility (RCF)

The Company engaged with its syndicate of lenders during the first quarter of 2020 regarding a waiver of compliance with existing financial covenants as of March 31, 2020. The Company entered into an amendment to the RCF on March 31, 2020, whereby the availability of the facility was temporarily reduced from \$275 million to \$125 million in exchange for a waiver of the financial covenants until April 30, 2020. The facility amendment contains a number of terms and restrictions, including a restriction on dividends and distributions, acquisitions, disposition of assets as well as a requirement that the Company maintain a minimum level of liquidity.

The Company is currently negotiating updated terms and conditions to the RCF that will apply after April 30, 2020, in addition to pursuing other financing opportunities to provide additional sources of liquidity.

#### Status of Operations

Trevali's actions in response to COVID-19 are guided by a priority on the health and well-being of our team and the communities in which we operate, and are based on guidance and directives from public health officials.

With enhanced safety measures in place at Trevali's mines, the governments of Burkina Faso, Namibia, and Peru have provided special dispensations to allow for their continued operation. As of today, Perkoa and Rosh Pinah are operating at full capacity while at Santander, mining continues but processing activities have been impacted due to supply chain constraints under the extension to the National Emergency.

On March 26, 2020, Trevali withdrew its 2020 guidance due to the suspension of operations at Caribou as well as the resulting uncertainty caused by COVID-19. While Trevali has outlined an accelerated T90 program and cost reductions, the situation remains dynamic and the impacts of COVID-19 continue to evolve. Revised 2020 guidance will be issued when the effects on the Company's operations can be evaluated with greater accuracy.

Further information regarding the status of each of the assets is as follows:

#### Perkoa Mine, Burkina Faso

The Perkoa Mine continues to operate without major impediments to mining or milling. To date, the Burkinabe government is supportive of keeping the mining industry operating. While the number of confirmed

cases of COVID-19 in West Africa is still small relative to population size, its governments including Burkina Faso are taking steps to slow the virus from spreading. These include the limiting of international flights, quarantining cities, domestic travel restrictions and some restricted borders. These challenging circumstances have put strain on the supply chain of goods and the movement of Perkoa's labour force. On March 25, 2020, two suspected cases of COVID-19 at Perkoa were confirmed. The employees (a doctor and nurse), began self-isolating immediately and the employees they came in contact with were also isolated. The doctor and nurse appear to be making a full recovery and other employees who were considered at risk have tested negative to date.

#### Rosh Pinah Mine, Namibia

The Rosh Pinah Mine continues to operate at full production without major impediments to mining or milling. On March 27, 2020 the Namibian government moved to lockdown specific regions of the country, excluding the region Rosh Pinah operates in, and closed all national borders until April 17, 2020. Goods permitted for "essential services", including mining continue to be transported into the country. On March 25, 2020, the Ministry of Mines and Energy issued a letter to the Namibian Chamber of Mines which indicated that key mining operations would be encouraged to continue producing albeit on a risk-assessed basis, including adherence to strict hygiene standards. The Rosh Pinah mine had escalated precautionary measures early on in the outbreak of COVID-19 and was deemed safe to continue operating at this time. Rosh Pinah is also supporting the community by providing local health care and medical clinics with sanitization and cleaning products, personal protective equipment for nurses, and accommodation for safe isolation, should it be required.

#### Santander Mine, Peru

As previously announced on March 27, 2020, the Peruvian Government extended the state of National Emergency which restricts travel in its efforts to contain the outbreak of COVID-19 to April 12, 2020. The Santander mine has been in full compliance with the Government's requirements since the National Emergency was declared and has been able to continue operations with no material impact to date. Trevali has provided non-perishable essential foods to the local communities of Santa Cruz de Andamarca and San Jos? de Ba?os, due to the fact that their economic activities and supply routes have been restricted. However, as a result of the extension of the declaration, the Company will not be able to process ore for the duration of the extension due to the limited supply of reagents. Mining and other activities will continue, and mined ore will be stockpiled until April 12, 2020 at which time the Company anticipates resuming normal production levels, including milling, at the Mine.

#### Caribou Mine, Canada

As previously announced on March 26, 2020 the Caribou mine has suspended operations due to the deterioration of the zinc market which have made mine operations at Caribou uneconomic at this time. The mine has been placed on a care and maintenance program to preserve the value of the mineral resource and mine assets. No timeline for a potential restart of operations has been defined. Trevali's operations centre in Bathurst, which serves the Company's global mine portfolio, will continue to operate and Cooperation Agreements with the Mi's gmaq bands will remain in place.

#### Conference Call

The Company will be hosting a conference call to discuss the details of this press release later today.

#### Conference call dial-in details:

Date: Friday, April 3rd, 2020 at 01:00PM Eastern Time

Toll-free (North America): 1 (877) 291-4570

International: +1 (647) 788-4919

Webcast: <http://www.gowebcasting.com/10591>

#### ABOUT TREVALI

Trevali is a global base-metals mining company, headquartered in Vancouver, Canada. The bulk of

Trevali's revenue is generated from base-metals mining at its three operational assets: the 90%-owned Perkoa Mine in Burkina Faso, the 90%-owned Rosh Pinah Mine in Namibia, and the wholly-owned Santander Mine in Peru. In addition, Trevali owns the Caribou Mine, Halfmile and Stratmat Properties and the Restigouche Deposit in New Brunswick, Canada, and the past-producing Ruttan Mine in northern Manitoba, Canada. Trevali also owns an effective 44%-interest in the Gergarub Project in Namibia, as well as an option to acquire a 100% interest in the Heath Steele deposit located in New Brunswick, Canada.

The shares of Trevali are listed on the TSX (symbol TV), the OTCQX (symbol TREV), 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).

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#### Cautionary Note Regarding Forward-Looking Information and Statements

This news release contains forward-looking information within the meaning of Canadian securities legislation and forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, forward-looking statements). Forward-looking statements are based on the beliefs, expectations and opinions of management of the Company as of the date the statement are published, and the Company assumes no obligation to update any forward-looking statement, except as required by law. Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events including, but not limited to, statements with respect to the Company's operations, including the impact on the COVID-19 pandemic, the acceleration of the T90 Program and planned cost reductions, the Company's growth strategies and planned development activities. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to changes in project parameters as plans continue to be refined; future prices of zinc, lead, silver and other minerals and the anticipated sensitivity of our financial performance to such prices; possible variations in ore reserves, grade or recoveries; dependence on key personnel; potential conflicts of interest involving our directors and officers; labour pool constraints; labour disputes; availability of infrastructure required for the development of mining projects; delays or inability to obtain governmental and regulatory approvals for mining operations or financing or in the completion of development or construction activities; counterparty risks; increased operating and capital costs; foreign currency exchange rate fluctuations; operating in foreign jurisdictions with risk of changes to governmental regulation; risks relating to widespread epidemics or pandemic outbreak including the COVID-19 pandemic; the impact of COVID-19 on our workforce, suppliers and other essential resources and what effect those impacts, if they occur, would have on our business; compliance with environmental laws and regulations; land reclamation and mine closure obligations; challenges to title or ownership interest of our mineral properties; maintaining ongoing social license to operate; impact of climatic conditions on the Company's mining operations; corruption and bribery; limitations inherent in our insurance coverage; compliance with debt covenants; competition in the mining industry; our ability to integrate new acquisitions into our operations; cybersecurity threats; litigation and other risks and uncertainties that are more fully described in the Company's annual information form, interim and annual audited consolidated financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Trevali provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events may differ from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

#### Non-IFRS Financial Performance Measures

The items marked with a \* are non-IFRS measures and readers should refer to Use

of Non-IFRS Financial Performance Measures in the Company's Management's Discussion and Analysis for the three and twelve months ended December 31, 2019.

Source: [Trevali Mining Corp.](#)

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/348157--Trevali-Issues-Statement-on-COVID-19-Response-and-Provides-Business-Update-IncludingAmendment-to-Revolut>

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