

Trigon Announces US\$27.5 Million Silver Streaming Term Sheet with Sprott Streaming

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[Trigon Metals Inc.](#) (TSX-V: TM) ("Trigon" or the "Company") is pleased to announce that it has entered into a non-binding term sheet with Sprott Resource Streaming and Royalty Corp. ("Sprott Streaming") and Sprott Mining Inc. ("Sprott Mining", collectively the "Investors") for a US\$27.5 million silver and copper stream (the "Transaction") for its Kombat Mine located in Grootfontein, Otjozondjupa Region of Namibia.

The Streaming Transaction

Pursuant to the Transaction, Trigon shall sell and deliver to Sprott 100% of silver produced from the Kombat Mine. The expansion of the Kombat Mine is projected to increase annual copper production and reduce forecasted operating costs. Proceeds will be used to complete ongoing works to dewater the mine, re-establish services, and continue exploration drill work, as well as to deliver a National Instrument 43-101 Compliant Feasibility Study for underground mining and for general corporate and working capital purposes.

The funds advanced as determined by Sprott Streaming include value for the open pit mine currently being operated from; the phase one underground development of the historic Kombat mine, and the phase two underground development of the Asis Far West mineralization. The phase two underground development takes advantage of a 750m, 2,000 tpd production shaft that is built and ready for operation. However, the Asis Far West area of mineralization has not been quantified into an NI43-101 Resource Estimate nor has an economic study been completed for this phase of the development. As part of the Transaction, Sprott Streaming will receive a 3.15% copper stream commencing when phase one underground mining begins that will terminate when mining phase two begins at Asis Far West.

The silver stream is for the life of mine, restricted to the Kombat Project and does not include the Silver Hill Project or any new project Trigon may acquire. At its election, the Company may buy back up to 50% of the Stream in a single payment by paying in cash to Sprott Streaming, the indicated multiple of the drawn advanced payment below on or before June 30 of the indicated year; after June 30, the buyback amount would refer to the following year. After June 30, 2027, the buyback right expires.

2024 1.37x \$18,837,500

2025 1.40x \$19,250,000

2026 1.43x \$19,662,500

2027 1.47x \$19,477,500

The US\$27.5 million consists of US\$25 million from Sprott Streaming, and US\$2.5 million from Sprott Mining. The US\$2.5 million (9.1% of the stream) from Sprott Mining shall set-off against the US\$2.5 million loan from Sprott Mining announced on May 24, 2022 (please refer to the Company's news release).

Subject to the approval of the TSX Venture Exchange (the "TSXV"), 2,500,000 warrants (the "Stream Warrants") will be issued to Sprott Mining replacing the 2,500,000 warrants that were issued on May 24, 2022 to Sprott Mining (Please see the Company's press release dated May 24, 2022). It is contemplated that each Stream Warrant will, if issued, have a strike price at a 35% premium to the 5-day VWAP share price for the 5 days prior to the execution of the definitive stream agreement (or such other exercise price as agreed to by the parties and as may be required by the TSXV) and will be exercisable for one common share of the Company for a term of three years (or such other term as required by the TSXV) and will otherwise have customary adjustment provisions. The Stream Warrants (and the underlying common shares, if the Stream Warrants are exercised within four months of their issuance), shall be subject to a four-month statutory hold period.

The Transaction is subject to certain customary closing conditions including the parties entering into definitive documentation, satisfactory completion of due diligence by Sprott Streaming and TSXV approval.

Jed Richardson, President and CEO of Trigon, said, "We are very pleased to be partnering again with Sprott Streaming and Sprott Mining. This deal is of singular importance because it accelerates and funds our feasibility study and development works at the Kombat Mine. It is a timely deal, as well, since our present operations have progressed to the point where we can now initiate expansion plans that will improve our strong position even more. The ability to repurchase 50% of the silver stream is an important feature of this agreement, and ultimately was the deciding factor in choosing to work with Sprott Streaming. We remain bullish on silver and further exploration success, and the repurchase rights give us an option to restore that exposure for our shareholders."

[Trigon Metals Inc.](#)

Trigon is a publicly-traded Canadian exploration and development company with its core business focused on copper and silver holdings in mine-friendly African jurisdictions. Currently, the company has operations in Namibia and Morocco. In Namibia, the Company holds an 80% interest in five mining licences in the Otavi Mountainlands, an area of Namibia widely recognized for its high-grade copper deposits, where the Company is focused on exploration and re-development of the previously producing Kombat mine. In Morocco, the Company is the holder of the Silver Hill project, a highly prospective copper and silver exploration project.

Cautionary Notes

This news release may contain forward-looking statements. These statements include statements regarding the Transaction, the production of the Kombat Mine and Asis Far West, the economic viability of the Kombat Mine, the Company's strategies and the Company's abilities to execute such strategies, the Company's expectations for the Kombat project, 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) accept responsibility for the adequacy or accuracy of this release.

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