

Trigon Closes Silver Streaming Deal with Sprott Streaming Amount Increased to US\$37.5 Million

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TORONTO, Oct. 24, 2022 - [Trigon Metals Inc.](#) (TSXV: TM) ("Trigon" or the "Company"), further to its previous announcement of July 20, 2022, announced today that it has signed a definitive agreement (the "Stream Agreement") with Sprott Private Resource Streaming and Royalty (B) Corp. ("Sprott Streaming") and Sprott Mining Inc. ("Sprott Mining", collectively the "Investors") for a US\$37.5 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 the Investors 100% of silver produced from the Kombat Mine. The expansion of the Kombat Mine is aimed at increasing annual copper production and reducing forecasted operating costs. Proceeds will primarily be used to expand the plant capacity to 60,000 tonnes per month and complete ongoing works to dewater the mine, develop the Asis West underground mine, and for general corporate and working capital purposes.

The advance amount under the Stream Agreement will be comprised of cash payments aggregating US\$37,500,000, with an initial tranche of US\$15,825,000 advanced today. US\$2,625,00 of the initial advance was allocated to repayment of the amounts owing to Sprott Mining under the loan agreement dated May 24, 2022 and C\$5,500,000 was used to repay the principal under the Company's Convertible Security Funding Agreement (the "CSFA") with Lind Global Fund II, LP ("Lind"). The payment of the remaining US\$21,675,000 will be advanced upon the establishment of a deposit holding account subject to an agreement in the form satisfactory to the Investors with financial institution and other standard closing conditions. Trigon will receive 10% of spot as payment for all silver and copper delivered into the stream as determined on the second day prior to the relevant delivery, with the balance applied as a credit to the advance amount. Following depletion of the advance amount, Trigon will receive 10% of spot as payment for all silver and copper delivered into the stream. The Investors will have security over all assets of the Company and Trigon Moroccan Holding Corp. as security for the obligations under or in connection with the Stream Agreement, including pledges of the shares of two subsidiaries, and the obligations under or in connection with the Stream Agreement will be guaranteed by such subsidiaries, specifically, Trigon Moroccan Holding Corp. and PNT Financeco Corp., which are wholly-owned by the Company.

Alongside the silver delivered into the stream, long-term Trigon will deliver 1.625% of the copper production, in recognition of the US\$10,000,000 added to the agreement since the July 20th announcement of the term sheet. The copper stream will start at 0% while mining from the open pit, increase to 6.5% during the in term period of underground mining from Asis West until production from Asis Far West commences when it falls to the long term rate of 1.625% if certain production targets are met.

As part of the Stream Agreement, Trigon has provided the Investors with a right of first refusal with respect to certain third party offers of streaming, royalty or similar financing arrangements.

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 1.5 times the advance payment for the portion of the Stream to be bought back by the Company. After June 30, 2027, the buyback right expires.

2,500,000 warrants (the "Stream Warrants") were 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). Each Stream Warrant will have a strike price of C\$0.23, representing a 35% premium to the 5-day VWAP share price for the 5 days prior to the execution of the Stream Agreement and will be exercisable for one common share of the Company for a term of three years and will otherwise have customary adjustment

provisions.

Jed Richardson, President and CEO of Trigon, said, "We are very pleased to again partner with Sprott Streaming and Sprott Mining. This deal not only is expected to fund our working capital needs beyond our planned restart of the open pit in 2023, through to early 2024 when cash flows are bolstered by underground production, but it also enables us to accelerate the feasibility study and development works at the Kombat Mine. We will now be initiating expansion plans at Kombat that we believe will result in a top quartile performing copper mine. We are bullish on silver and on our exploration potential so the option to repurchase 50% of the silver stream was a major factor in working with Sprott Streaming. After facing and solving many challenges during the past few months, I believe Trigon is in an enviable position with an improved and soon to be relaunched mine and abundant exploration opportunities in Namibia and Morocco."

Lind Repayment

In connection with the Transaction, the Company repaid Lind C\$5,500,000 of principal under the CSFA and agreed to repay the remaining prepaid interest obligation of C\$530,000 (\$830,000 total, less a C\$300,000 reduction granted by Lind for early repayment) by the issuance of 3,271,605 common shares of the Company (the "Pre-Paid Interest Shares") at a deemed price of C\$0.162 per share. As per our press release of October 14, 2022, Lind exercised its right to convert C\$270,000 of accrued interest into 2,000,000 common shares of Trigon at a conversion price of \$0.135 per Trigon share which were issued to Lind on October 17, 2022. Upon issuance of the Pre-Paid Interest Shares all the obligations of the Company under the CSFA shall be satisfied in full.

MI 61-101

The portion of the Transaction with Sprott Mining is considered to be a non-arm's length transaction under the policies of the TSX Venture Exchange and a related party transaction under Multilateral Instrument 61-101 Protection of Minority Securityholders in Special Transactions ("MI 61-101") given that Mr. Eric Sprott, a principal of Sprott Mining, through 2176423 Ontario Ltd., beneficially owns 31,048,332 common shares of Trigon (or approximately 18.1% of the outstanding Trigon common shares, and 17.7% upon issuance of the Pre-Paid Interest Shares) and 7,524,166 warrants. Sprott Mining also holds the 2,500,000 warrants as described above. The transaction with Sprott Mining has been determined to be exempt from the requirements to obtain a formal valuation or minority shareholder approval pursuant to section 5.5(a) and 5.7(a) of MI 61-101.

The Transaction and the issuance of the Pre-Paid Interest Shares remain subject to final acceptance of the TSX Venture Exchange.

[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

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements under Canadian securities legislation. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "budget", "forecast", "schedule", "continue", "estimate", "expect", "project", "predict", "potential", "target", "intend", "believe" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved". Such statements and assumptions include those relating to expected benefits of the Transaction; use of proceeds; timing of the issuance of the Pre-Paid Interest Shares; expectations with respect to the second tranche of the advance under the Strem Agreement; expected expansion of the Kombat mine and the benefits thereof; expected plant capacity;

expectations with respect to funding the Company's capital needs; expectations with respect to accelerating the feasibility study and development work; expectations with respect to the performance of our copper mine; silver prices expectations; exploration potential; strategy; development potential and timetable for the Company's properties; the timing, success and amount of future exploration and development.

Forward-looking statements are based on the opinions and estimates of management and certain qualified persons as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of future exploration at the Company's projects are based on management expectations considering previous industry experience, exploration done to date and recommended programs, historic expenditures incurred and other factors that are set out in the technical reports referred to. By their nature, forward-looking statements are subject to numerous known and unknown risks and uncertainties that could significantly affect anticipated results or the level of activity, performance or achievement in the future and, accordingly, actual results may differ materially from those expressed or implied by such forward-looking statements. The Company is exposed to numerous operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control, that may significantly affect anticipated future results, including but not limited to, risks related to: there being no certainty that the Company will meet all conditions required for the receipt of the second tranche of the advance under the Stream Agreement; risks of recession; risks relating to COVID 19 and other potential pandemics; general geopolitical uncertainties affecting the economy and commodity prices; uncertainties inherent to economic studies, which rely on various assumptions; unexpected events and delays during construction and start-up; variations in mineral grade and recovery rates; uncertainties inherent in estimating Mineral Resources and Mineral Reserves; lack of revenues; revocation of government approvals; corruption and uncertainty with court systems and the rule of law and other foreign country risks inherent to the jurisdictions where the Company operates; availability of external financing on acceptable terms; exchange rates; ability to finalize required agreements for operations; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future mineral prices; failure of equipment or processes to operate as anticipated; accidents, labour or community disputes; other risk factors, including without limitation the risk factors described in our other continuous disclosure documents filed on SEDAR. Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities 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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