

Trigon Metals Delivers Operational Insights and Financial Highlights for the Quarter Ending December 31, 2023

TORONTO--(BUSINESS WIRE)--February 28, 2024--Trigon Metals Inc. (TSX-V: TM, OTCQB: PNZTF) ("Trigon" or the "Company") Trigon Metals is pleased to report as of February 27, 2024, the Company has filed its Q3 financials and details below the operational milestones for the quarter ending December 31, 2023.

Management is pleased to announce an operating profit of \$581,518 for the three months and \$474,722 for the nine months ending December 31, 2023. The net losses for the three months of \$8,095,812 and \$14,914,218 for the nine months ending December 31, 2023 were primarily as a result of the non-cash accretion of the Sprott stream advances and depreciation of property plant and equipment of \$7,656,790 for the three months and \$12,406,984 for the nine months ending December 31, 2023. Reduced net operational cash outflows of \$2,554,215 for the nine months vs. \$5,553,687 for the nine months ending December 31, 2022 attests to management's emphasis on operational cost control measures implemented pre-production and during the commissioning process.

Trigon Metals has filed its comprehensive financial and operational results for its Financial Q3, the quarter ending on December 31, 2023. Following the declaration of commercial production in October, the initial month showcased robust performance in both tonnage and ore grade extracted from Kombat's open pit operations. However, challenges in contractor equipment availability affected production in November, subsequently resolved in December. Efforts to recover lost production exposed weaknesses in our grade control protocol, resulting in lower grades mined in both November and December. For the quarter, 81,479 tonnes of ore were processed at an average grade of 0.95% copper, falling short of the planned 87,000 tonnes at 1.2% copper.

While direct mining and processing costs were well managed, C1 unit cash costs were higher than forecast at \$3.96/lb of total copper lbs produced, compared to the planned \$3.37/lb in cash operating costs. C1 costs is a non-IFRS measure that includes the cost of mining, milling, site level general and administrative expenses, and royalties but excludes capital costs, exploration costs, and corporate overheads. Trigon expects that as it ramps up production, its C1 cost per pound copper produced will be reduced due to the allocation of relatively fixed site general and administrative expenses over more production.

Mining has moved to the long-lived ore capping pit, increasing access to higher-grade portions of the deposit. Additional high-grade ore is now being provided with the commencement of underground mining. Mining training for underground operations commenced in January 2024, with production results expected in Q4 2024.

The upcoming twelve months mark a pivotal period as Kombat's underground operations resume after a 17-year hiatus in care and maintenance. To manage restart risks and ensure a high-grade product for the plant, Trigon has reviewed its strategy, mine planning, and capital for both open pit and underground operations.

Progress in dewatering the Asis West mine's two shafts is substantial, with the first planned mining shaft currently dewatered down to 250 meters from the collar to the 8th level. Accelerated underground mining will access higher-grade ore, with production ramping up to 15 thousand tonnes per month (“ktpm”) of high-grade ore in Q1 2025. This shift displaces 15ktpm of lower-grade open pit ore, maintaining an aggregate ore production of 30ktpm, enhancing overall production quality and thus margin and cash flow.

Given these developments, Trigon has decided to postpone the expansion of its processing plant capacity from 30ktpm to 60ktpm, originally planned for 2024, to 2025. This delay allows the underground operations to establish a performance track record and be ramped up to a steady state of 30ktpm, ensuring a prudent and informed expansion timeline.

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 Kombat Mine, the mineralization of the Kombat Mine, the Company's exploration plans and results thereof, the prospectivity of the Company's projects, the economic viability of the Kombat Mine, the Company's ability to restart underground operations 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.

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