



Trevali Releases Fourth Quarter and Full Year 2020 Results; Achieves Production and Cost Guidance

February 25, 2020

Vancouver, British Columbia: Trevali Mining Corporation (“Trevali” or the “Company”) (TSX: TV, BVL: TV; OTCQX: TREVF, Frankfurt: 4TI) today released financial and operating results for the three and twelve months ended December 31st, 2020. The Company achieved production and cost guidance reporting annual production of 313 million pounds of zinc at an all-in sustaining cost¹ (“AISC”) of \$1.02 per pound. In Q4 revenue increased by 36% relative to Q3 at \$68.1 million. At the end of the year net debt reduced to \$105 million and further reduced to \$95 million as at January 31st, 2021. All financial figures are in U.S. dollars.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- **Improved safety performance** with a 35% reduction in Total Recordable Injury Frequency for 2020 compared to 2019.
- **Achieved 2020 production and cost guidance by producing 313 million payable pounds of zinc at a C1 Cash Cost¹ of \$0.90 per pound and an All-in Sustaining Cost¹ of \$1.02 per pound.**
- **Lead production exceeded 2020 guidance and silver production achieved guidance** with 30 million payable pounds of lead and 752 thousand payable ounces of silver produced in 2020.
- **Q4 2020 revenues increased 36% to \$68.1 million compared to the prior quarter** due to a 12% improvement in the average quarterly zinc price and a 15% increase in payable sales volumes.
- **Operating cash flows before changes in working capital of \$20.9 million for Q4 2020**, due to the implementation of T90 initiatives and the recovery in commodity prices, with positive contributions from all operating mines.
- **Adjusted EBITDA¹ of \$20.1 million for Q4 2020 (\$19.0 million for 2020 year)**, a 79% increase over prior quarter and consistent with Q4 2019.
- **A non-cash impairment of \$43.6 million was recorded in Q4 2020 relating to Santander** as a result of the revised mine plan with mining operations expected to complete at the end of 2021.
- **Amended the existing credit facility and arranged a loan facility with Glencore in August 2020.**
- **Completed an equity raise of \$26.6 million to pursue growth activities in December 2020.**
- **Implemented a hedging program covering 148 million pounds of 2021 payable zinc production (~40% of forecast production)** through forward swaps, fixed pricing arrangements and put options.
- **Net Debt¹ of \$105.0 million as at December 31, 2020 reduced to \$95.0 million as at January 31, 2021**, a result of the collection of receivables largely related to sales late in Q4 2020.
- **Published Trevali’s second annual Sustainability Report in May 2020** setting targets to reduce water consumption and greenhouse gas emissions.

Ricus Grimbeek, Trevali's President and CEO, stated, "Our entire team delivered a strong performance in Q4 and throughout 2020, closing the year on solid footing. During 2020, we posted a 35% reduction in

¹ See “Use of Non-IFRS Financial Performance Measures”.

recordable injuries as compared to 2019. We achieved our production guidance of 313 million payable pounds of zinc at a C1 cash cost of \$0.90 per pound with an all-in-sustaining-cost of \$1.02 per pound. In Q4 revenues increased 36% to US\$68.1 million compared to the previous quarter, due to a 12% increase in zinc prices and a 15% increase in sales volumes. These factors also supported the delivery of \$20.9 million in operating cash flow for Q4 before changes in working capital. Additionally, we accelerated our T90 program a full year ahead of schedule and published our second annual sustainability report.

With the amendment to our existing credit facility, securing a new facility with Glencore, and through the completion of our \$26.6 million equity raise, we have strengthened our balance sheet and reduced our net debt position to \$95 million as at January 31st 2021. With the equity proceeds we moved to restart Trevali's Caribou operations in Eastern Canada, are advancing exploration work across the portfolio, and have paid down debt.

Our accomplishments during 2020 enable us to take full advantage of the significant opportunities the positive momentum the zinc markets are providing in 2021. We are looking forward to an exciting year ahead. I congratulate everyone at Trevali for the outstanding work they have done during 2020."

		2020	2019	YoY	Q4'20	Q3'20	Q4'19	Q4'20 vs Q3'20	Q4'20 vs Q4'19
Zinc payable production	Mlbs	313.0	417.4	-25%	74.2	74.1	104.8	0%	-29%
Lead payable production	Mlbs	29.9	50.3	-41%	8.4	6.1	13.8	38%	-39%
Silver payable production	Moz	0.8	1.5	-47%	0.3	0.1	0.4	200%	-25%
Revenue	\$	212,884	386,110	-45%	68,086	50,157	91,466	36%	-26%
Adjusted EBITDA ¹	\$	18,960	106,864	-82%	20,101	11,214	20,364	79%	-1%
Net (loss) income	\$	(245,606)	(35,411)	594%	(51,742)	1,122	(3,833)	-4712%	1250%
Net (loss) income per share	\$	(0.30)	(0.04)	650%	(0.06)	-	-	-100%	-100%
C1 Cash Cost ¹	\$/lb	0.90	0.88	2%	0.87	0.81	0.86	7%	1%
AISC ¹	\$/lb	1.02	1.01	1%	0.97	0.91	1.02	7%	-5%
Sustaining capital expenditure ¹	\$	32,887	52,004	-37%	6,561	6,665	15,752	-2%	-58%
Exploration expenditure	\$	4,278	10,362	-59%	550	143	2,755	285%	-80%

BUSINESS OVERVIEW

Trevali is a global base-metals mining company, headquartered in Vancouver, Canada. The bulk of the Company'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. The Caribou mine was placed on care and maintenance on March 26, 2020; on January 15, 2021, the Company announced that the operations were being restarted with first payable zinc production expected by the end of March 31, 2021. 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 the Company are listed on the TSX (symbol TV), the OTCQX (symbol TREVF), 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) and to Canadian regulatory filings on SEDAR at www.sedar.com.

T90 PROGRAM



In November 2019, Trevali launched the T90 business improvement program which targeted a reduction in AISC¹ to \$0.90 per payable pound of zinc by the beginning of 2022 through achieving annual sustainable efficiencies of \$50 million. In response to market conditions as a result of the COVID-19 pandemic, the implementation of benefits under the program have been accelerated and expanded.

¹ See "Use of Non-IFRS Financial Performance Measures".

Q4 2020 Adjusted EBITDA¹ of \$20.1 million improved from \$11.2 million in Q3 2020 due primarily to the increase in revenues. The \$56.8 million difference between EBITDA¹ and Adjusted EBITDA¹ during Q4 2020 is primarily due to the \$43.6 million impairment of property, plant and equipment at the Santander mine and a \$7.3 million mark-to-market loss on financial instruments.

Market Outlook

Management of the Company believes that the outlook for the zinc market has improved after ending a volatile year with the zinc price up over 50% from the lows the commodity experienced in the spring. Looking back, the rapid outbreak of the COVID-19 pandemic caused a contraction to concentrate supply as mining operations curtailed production in response to the virus. It was not until the end of June that the majority of mining operations that were suspended to control the spread of COVID-19 were in the process of restarting, however, flare-ups of COVID-19 at individual mines and an ever-changing response by various national governments continue to put strain on the concentrate supply chain.

Global smelting production was also materially impacted in the year however this was mainly limited to the first quarter of 2020 as production capacity in Asia largely recovered to pre-COVID-19 levels early in the second quarter. This imbalance between the supply of concentrate from miners and the demand from smelters led to a deficit in concentrate for the full year of 2020.

This concentrate deficit throughout the year led to a significant reduction in spot zinc concentrate treatment charges which trended significantly below the annual benchmark reported in March at \$300 per tonne. Trevali's concentrate off-take agreements reference the annual benchmark treatment charges. In January 2021, the average imported zinc spot treatment charge for the month was reported to be \$70 per tonne, which is an important indicator in setting the annual benchmark which is expected to be set lower for the year 2021.

Demand for refined zinc was also impacted by COVID-19 as early into the pandemic global manufacturing was disrupted as factories were temporarily shutdown to contain the spread of the virus. However, this demand disruption was short lived as factories reopened to normal operating levels and economic activities were stoked by government infrastructure stimulus spending which began in Asia and is expanding to the rest of the world as governments implement similar infrastructure stimulus programs.

During Q4 2020, the London Metals Exchange ("LME") zinc price averaged \$1.19 per pound, continuing its improvement from its year low of \$0.82 per pound reached back in March. We expect that the continued disruption to mine production will continue to provide fundamental support for zinc prices in the midterm as management believes demand will outweigh supply as global economic activity accelerates.

At the end of January 2021, total global exchange inventories decreased by 30,000 tonnes to 231,000 tonnes or an estimated 6 days of global consumption, compared to the end of Q3 2020. This inventory level is well below historical averages of 18 days of global consumption and is also supportive of higher zinc prices.

CORPORATE DEVELOPMENTS

Between March and August 2020, the Company obtained waivers of the financial covenants under the terms of its revolving credit facility (the "Facility") to August 31, 2020. On August 6, 2020, further amendments to the Facility and a new credit facility with Glencore Canada Corporation (the "Glencore Facility"), an affiliate of the Company's largest shareholder, Glencore plc (collectively "Glencore") were announced.

On August 25, 2020, the Company announced a positive pre-feasibility study ("PFS") for Rosh Pinah Mine Expansion ("RP2.0") which presented a mine plan to increase production capacity at Rosh Pinah by 86% and significantly reduce operating costs.

¹ See "Use of Non-IFRS Financial Performance Measures".

On August 28, 2020, the Company announced that Matthew Quinlan was departing as Trevali's Interim Chief Financial Officer ("CFO") and Brendan Creaney, the then Vice President of Investor Relations, had been appointed Interim CFO.

On September 4, 2020, the Company announced the appointments of Nick Popovic and Aline Cote to its Board of Directors of the Company, replacing Chris Eskdale and Dan Myerson as Glencore nominees.

In October 2020, the Company entered into zinc price forward swaps for approximately 25% of forecast zinc production for six months from October 1, 2020 to March 31, 2021 at an average price of \$1.11 per pound. In addition, in order to provide downside zinc price protection, zinc price put options for approximately 25% of forecast zinc production across the group were entered into for the same six-month period at \$1.04 per pound.

On October 9, 2020, the Company filed a preliminary short form base shelf prospectus related to the sale of up to C\$100.0 million in aggregate, in one or more series or issuances of: common shares, debt securities, subscription receipts, share purchase contracts, warrants or units. The Company intends to use the net proceeds for general corporate and working capital purposes, including advancing work on the Rosh Pinah RP 2.0 expansion project and its associated feasibility study, undertaking additional exploration work, continuing the study and potential restart of the Caribou operation, and repaying amounts of the Company's indebtedness.

On November 24, 2020, the Company entered into a fixed pricing arrangement pursuant to its existing offtake agreement with Glencore for 59.5 million pounds of zinc allocable to production at Perkoa and Rosh Pinah. The tenure of the arrangement is for a nine-month period covering April 2021 to December 2021 at a price of \$1.23 per pound and extends the existing hedging program which covers the period October 2020 to March 2021.

On December 2, 2020, the Company closed its marketed offering of 186,530,000 units at a price of C\$0.185 per unit for aggregate gross proceeds of \$26.6 million (C\$34.5 million), which included the exercise of the full amount of the over-allotment option of 24,330,000 units. Each unit is comprised of one common share and one-half of one common share purchase warrant entitling the holder thereof to acquire one common share at a price of C\$0.23 until June 2, 2022. Glencore plc exercised its pre-emptive participation rights in the offering to purchase 49,000,000 units.

On December 10, 2020, the Company announced the appointment of Brendan Creaney as the permanent CFO.

On January 15, 2021, the Company announced the planned restart of its Caribou mine which has been on a care and maintenance program since March 2020. The Company has reduced its exposure to commodity price fluctuations during the initial two-year plan by entering into a 21-month fixed-pricing arrangement for 115 million pounds of payable zinc production from Caribou, at an average price of \$1.25 per pound.

On January 18, 2021, the Company announced the appointment of Jeane Hull to its Board of Directors.

On January 18, 2021, the Company announced preliminary 2020 full year and Q4 production results and 2021 operating, capital and exploration expenditure guidance.

Q4 2020 and Full Year Results Conference Call and Webcast Details

Trevali will release the Q4 2020 and full year financial and operating results before the market opens on Thursday, February 25, 2021 and a conference call will be held the same day for management to discuss the Q4 2020 financial and operating results.

Conference call dial-in details:

Date: Thursday, February 25, 2021 at 01:00PM Eastern Time

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

International: +1 (647) 788-4919

Webcast: <http://www.gowebcasting.com/11056>

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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 statements are published, and the Company assumes no obligation to update any forward-looking statement, except as required by law.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "outlook", "guidance", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events. Forward-looking statements also include statements with respect to the Company's operations, including but not limited to financial and expectations with respect to the Company's financial results for fiscal year 2021, including its expectations with respect to timing regarding the T90 business improvement program and the amount of cost efficiencies to be generated therefrom, expectations with respect to future commodity prices, commodity supplies, refining and treatment charges and market conditions, expectations regarding future macro-economic performance, future hedging activities and the Company's expectations regarding the financial benefit to the Company from these hedging activities, the Company's growth strategies and planned development activities, including the restart of the Caribou Mine, expected annual savings from capital projects, anticipated effects of commodity prices on revenues, estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production and expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, future anticipated property acquisitions, the content, cost, timing and results of future exploration programs and life of mine expectancies and the impact on the Company's operations of current and future actions taken by governmental authorities, counterparties and others to the COVID-19 pandemic. 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, that the Company may fail to meet its T90 business improvement program objectives or may abandon these objectives prior to the completion of the T90 business improvement program; that the Company may not undertake its planned development and exploration activities on the timelines currently contemplated, or at all; that the Company's hedging programs may not be economic to the Company; risks related to actual results of current

exploration activities; changes in project parameters as plans continue to be refined; future prices of zinc, lead, silver and other minerals, future levels of commodity supplies, future refining and treatment charges and future economic conditions and the anticipated sensitivity of our financial performance to such factors; 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; compliance with governmental decrees regulations, including any new or ongoing decrees and regulations issued by a governmental authority in response to the COVID-19 pandemic; 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; risks relating to epidemics or pandemics such as COVID-19 including the impact of COVID-19 on our business, financial condition and results of operations; corruption and bribery; limitations inherent in our insurance coverage; compliance with financial covenants in our credit agreements; our ability to raise capital; competition in the mining industry; our ability to integrate new acquisitions into our operations; cybersecurity threats; litigation; and other risks of the mining industry including, without limitation, other risks and uncertainties that are more fully described in the Company's annual information form, interim and annual 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 SEDAR profile at 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 "1" are non-IFRS measures. These non-IFRS measures do not have any standardized meaning. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. 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, 2020 for an explanation of these measures and reconciliations to the Company's reported financial results in accordance with IFRS.

Source: Trevali Mining Corporation

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