

Three Valley Copper Announces MTV Files for Creditor Protection in Chile

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TORONTO, June 13, 2022 - [Three Valley Copper Corp.](#) ("Three Valley Copper" or the "Company") (TSXV: TVC) (OTCQB: TVCCF) today announced that Minera Tres Valles SpA ("MTV"), the Company's 95.1% Chilean copper mining subsidiary, has commenced reorganization proceedings by filing a Judicial Restructuring Procedure ("JRP") in Chile to seek protection from creditors to give MTV a further opportunity to seek a long-term financing solution to ensure MTV's continuity of operations. This is similar to filing for creditor protection under the Companies' Creditors Arrangement Act in Canada.

After careful consideration of all available alternatives following thorough consultation with its advisors, the Company and MTV determined that it was in the best interests of MTV to file for an application for creditor protection under the JRP.

The initial court order sought is expected to provide a stay of creditor claims and the exercise of contractual rights providing the necessary protection to allow MTV to continue its focus on sourcing a long-term financial partner that will encourage its creditors to restructure their debts leading to a secure financial foundation to grow MTV's business.

With this announcement, MTV expects its underground contractor for the Papomono mine to immediately demobilize and all processing of ore from third party miners to temporarily halt. The infrastructure of Papomono built to date is expected to remain stable for the next 3 to 6 months and MTV expects to continue producing copper cathode from the existing material on the heap leach into August 2022.

To date, Anglo American Marketing Limited and a fund managed by Kimura Capital (the "Senior Lenders" to MTV) have not reached agreement between themselves to further support MTV in the future nor has longer-term capital been sourced. The Company is not encouraged by the most recent dialogue with the Senior Lenders and believes there is a low probability that financial support from the Senior Lenders will be available.

MTV has initiated a full care and maintenance program in parallel with the JRP filing that will likely result in the termination of over 200 direct employees leaving 15 remaining to operate the plant and other necessary functions. In doing so, MTV expects that upon receipt from the Chilean courts of the initial court order (in approximately 2 to 3 weeks), MTV will be able to extend its cash resources into August 2022.

If the initial court order is not granted, it is expected that MTV could be forced to liquidate or be sold, which could adversely impact the Company's ability to recover any or all of the Company's investment in MTV. The public company, Three Valley Copper, is expected to continue as a going concern even if a liquidation event occurs at MTV. If MTV is successful in restructuring its existing debt and in sourcing additional financing, there will likely be a material dilution to the Company's ownership interest in MTV, including the possibility that the Company would no longer hold majority control of MTV.

Filing for a JRP is an event of default under the senior secured facility agreement entered into between MTV, the Senior Lenders and the Company. As a result of the current financial situation of MTV, certain defaults of the senior secured debt facility have occurred and are continuing. While the Senior Lenders have not provided a notice thereof to MTV, they have expressly reserved their rights.

The Company will provide a further update on the JRP as the application proceeds.

About Three Valley Copper

Three Valley Copper, headquartered in Toronto, Ontario, Canada is focused on copper production from, and its primary asset, Minera Tres Valles. Located in Salamanca, Chile, MTV is 95.1% owned by the Company and MTV's main assets are the Minera Tres Valles mining complex and its 46,000 hectares of exploratory lands. For more information about the Company, please visit www.threevalleycopper.com.

Cautionary Statement Regarding Forward-Looking Information

Certain statements in this news release, contain forward-looking information (collectively referred to herein as the "Forward-Looking Statements") within the meaning of applicable Canadian securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify Forward-Looking Statements. In particular, but without limiting the foregoing, this news release contains Forward-Looking Statements pertaining to: expected cash flow and capital resources; ability of the Company to continue as a going concern; ability of MTV to comply with the terms of its existing debt facility and other material agreements; advancement of ongoing projects, expectations regarding the JRP and the affects of any potential order, and expectations regarding debt restructuring and additional financing.

Although TVC believes that the Forward-Looking Statements are reasonable, they are not guarantees of future results, performance or achievements. A number of factors or assumptions have been used to develop the Forward-Looking Statements, including: the availability of certain consumables (including water) and services and the prices for power, sulfuric acid and other key supplies; expected labour and materials costs and available supply; certain tax rates, including the allocation of certain tax attributes, being applicable to MTV; the continued availability of quality management; expected ability to repay the indebtedness of MTV; the JRP is a procedure available to MTV; and MTV will be able to maintain sufficient staff to continue processing operations.

Actual results, performance or achievements could vary materially from those expressed or implied by the Forward-Looking Statements should assumptions underlying the Forward-Looking Statements prove incorrect or should one or more risks or other factors materialize, including: (i) possible variations in grade or recovery rates; (ii) copper price fluctuations and uncertainties; (iii) delays in obtaining governmental approvals or financing; (iv) risks associated with the mining industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to mineral reserves, production, costs and expenses; and labour, health, safety and environmental risks) and risks associated with the other portfolio companies' industries in general; (v) performance of the counterparty to the ENAMI contract; (vi) risks associated with investments in emerging markets; (vii) general economic, market and business conditions; (viii) market volatility that would affect the ability to enter or exit investments; (ix) commodity price and foreign exchange fluctuations and uncertainties; (x) risks associated with catastrophic events, manmade disasters, terrorist attacks, wars and other conflicts, or an outbreak of a public health pandemic or other public health crises, including COVID-19; (xi) those risks disclosed under the heading "Risk Management" in TVC's Management's Discussion and Analysis for the period ended December 31, 2021; and (xii) those risks disclosed under the heading "Risk Factors" or incorporated by reference into TVC's Annual Information Form dated March 3, 2021. The Forward-Looking Statements speak only as of the date hereof, unless otherwise specifically noted, and the Company does not assume any obligation to publicly update any Forward-Looking Statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable Canadian securities laws.

Cautionary Note to United States Investors Concerning Estimates of measured, indicated and inferred mineral resources

This news release may use the terms "measured", "indicated" and "inferred" mineral resources. Historically, while such terms were recognized and required by Canadian regulations, they were not recognized by the United States Securities and Exchange Commission (the "SEC"). The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"). These amendments became effective February 25, 2019 (the "SEC Modernization Rules") with compliance required for the first fiscal year beginning on or after January 1, 2021. The SEC Modernization Rules replace the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7, which will be rescinded from and after the required compliance date of the SEC Modernization Rules. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "measured", "indicated" and "inferred" mineral resources. In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be substantially similar to the corresponding Canadian Institute of Mining, Metallurgy and Petroleum definitions, as required by NI 43-101. Investors are cautioned that "Inferred mineral resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable.

For further information:

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