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# Trecora Resources Provides Update on Temporary Shutdown and Improvement Plan of AMAK Plant in Saudi Arabia

## Renovation Work Proceeding on Schedule

SUGAR LAND, Texas, Feb. 16, 2016 /PRNewswire/ -- Trecora Resources (NYSE: TREC), today provided an update on the status of the Al Masane Al Kobra Mining Company (AMAK) zinc and copper mine in Saudi Arabia. In November 2015 Trecora announced a planned, temporary shutdown of the facility for extensive renovations to improve production efficiencies and precious metal recovery. Trecora is the original developer and a 35% owner of AMAK, a Saudi Arabian joint stock company.



Renovation work began at the AMAK facility in December 2015 with zinc and copper production expected to resume in the fourth quarter of 2016. During the renovation, AMAK's focus remains on improving recoveries overall and upgrading the precious metals circuit through the installation of SART modifications which should lower chemical use, thereby reducing operating costs once processing resumes. In addition, processing of the gold-bearing waste dumps from historical mining at the newly acquired Guyan mining license area may begin in the second quarter of 2016. An exploration program for the rest of Guyan mining lease will commence shortly.

Certain operating expenses remained following the contract termination with the existing mine operator in late November, resulting in fourth quarter operating expenses that were only slightly lower than third quarter 2015 levels. More significant expense reductions are expected in the first quarter of 2016.

Following the mill shutdown, AMAK sold its remaining inventory of approximately 12,000 tons of copper concentrate in the fourth quarter of 2015, making one shipment to two different customers. The sale of the remaining inventory of approximately 17,000 tons of zinc concentrate is expected in the first quarter of 2016, also in one shipment. This compares with two shipments of copper concentrate and one shipment of zinc concentrate in the third quarter of 2015. Average spot prices for zinc and copper in the fourth quarter were

down approximately 13% and 7%, respectively, compared with the third quarter.

"The renovation work at AMAK is proceeding on schedule, and installation of new equipment is expected to finish early in the fourth quarter of 2016. We believe AMAK has sufficient capital to complete the planned improvements," said Simon Uphill-Brown, Trecora's Chief Executive Officer. "The continued depressed commodity price environment provides AMAK with a timely opportunity to increase operating efficiency of the zinc and copper mill, and improve recovery rates for precious metals at reduced costs. Going forward, AMAK plans to self-operate the mine, bringing in top technical advisers as needed."

### **About Trecora Resources (TREC)**

TREC owns and operates a facility located in southeast Texas, just north of Beaumont, which specializes in high purity hydrocarbons and other petrochemical manufacturing. TREC also owns and operates a leading manufacturer of specialty polyethylene waxes and provider of custom processing services located in the heart of the Petrochemical complex in Pasadena, Texas. In addition, the Company is the original developer and a 35% owner of Al Masane Al Kobra Mining Co., a Saudi Arabian joint stock company.

### **Forward-Looking Statements**

Statements in this press release that are not historical facts are forward looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based upon our belief, as well as, assumptions made by and information currently available to us. Because such statements are based upon expectations as to future economic performance and are not statements of fact, actual results may differ from those projected. These risks, as well as others, are discussed in greater detail in Trecora Resources' filings with the Securities and Exchange Commission, including Trecora Resources' Annual Report on Form 10-K for the year ended December 31, 2014, and the Company's subsequent Quarterly Reports on Form 10-Q. All forward-looking statements included in this press release are based upon information available to the Company as of the date of this press release.

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