

TORONTO, Aug. 22, 2017 (GLOBE NEWSWIRE) -- [Sprott Resource Holdings Inc.](#) ("SRHI" or the "Corporation") (TSX:SRHI) today announced that it has entered into a definitive agreement to acquire 70% of the outstanding equity of S.C. Minera Tres Valles ("MTV") from the Vecchiola Group for an aggregate purchase price of US\$39.9 million, consisting of US\$33.5 million in cash and US\$6.4 million in SRHI common shares. The transaction is expected to close during the fourth quarter of fiscal 2017 and is subject to the satisfaction of certain customary closing conditions, including receipt of the approval of the Toronto Stock Exchange.

Transaction Highlights:

- MTV owns 100% of the currently producing Minera Tres Valles copper mining and refining complex located in Salamanca, Chile.
- Historical JORC-compliant Measured and Indicated Resources of 40.7 million metric tonnes of ore at 0.81% Cu using a cut-off grade of 0.2% Cu completed by Snowden Mining Industry Consultants ("Snowden") in May 2013. A qualified person has not done sufficient work to classify these historical estimates as current mineral resources or mineral reserves and SRHI is not treating this historical estimate as current mineral resources. See "Historical Estimates" below.
- Experienced partner in the Vecchiola Group, a premier Chilean mining services and construction company.
- Experienced management team responsible for re-tooling operations, designing and implementing a strategic growth plan.
- Chile has one of the world's most stable mining regimes, is a premiere destination for mining investment and is the world's top copper producing country.
- Extensive land package with exploration potential.
- Strong community support through charitable foundation and formalization of small-scale miners.

"We are excited to announce this investment in MTV," said Steve Yuzpe, CEO of SRHI. "We are very bullish on copper and acquiring a majority stake in a producing asset located in a stable, investor-friendly mining jurisdiction like Chile is completely in line with our strategy."

"The Vecchiola Group will be tremendous partners on this project and the MTV management team are experienced operators with the ability to effectively execute on our development plan," added Mr. Yuzpe.

MTV has begun preparing a NI 43-101 compliant technical report that will provide a summary of its mineral resources and mineral reserves and describe the development plan designed to grow production to reach and exceed the nameplate capacity of the current solvent-extraction and electrowinning infrastructure.

"Vecchiola Group is pleased to partner with such an experienced mining investor as SRHI to bring MTV to its full operating potential," said Guido Vecchiola, eldest of the Vecchiola brothers, who speaks in representation of his brothers.

"We look forward to working with the team at SRHI to continue the development of MTV and execute on our growth plan," said MTV CEO, Luis Vega.

"After evaluating more than 70 investment opportunities, we concluded that MTV offered the greatest potential to create immediate value for our shareholders," concluded Mr. Yuzpe. "After giving effect to this transaction, we still have approximately \$35 million in cash available to deploy towards other accretive investments, while also continuing to monetize non-core investments."

Bofill Mir & Álvarez Jana acted as legal counsel to SRHI. Next Meridian LLC and Three Keys Capital Advisors LLC acted as financial advisors to Vecchiola Group and Nassar, Delgado & Fainé Abogados acted as legal counsel.

About MTV

- MTV is a fully permitted operating mining complex located nine kilometers from Salamanca in Region IV of Chile
 - Consists of two main deposits: Papomono (underground) and Don Gabriel (open pit).
 - Processing plant with nameplate capacity of 5,400 tonnes per day of ore, with expandable to 7,000 tpd with the incorporation of a quaternary crusher.
 - Designed to produce up to 18,500 tonnes per annum of thin copper cathodes.
 - Commenced production on 2010.
 - Produced 6.5 million pounds of copper at cash cost of US\$2.24 per pound in the first half of 2017.
- Vecchiola Group purchased the mine from Vale in 2013
 - [Vale S.A.](#) invested US\$242 million to purchase, explore, develop and build MTV from 2005 to 2013.
- Historical JORC-compliant Measured and Indicated Resources of 40.7 million metric tonnes of ore at 0.81% Cu (of which 9.85 Mt are Measured mineral reserves at 0.89% Cu and 30.85 Mt are Indicated mineral resources at 0.80% Cu) using a cut-off grade of 0.2% Cu completed by Snowden in May 2013. A qualified person has not done sufficient work to classify these historical estimates as current mineral resources or mineral reserves and SRHI is not treating this historical estimate as current mineral resources. See "Historical Estimates" below.

- Significant land package with exploration upside
 - 44,334 hectares of mineral rights owned by MTV
 - More than 100 copper occurrences not yet explored

Conference Call Details

SRHI will hold a conference call to discuss the MTV investment on Tuesday, August 22, 2017 at 5:00pm Toronto time. To participate in the call, please dial (855) 458-4215 ten minutes prior to the scheduled start of the call and provide conference ID: 73039524. A taped replay of the conference call will be available until Tuesday, August 29, 2017 by calling (855) 859-2056, conference ID 73039524.

The conference call will be webcast live at www.sprottresource.com and <http://edge.media-server.com/m/p/dxh7qugr>

About Sprott Resource Holdings Inc.

SRHI is a publicly-listed corporation transitioning into a diversified holding company focused on holding businesses in the natural resource industry. Based in Toronto, SRHI is a member of the Sprott Group of Companies and is managed by a team of leading resource investment professionals. SRHI's current holdings are concentrated in the mining, energy and agriculture sectors. SRHI takes an active role in the companies in which it invests and is committed to being a high-value partner to the management teams it backs and the co-investors who invest alongside SRHI. For more information about SRHI, please visit www.sprottresource.com.

Forward-Looking Information

Certain statements in this press release contain forward-looking information (collectively referred to herein as the "Forward-Looking Statements") within the meaning of applicable 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 press release contains Forward-Looking Statements pertaining to SRHI's proposed investment in MTV.

Although SRHI 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 continued availability of quality management. 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) general economic, market, political and business conditions; (ii) commodity price fluctuations and uncertainties and, in particular the price of oil and gas; (iii) risks associated with the oil and gas 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 reserves, production, costs and expenses, and health, safety and environmental risks); (iv) risks associated with the farming industry in general (e.g., weather risks, operational risks in production; the uncertainty of estimates and projections related to livestock); (v) risks associated with the food manufacturing and retail business in general (e.g., a rise in the cost of inputs, a drop in pricing and/or sales volumes, food safety); (vi) 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 reserves, production, costs and expenses, and health, safety and environmental risks); (vii) other risks associated with SRHI's portfolio companies' industries; (viii) those risks disclosed under the heading "Risk Management" in SRHI's Management's Discussion and Analysis ("MD&A") for the three and six-months ended June 30, 2017; and (ix) those risks disclosed under the heading "Risk Management" in SRHI's MD&A for the three-months ended March 31, 2017. The Forward-Looking Statements speak only as of the date hereof, unless otherwise specifically noted, and SRHI 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.

Historical Estimates

Disclosure of the historical estimate in this press release is derived from an audit study completed by Snowden Mining Industry Consultants in May 2013 for [Vale S.A.](#) and has been judged to be relevant and therefore suitable for disclosure, however should not be relied upon. There are numerous uncertainties inherent in the historical estimate, which is subject to all of the assumptions, parameters and methods used to prepare such historical estimate. The historical estimate has been prepared in accordance with the requirements of the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia ("JORC") and does not comply with or fulfill the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by the Canadian Institute of Mining, Metallurgy and Petroleum as required by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of

the Canadian Securities Administrators ("NI 43-101"), and may vary significantly from actual amounts, grade and quality of minerals recovered from the property. There are no other recent estimates or data available to SRHI as of the date of this press release and a detailed study of the current technical data and economic parameters relating to the property, together with the preparation of an updated development plan, is required to be conducted following the completion of the acquisition of MTV in order to update these historical estimates as a current mineral resource or mineral reserve. A qualified person has not done sufficient work to classify the historical estimates as current mineral resources or current mineral reserves and SRHI is not treating the historical estimate as current mineral resources. Investors are cautioned not to place undue reliance on the historical estimates contained in this press release.

For further information:

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