

SRHI Inc. Investor Update on 2021 Guidance

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TORONTO, June 03, 2021 - [SRHI Inc.](#) (TSXV: SRHI) ("SRHI" or the "Company") today announces an update to the annual operational and capital guidance provided in its press release of February 4, 2021.

"In our first quarter results press release on May 13, 2021, we highlighted that we were assessing the developments at Don Gabriel and Papomono Masivo to determine if any adjustments may be required to our prior guidance for the remainder of 2021," stated Michael Staresinic, CEO of the Company. "A number of factors have led us to adjust our assumptions while also instituting additional measures to both mitigate some of these effects while also improving the mine profile for 2022. Despite the impacts of restarting the operations, disruptions to supply chains and managing the impacts of COVID, we continue to expect that our operating and capital expenditures will be within the range previously forecasted, with production being at the low end of the estimate and capital expenditures to be at the high end, as shown below."

"The success of MTV is driven by the successful construction and development of Papomono Masivo, and we still expect this to be completed before the end of the year," said Joe Phillips, COO of the Company. "However, to be prudent, we have budgeted for a possible six to eight week delay in its completion date as the competitive labor market in Chile coupled with COVID restrictions are delaying our underground contractor's ability to consistently staff and keep the necessary equipment operating during the construction period. This potential delay would push some expected production of late 2021 into early 2022."

"We have been observing the performance of the Don Gabriel resource model since the restart of the mine and decided to take a more conservative approach to ore grade for the remainder of 2021. While the grade is projected to be lower than our previous budget, it is expected to be higher than that realized in recent months. We have decided to expand production by approximately 20% for the remainder of the year and extend production into the second quarter of 2022 to help offset the projected reduction in grade," continued Mr. Phillips. "Historically, the Don Gabriel resource model has performed well and we therefore expect that the coming months will show a better reconciliation between the mine and model. We also expect to see higher grades in the mine in the next few months."

"COVID has partially disrupted the last couple of months of operations including those of the third-party small miners we rely on to help utilize capacity," added Mr. Staresinic. "As a result, we have lowered our expectations for their contribution to our production but believe that as Chile reopens over the next couple of months, that our assumptions are conservative."

"Our annual guidance issued on February 4, 2021 reflected the best information available at the time as well as our best estimates about the impacts of COVID," continued Mr. Staresinic. "The health and well-being of every person who helps in our business is our priority and much of what we are encountering is temporary in nature. We reiterate our 2021 operating and capital guidance but do expect copper production to be at the low end of this guidance and capital expenditures to be at the high end of this guidance," concluded Mr. Staresinic.

Outlook for 2021 is as follows:

Operating information	Year ended
Copper (MTV Operations)	Dec. 31, 2021
Cu Production (tonnes)	6,000 - 7,000
Cu Production (millions of pounds)	13.2 - 15.4
Cash Cost per Pound Produced ⁽²⁾	\$2.60 - \$2.90
Capital Expenditures (\$ millions)	\$12 - \$15

1. Guidance is based on certain estimates and assumptions, including but not limited to, mineral reserve estimates, grade and continuity of interpreted geological formations and metallurgical performance. Please refer to the revised and amended technical report prepared by Wood PLC, in respect of the Project filed on May 27, 2021 (the "Technical Report") and to the Company's SEDAR filings for complete risk factors.
2. Cash Cost is a non-IFRS measure - Cash costs of production include all costs absorbed into inventory less non-cash items such as depreciation and non-site charges such as trucking charges capitalized to inventory. Cash costs per pound produced are calculated by dividing the aggregate of the applicable costs by copper pounds produced.

About SRHI Inc.

SRHI, headquartered in Toronto, Ontario, Canada is focused on growing copper production from, and further exploration of, its primary asset, MTV. Located in Salamanca, Chile, MTV is 70% 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 SRHI, please, please visit www.srhi.ca.

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: the expectations that the Papomono Masivo construction will be completed by the end of 2021 and the proposed timing of completion, different expected grades from mining Don Gabriel, the expected size and timing of expanded operations at Don Gabriel, impacts to the Company as a result of COVID on third-party small miner operations and changes to operating and financial guidance for the remainder of 2021.

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: there being no further disruptions affecting the development, construction and operation of MTV; the availability of certain consumables and services and the prices for power and other key supplies being approximately consistent with assumptions in the Technical Report; labour and materials costs being approximately consistent with assumptions in the Technical Report; fixed operating costs being approximately consistent with assumptions in the Technical Report; permitting and arrangements with stakeholders being consistent with current expectations as outlined in the Technical Report; certain tax rates, including the allocation of certain tax attributes, being applicable to the MTV project; the availability of support capital for MTV's planned development activities, if needed; assumptions made in mineral resource and mineral reserve estimates in the Technical Report and the financial analysis based on the mineral reserve estimate, including (as applicable), but not limited to, geological interpretation, grades, commodity price assumptions, extraction and mining recovery rates, hydrological and hydrogeological assumptions, capital and operating cost estimates, and general marketing, political, business, labour and economic conditions. Although the Company believes that the expectations and assumptions on which such Forward-Looking Statements and information are based are reasonable, undue reliance should not be placed on the Forward-Looking Statements and information as the Company cannot give any assurance that they will prove to be correct. Since Forward-Looking Statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. 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. Readers are cautioned that the foregoing list of risks and uncertainties is not exhaustive. Other risk factors that could affect the Company's operations or financial results are included in the Company's Annual Information Form dated March 3, 2021 and may be accessed through the SEDAR website (www.sedar.com). The forward-looking statements and information contained in this news release are made as of the date hereof and the Company does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, the Company is under no obligation and does not undertake to update this information at any particular time, except as required by law.

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