

SRHI Inc. Announces 2021 Operating and Capital Guidance for the Minera Tres Valles Copper Project

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TORONTO, Feb. 04, 2021 - [SRHI Inc.](#) ("SRHI" or the "Company" - formerly Sprott Resource Holdings Inc.) (TSX: SRHI) is pleased to provide operational and capital guidance for the 2021 calendar year for its 70% owned Minera Tres Valles Copper Project ("MTV" or the "Project") located in Salamanca, Chile.

"In 2020, the world experienced the arrival of COVID-19 with the pandemic affecting each of us. It continues, but there is hope with several vaccines being distributed worldwide," said Terry Lyons, Interim CEO of SRHI. "Our business was impacted in several ways as we reacted to the changing environment ultimately resulting in the successful restructuring of MTV in late 2020. With this restructuring complete, we have moved forward with several initiatives, the most prominent one being the construction and development of our underground mine, Papomono."

"Our view on copper is increasingly positive," stated Michael Staresinic, President of SRHI. "We see three pillars of demand driving prices higher as supply will struggle to keep up with this demand - China's ongoing growth, worldwide stimulus spending on infrastructure and construction, and the proliferation of electric vehicles. The latter has exponential potential and copper is at the heart of this revolution. Electric cars use between three and four times the amount of copper than conventional cars and electric buses require anywhere between eleven and sixteen times the amount of copper. This, coupled with the necessity for more and more electric "gas" stations to alleviate consumer range anxiety, will only solidify copper's importance in the years to come. The shift is already happening with President Biden vowing to electrify the US federal fleet and General Motors announcing it will be aggressively shifting to electric vehicles, producing 30 new electric models within 4 years, and producing only electric vehicles by 2035."

"We believe that Chile, in terms of prospectivity and business climate, is the best jurisdiction in the world to build a copper business," added Mr. Staresinic. "As we look to expand operations upon the completion of Papomono's construction in early 2022, our focus for production this year will come from our recently restarted operations at our Don Gabriel open pit, together with ore expected from third-party miners as well as from ENAMI, Chile's National Mining Enterprise."

"When reflecting on the Company's Technical Report (December 2018) at today's copper price, the operating leverage to the copper price, all else being equal, is dramatic to SRHI," continued Mr. Staresinic. "The Technical Report states the net present value of the project approaches \$275 million at today's prices - a much higher value compared to where SRHI trades today."

"2021 will be an exciting year on many fronts - vaccine deployment with the hope of returning to normality, the construction and development of Papomono, a strengthening copper price environment and the continued increase in demand for electric vehicles. We believe we are well positioned and invite shareholders, interested parties and potential investors to explore our new website at www.srhi.ca together with our corporate presentation for more information."

2021 Operating and Capital Guidance⁽¹⁾

Copper production for 2021 is expected to begin slowly as copper in ore processed from the recent restart of operations works its way through the leaching process before converting to copper cathodes. This will be aided by our new chloride leaching ("Salt Leach") process that has now reached design parameters in the leaching solution. The Salt Leach is expected to increase recoveries, reduce sulfuric acid consumption, and reduce the leaching time for our sulfide ore. The Company's production profile includes mineralized material primarily from Don Gabriel and material from ENAMI and third-party miners. Even with these other sources of ore, the processing facility will continue to operate well below its annual capacity (18,500 tonnes of copper

cathodes) resulting in higher unit costs until production from Papomono comes online in early 2022.

Outlook for 2021 at MTV 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 technical report prepared by AMEC Foster Wheeler, a Wood company, in respect of the Project filed on December 14, 2018 (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.

Planned capital expenditures ("CAPEX") for 2021 are focused primarily on the construction and development of Papomono for the inclined block-caving mining project. It is expected that by early 2022, the underground operation at Papomono will be at commercial production and the resulting production growth is expected to lower per unit operating costs in 2022 as the results of this CAPEX are realized.

Longer Term Outlook

By the end of 2022, production is expected to reach levels over 50% higher (and still not at capacity) than 2021's expected exit production with unit costs meaningfully lower as both capacity increases and the higher grade ore (1.3% - 1.5% TCu) of Papomono Masivo enters production. This is expected to be supported by a further \$5 - \$8 million of mostly sustaining CAPEX.

MTV is in the early stages of Papomono's construction and development and the Company is monitoring its capital requirements to support MTV through this important stage of growth. The Company is also watching the geopolitical landscape as it can materially impact foreign exchange rates used in planning and modeling MTV's operations and cash flows.

Exploration

MTV has a significant strategic land package of over 46,000 hectares in a good neighborhood that is expected to be explored in the coming years. These property holdings are in the well-known copper producing Coquimbo region including Antofagasta Minerals' Los Pelambres mine that is located approximately 50 kilometers to the east of MTV. With more than 100 copper outcrop occurrences and 70 artisanal mining sites with geological characteristics similar to that of the Papomono and Don Gabriel orebodies, together with near-term infill drilling opportunities, there is significant exploration potential for the property.

Qualified Persons

The scientific and technical content contained in this news release is taken from the Technical Report entitled "Minera Tres Valles Copper Project, Salamanca, Coquimbo Region, Chile NI 43-101 Technical Report" prepared by Dr Antonio Luraschi, RM CMC, Manager of Metallurgic Development and Senior Financial Analyst, Wood, Mr Sergio Navarrete, RM CMC, Mining Engineer, Wood, Mr Alfonso Ovalle, RM CMC, Mining Engineer, Wood, Mr Michael G. Hester, FAusIMM, Vice President and Principal Mining Engineer, Independent Mining Consultants, Inc., Mr Enrique Quiroga, RM CMC, Mining Engineer, Q&Q Ltda,

Mr Gabriel Vera, RM CMC, Metallurgical Process Consultant, GVMetallurgy, and Mr Sergio Alvarado, RM CMC, Consultant Geologist, General Manager and Partner, Geoinvestment Sergio Alvarado Casas E.I.R.L. all of whom are independent qualified persons as defined by NI 43-101. The Technical Report is available under the Company's profile on www.SEDAR.com. Readers are encouraged to read the Technical Report in its entirety.

Notes on Preliminary Economic Assessments

Please note that the PEA Case of the Technical Report is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA Case will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

About SRHI Inc.

SRHI is a publicly-listed company based in Toronto and its principal operating business is its 70% equity interest in the producing copper mine MTV in Salamanca, Chile. For more information about SRHI, please visit www.srhi.ca.

Non-IFRS Financial Measures

"Cash costs" is a non-IFRS financial performance measures. Further details on non-IFRS measures are provided in the MD&A accompanying SRHI financial statements filed from time-to-time on SEDAR at www.sedar.com.

Cautionary Statement Regarding Forward-Looking Information

Certain statements in this news release, and in particular the "2021 Operating and Capital Guidance" section, 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: copper production guidance for the 2021 and 2022 calendar years for MTV; the long-term plan to ramp up operations and increase production at MTV including the restart of mining at the Don Gabriel open pit mine, the construction and development of the Papomono Masivo deposit, the effects of the Salt Leach process on MTV's ores; gaining operating efficiencies through CAPEX projects; SRHI's expectation that copper prices will, at least, maintain and improve by the time MTV's expansion program is complete; SRHI monitoring capital requirements to support MTV including changes in the foreign exchange market expected production, capital expenditures and expectations regarding future cash flows and the use thereof; future exploitation of the exploration upside of MTV's strategic land package; continued production growth; anticipated lower per unit operating costs; 2021 operating outlook; and general business and economic conditions.

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 significant 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 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 and economic conditions. 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) foreign exchange fluctuations and uncertainties; (iv) delays in obtaining governmental approvals or additional capital support; (v) 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); (vi) production of ore from Empresa Nacional de Minería and third parties; (vii) risks associated with investments in emerging markets; and (viii) those risks disclosed in the Company's filings with Canadian securities regulators on SEDAR at www.sedar.com. See also the cautionary language under "2021 Operating and Capital Guidance" above. 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. The Technical Report can be found at the Company's profile on SEDAR at www.sedar.com.

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. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "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.

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