



Update on Construction Plan and Schedule for the Development of the El Domo Project

VANCOUVER, BRITISH COLUMBIA, April 23rd 2025 -- SALAZAR RESOURCES LIMITED (TSXV: SRL, OTCQX: SRLZF, Frankfurt: CCG.F) ("Salazar" or the "Company") provides an update on El Domo Construction.

Silvercorp Metals Inc. ("Silvercorp") and the Company are in a joint venture ("Joint Venture") for the development of the El Domo mine with Silvercorp holding a 75% interest and the Company a 25% carried interest. Silvercorp (TSX/NYSE American: SVM) is operator of the Joint Venture and has been moving forward with construction of the El Domo mine. Silvercorp has recently provided an update to the Company on the development plans as the Joint Venture moves to bring El Domo into production.

The Joint Venture is targeting the start of production for the Project by the end of 2026 at an estimated cost of \$240.4 million, comparable to the \$247.6 million estimate in the feasibility study (NI 43-101 Technical Report - Feasibility Study - Curipamba El Domo Project, Central Ecuador) published in 2021 ("2021 Feasibility Study").

The Company holds a 25% free carried interest on the Project and, once commercial production is achieved, Silvercorp will receive 95% of the dividends from the Project until its aggregate investment, has been recouped minus the approximate Salazar carrying value of US\$ 20 million, after which dividends will be shared on a 75%/25% pro-rata basis with Salazar. The payback time is estimated to be 2.6 years according to the 2021 Feasibility Study, which is bound to improve with this updated plan and budget.

The Company is thrilled to see the advances in the construction of the Project and is committed to continue supporting Silvercorp with its local expertise.

As discussed in its January 7, 2025 Press Release, the Joint Venture has been building upon the 2021 Feasibility Study, with work to date focusing on:

1. **Advanced Detailed Engineering** for: a) Optimized design with Klohn Crippen Berger (KCB) for the Tailings Storage Facilities ("TSF"), Sapolite Waste Dump ("SWD"), and non-contact water channels; b) Optimized open pit mine design for mining, stripping, and scheduling, and coordinated the mining schedule with ongoing tailings dam construction by internal mining engineers; and c) by Yantai Jinpeng Mining Machinery Co. Ltd and Yantai Orient Metallurgical Design and Research Institute Co., Ltd (together "Jinpeng"), a China certified Engineering Design, Manufacture and Construction Group which has provided design, equipment, and construction for mining process plants in China and internationally.
2. **Advanced Project Infrastructure** for: a) Optimized designs for a new public bypass road and internal operational haul roads; b) Executed a powerline contract with the Ecuadorian state-owned power company (CNEL EP) including initiating bidding process for contractor selection; and c) permitting and sourcing for standby diesel power generators for the dry season, as climate change has impacted the power supply situation in Ecuador.

3. **Produced Project Materials Balance** for: a) Bid Package 1: Construction of temporary camp, TSF to starter dam phase, SWD, non-contact water channels, internal haul roads, and preparation of the process plant site and permanent camp site; b) Bid Package 2: Open Pit Mining, stripping and ongoing tailings dam raises using stripped waste rocks; c) Bid Package 3: Construction of the process plant, tailings discharge and reclaim back water systems, water treatment plants, permanent camp, and other site infrastructures; d) Bid Package 4 for the construction of the Power line; and e) Bid Package 5 for the diesel power generators.

Capital Cost Estimate Details

The table below summarizes the schedule and costs to construct the El Domo Project:

		Fiscal 2026 (\$ Million)	Fiscal 2027 (\$ Million)	Total (\$ Million)
1	Package #1 - Site preparation/Roads/Channel/TSF/SWD	\$29.2	\$18.2	\$47.4
2	Package #2 – Open Pit Mining and Stripping	7.0	32.0	39.0
3	Package #3 - Processing Plant Construction and Equipment	14.0	19.0	33.0
4	Temporary and Permanent Camps	2.0	5.0	7.0
5	Packages #4,5 -Site Infrastructure (bypass roads, powerline, standby diesel generators, water treatment plant)	16.0	17.0	33.0
	Direct costs sub-total	\$68.2	\$91.2	\$159.4
6	Owner's Contingency	13.6	18.3	31.9
7	Owner's Cost	12.0	18.0	30.0
8	Value added tax (VAT)	8.2	10.9	19.1
	Total	\$102.0	\$138.4	\$240.4

Package #1 - Site Preparation/Roads/Channel/TSF

The commercial contract for Package #1 was awarded in January 2025 to CRCC 14 Bureau Group Co. Ltd. ("CRCC 14"), a company with a regional headquarters in Quito, and over ten years operating experience in Ecuador building infrastructure in open pit mines and in the heavy civil construction sector. CCRC 14 has been on-site conducting various earthworks since January 2025.

The estimated capital costs for Package #1 are based on the unit prices as indicated in the contract multiplied by the design quantities of each activity. The table below summarizes the estimated schedule and costs for Package #1.

	Fiscal 2026	Fiscal 2027	Total
	(\$ Million)	(\$ Million)	(\$ Million)
Package #1			
Site Preparation	10.4	—	10.4
TSF	2.8	8.4	11.2
Roads	5.7	3.0	8.7
Channels	6.2	6.4	12.6
Other (SWD)	4.1	0.4	4.5
Package #1	\$29.2	\$18.2	\$47.4

Package #2 – Open pit Mining and Stripping

The cost estimates are based on the optimized mine plan, which is based on the 2021 Feasibility Study, and the initial quotations received from interested contractors on a “Unit Cost” basis, that is the cost of drilling blasting and removing each cubic metre of rock a certain distance. The Company has not yet awarded the commercial contract for Package #2. The table below summarizes the estimated schedule and costs for Package #2.

	Fiscal 2026	Fiscal 2027	Total
	(\$ Million)	(\$ Million)	(\$ Million)
Package #2			
Stripping	5.5	24.0	29.5
Ore Mining	—	0.1	0.1
Other	1.5	7.9	9.4
Package #2 – Open pit Mining and Stripping	\$7.0	\$32.0	\$39.0

The Joint Venture expects to commence stripping of the open pit in August 2025, and a total of 5.4 million cubic metres of sediments and waste rocks will be stripped among this 3.5 million cubic metres of non-acid generation (NAG) waste rocks will be stripped and used to build the starter dam and Stage 2 dam of the TSF, and 43,000 tonnes of ore to be produced by the end of 2026. With this stripping of waste rocks, ore in pit, ready to be mined, is expected to be 550,000 cubic metres to support three years of ore production.

Package #3 - Processing Plant Construction and Equipment

The Company has engaged Jinpeng to complete the detailed engineering design of the processing plant based on the 2021 Feasibility Study. Jinpeng is also finalizing the detailed flowsheet, equipment selection and cost estimates for the processing plant construction and equipment. The improvements from the design of the 2021 Feasibility Study are to build a steel-framed building to cover run of ore to avoid tropical storm leaching, and to cover all equipment and operational facilities with steel-framed building. The cost estimates are based on the engineering design, initial bidding price for major equipment from international vendors, market prices for minor equipment in China plus shipping cost, current construction cost in Ecuador.

	Fiscal 2026	Fiscal 2027	Total
	(\$ Million)	(\$ Million)	(\$ Million)
Package #3			
Run of Mine Platform/Shack + Crushing	1.4	0.8	2.2
Grinding and Cyclone Facilities	2.1	3.2	5.3
Flotation Workshop Facilities	3.3	5.3	8.6
Concentrate/Tailings Dewatering Facility	1.4	2.1	3.5
Process Water Supply/TSF Water Reclaim System	1.0	1.6	2.6
Laboratory /Maintenance/Electrical/Automation	1.9	2.5	4.4
General Layout Engineering	0.5	0.7	1.2
Other	2.4	2.8	5.2
Package #3 – Processing plant construction and equipment	\$14.0	\$19.0	\$33.0

The total cost for the processing plant and equipment is estimated at \$33.0 million. The major equipment bid process and ordering are expected to be completed by the end of May 2025. Construction of the main plant and auxiliary facilities are expected to commence in September 2025, with major equipment installation expected to commence in May 2026. The Joint Venture expects to complete construction and equipment installation by November 2026, with commissioning of the process plant occurring in December 2026.

Power line construction and Stand-by Diesel Power Generators

The Joint Venture is currently updating the engineering work for the power line construction and is in the process of selecting contractors to construct the power line. The construction of the power line is expected to be initiated in May 2025 and completed in 13-17 months. The Joint Venture has also sourced diesel power generators as standby and emergency power to satisfy Ecuador market conditions. The standby diesel generators are expected to be in operation before completion of the process plant.

Cost estimates comparison

Compared to the cost estimate of \$247.6 million in the 2021 Feasibility Study, differences are:

- Direct costs reduced by \$32.6 million to \$159.4 million from \$192 million, due to savings by employing a Unit Cost contract and detailed engineering
- VAT reduced by \$5.9 million to \$19.1 million from \$25 million due to reduction of direct costs; offset by
- Contingency increased by \$9.9 million to \$31.9 million from \$22.0 million; and,
- Owner's costs and burn rates increased by \$20.0 million to \$30.0 million from \$10 million.

Guoliang Ma, P. Geo., Manager of Exploration and Resource of Silvercorp, is the Qualified Person for the Joint Venture and for the purposes of *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* ("NI 43-101") and has reviewed and approved the technical information contained in this news release.

About Salazar

Salazar Resources Limited is focused on creating value and positive change through discovery, exploration, and development in Ecuador. The team has an unrivalled understanding of the geology in-country and has played an integral role in the discovery of many of the major projects in Ecuador, including the two newest operating gold and copper mines. Salazar Resources has a wholly owned pipeline of copper-gold exploration projects across Ecuador with a strategy to make another commercial discovery and farm-out non-core assets. The Company actively engages with Ecuadorian communities and together with the Salazar family it co-founded The Salazar Foundation, an independent non-profit organization dedicated to sustainable progress through economic development. At its maiden discovery, Curipamba, Salazar Resources has a 25% stake fully carried through to production. The Company is in process of acquiring 100% of two copper-gold porphyry projects, Pijili and Santiago. For further information from Salazar Resources, please contact Nick DeMare, Director, at ndemare@chasemgt.com or at 604-685-9316. Please also visit the Salazar Resources website at www.salazarresources.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Forward-looking Statements

This news release includes certain "forward-looking information" ("forward-looking statements") within the meaning of applicable Canadian securities legislation, including: the consummation and timing of the Transaction; and the anticipated benefits of the Transaction to Salazar and its shareholders.

All statements in this news release that address events or developments that we expect to occur in the future are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as "expect", "plan", "anticipate", "estimate", "intend" or "believe" and similar expressions or their negative connotations, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made.

Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond Salazar's control, including risks associated with or related to: the risks of not achieving all or any of the anticipated benefits of the proposed Transaction, or the risk that the anticipated benefits of the proposed Transaction may not be fully realized or take longer to realize than expected; the occurrence of any event, change or other circumstances that could give rise to the termination of the agreement between Silvercorp and Adventus; the risk that the proposed Transaction will not be consummated within the expected time period, or at all; the volatility of metal prices and Salazar's common shares; changes in tax laws; the dangers inherent in exploration, development and mining activities; the ability to obtain and maintain any necessary permits, consents or authorizations required for mining activities; environmental regulations or hazards and compliance with complex regulations associated with mining activities; the availability of financing; operations in Ecuador and the compliance with Ecuadorian laws, including risks related to changes in such laws and changing policies related to mining and local ownership requirements or resource nationalization generally; remote operations and the availability of adequate infrastructure; fluctuations in price and availability of energy and other inputs necessary for mining operations; shortages or cost increases in necessary equipment, supplies and labour; regulatory, political and country risks, including local instability or acts of terrorism and the effects thereof; the reliance upon contractors, third parties and joint venture partners; challenges to title or surface rights; the dependence on key personnel and the ability to attract and retain skilled personnel; the risk of an uninsurable or uninsured loss; adverse climate and weather conditions; litigation risk; community support for Salazar's operations, including risks related to strikes and the halting of such operations from time to time; conflicts with small scale miners; as well as other factors identified and as described in more detail in Salazar's filings with Canadian securities regulators, which may be viewed at www.sedarplus.ca.

Salazar's forward-looking statements are based on the applicable assumptions and factors management considers reasonable as of the date hereof, based on the information available to management at such time. These assumptions and factors include, but are not limited to, assumptions and factors related to: Silvercorp and Adventus's ability to achieve timely satisfaction of conditions precedent to the Transaction; development and exploration activities; the timing, extent, duration and economic viability of such operations, including any mineral resources or reserves identified thereby; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the availability and cost of inputs; the price and market for outputs; foreign exchange rates; taxation levels; the timely receipt of necessary approvals or permits; the ability to meet current and future obligations; the ability to obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions; and other assumptions and factors generally associated with the mining industry.

Salazar's forward-looking statements are based on the opinions and estimates of management and reflect their current expectations regarding future events and operating performance and speak only as of the date hereof. Salazar does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable law. There can be no assurance that forward-looking statements will prove to be accurate, and actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits or liabilities Salazar will derive therefrom. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.